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Post Hearing Information Pack of

CiDi Inc.
希迪智駕科技股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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CiDi Inc.
希迪智駕科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by our Company before making their investment decisions.

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(i)]

[REDACTED]

EXPECTED TIMETABLE[(i)]

[REDACTED]

EXPECTED TIMETABLE[(i)]

[REDACTED]

EXPECTED TIMETABLE[(i)]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the **[REDACTED]**. *In particular, we are a specialist technology company seeking to* **[REDACTED]** *on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred operating loss since our inception, and we may incur adjusted net loss (Non-IFRS measure) and operating loss for the foreseeable future. We had negative net cash flow generated from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations.*

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

OVERVIEW

We are a provider of intelligent driving products and solutions for commercial vehicles in China. We focus on the research and development of closed-environment autonomous driving trucks for mining and logistics, V2X (vehicle-to-everything) technologies and intelligent perception solutions, and offer products and solutions underpinned by proprietary technologies, with a primary focus on intelligent driving in closed environments during the Track Record Period. According to CIC:

- We ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%.
- We delivered 56 autonomous mining trucks for a mining site in China (including Hong Kong, Macau and Taiwan) in mixed traffic with ~500 manned trucks, the world's largest mixed-operation mining fleet[(1)] as of the Latest Practicable Date.
- We delivered the first fully driverless electric mining fleet in China (including Hong Kong, Macau and Taiwan).
- We ranked third in China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution market in terms of revenue in 2024.
- We are among the first intelligent driving companies in China (including Hong Kong, Macau and Taiwan) to launch commercial V2X products.
- Our train autonomous perception system (TAPS) is the only product in China (including Hong Kong, Macau and Taiwan) capable of independent safety perception[(2)] for trains.

Notes:

(1) "Autonomous mining trucks" refers to autonomous driving trucks designed for mining operations. "Mixed-operation" refers to scenarios involving both manned and unmanned mining trucks.

(2) Without relying on existing railway signaling systems or additional track-side devices.

Drawing upon innovative methodology technology capabilities, we developed products and solutions encompassing (i) autonomous driving technologies, delivering autonomous mining trucks and offering autonomous logistics truck solutions in closed environments; (ii) V2X products and solutions for intelligent transportation and smart cities; and (iii) intelligent perception solutions, for rail transit and commercial vehicles.

Our pioneering closed-environment autonomous mining truck solution, METAMINE, automates labor-intensive mining operations by integrating our proprietary algorithms with widely-used intelligent driving hardware for commercial vehicles, enabling autonomous operation and remote monitoring of driverless mining trucks. A challenging but critical process in autonomous mining is deploying driverless mining trucks alongside existing human-driven vehicles at mining sites, as it is costly and often impractical to transition to fully autonomous mining operations within a short timeframe. Leveraging proprietary fleet management and coordination technology, we delivered the world's largest driverless mining fleet operating with manned vehicles, according to CIC. Our driverless mining trucks also significantly boosted mining efficiency to 104% of that of human-driven mining trucks[(1)], as certified by the National Institute of Metrology of China (NIM)[(2)] in 2022.

Our business strategy and innovative technological prowess made us a market innovator in mass commercialization. Our initial focus on core intelligent driving functions for commercial vehicles fortified our competitive edge. Subsequently, we expanded and tailored our offerings to cater to more diverse and sophisticated demands, delivering unique value to customers across sectors and forming close collaborations with strategic partners, such as leading automotive OEMs, machinery manufacturers and energy companies. Our loyal customer base further solidifies our technological leadership and brand influence. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems, and received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems.

Notes:

(1) The efficiency test compared nine of our driverless mining trucks to nine human-driven trucks (with drivers working 8-hour shifts), all operating for 16 hours daily under otherwise the same conditions.

(2) The National Institute of Metrology, affiliated with the State Administration for Market Regulation, is China's highest-level research institute in measurement science and the national statutory authority in the field of metrology.

Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. Our gross profit increased from RMB26.8 million in 2023 to RMB101.4 million in 2024. Our gross profit increased by 57.1% from RMB44.4 million in the six months ended June 30, 2024 to RMB69.7 million in the six months ended June 30, 2025.

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	27,998	90.2	74,418	56.1	254,887	62.1	156,043	60.4	378,364	92.7
Closed-environment autonomous mining trucks products and solutions	27,187	87.6	64,132	48.3	246,635	60.1	152,456	59.0	375,820	92.1
Closed-environment autonomous logistics trucks solution	811	2.6	10,286	7.8	8,252	2.0	3,587	1.4	2,544	0.6
V2X products and solutions	3,058	9.8	36,812	27.8	101,591	24.8	74,237	28.7	9,179	2.3
Intelligent perception	—	—	21,374	16.1	53,557	13.1	28,181	10.9	20,493	5.0
Total	**31,056**	**100.0**	**132,604**	**100.0**	**410,035**	**100.0**	**258,461**	**100.0**	**408,036**	**100.0**

During the Track Record Period, our revenue growth was driven by increased revenue from sales of closed-environment autonomous driving solutions, mainly due to higher sales volumes and an expanded customer base in our closed-environment autonomous mining truck solution.

Our revenue from V2X products and solutions decreased from RMB74.2 million in the six months ended June 30, 2024 to RMB9.2 million in the same period of 2025, primarily because (i) the prior period recorded revenue from a national-level V2X pilot zones project, the Chongqing V2X Project, which contributed a substantial share of revenue and did not recur in the same period of 2025, and (ii) uncertainty regarding the implementation of industry policies and standards, which affected potential customers' procurement decisions and led to temporary softening of market demand. Our revenue from intelligent perception solutions decreased from RMB28.2 million in the six months ended June 30, 2024 to RMB20.5 million in the same period of 2025,

primarily because we did not record revenue from sales of our TAPS in the six months ended June 30, 2025, mainly due to temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

See "Financial Information — Period-to-Period Comparison of Results of Operations."

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

We recorded gross loss of RMB6.0 million in 2022 and gross profit of RMB26.8 million, RMB101.4 million, RMB44.4 million and RMB69.7 million, in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our gross margin was -19.3%, 20.2%, 24.7% 17.2% and 17.1% in 2022, 2023, 2024, in the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by products and solutions for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	(7,019)	(25.1)	14,526	19.5	58,887	23.1	25,139	16.1	58,978	15.6
Closed-environment autonomous mining products and solutions	(6,181)	(22.7)	12,194	19.0	54,813	22.2	21,856	14.3	58,259	15.5
Closed-environment autonomous logistics truck solution	(838)	(103.3)	2,332	22.7	4,074	49.4	3,283	91.5	719	28.3
V2X	1,024	33.5	6,534	17.7	16,889	16.6	5,726	7.7	2,116	23.1
Intelligent perception	—	—	5,763	27.0	25,664	47.9	13,514	48.0	8,614	42.0
Total	**(5,995)**	**(19.3)**	**26,823**	**20.2**	**101,440**	**24.7**	**44,379**	**17.2**	**69,708**	**17.1**

We recorded gross loss of RMB6.0 million and gross loss margin of 19.3% in 2022, mainly attributable to (i) the gross loss in the Jurong Project, our first large-scale implementation of an autonomous mining project with sophisticated requirements and significant manpower investment, which incurred a gross loss in 2022 because we adopted competitive pricing to secure market entry, and (ii) the gross loss in autonomous logistics truck solution as the gross margin of such business was vulnerable to the gross loss of certain individual project in 2022 due to the relatively

limited business scale at initial commercialization stage. Our gross profit margin increased from 20.2% in 2023 to 24.7% in 2024, as a result of (i) the gross profit margin improvements in autonomous driving and (ii) the commencement of intelligent perception, which has recorded significantly higher gross profit margin since 2023.

Our gross profit margin remained relatively stable at 17.2% in the six months ended June 30, 2024 and 17.1% in the six months ended June 30, 2025. Our gross profit margin for autonomous driving remained relatively stable at 16.1% and 15.6%, respectively, in the six months ended June 30, 2024 and 2025. Our closed-environment autonomous logistics truck solution had a relatively high gross profit margin in the six months ended June 30, 2024, primarily because the projects delivered in such period were predominantly based on technology and software services rather than hardware, resulting in a relatively higher margin, which did not occur in the same period of 2025. Our gross profit margin for V2X increased from 7.7% in the six months ended June 30, 2024 to 23.1% in the same period of 2025, primarily due to the relatively low gross profit margin from the Chongqing V2X project in the six months ended June 30, 2024, which did not occur in the same period in 2025. The gross margin for the six months ended June 30, 2024 and 2025 was more susceptible to individual project impacts due to relatively smaller revenue contributions compared to full-year operations. Our gross profit margin for intelligent perception solutions decreased from 48.0% in the six months ended June 30, 2024 to 42.0% in the same period of 2025, primarily due to changes in our solution mix, as we did not record revenue from sales of our TAPS, which carries a relatively higher gross margin, in the same period of 2025, mainly due to temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

See "Financial Information — Period-to-Period Comparison of Results of Operations."

OUR OFFERINGS

During the Track Record Period, we engaged in the sales of autonomous driving in closed environments, V2X and intelligent perception products and solutions, all of which fall within an acceptable sector of a Specialist Technology Industry, including Electric and Autonomous Vehicles and Advanced Transportation Technology under Advanced Hardware and Software as defined under Chapter 18C of the Listing Rules. We adopted a transaction-based model for our products and solutions.

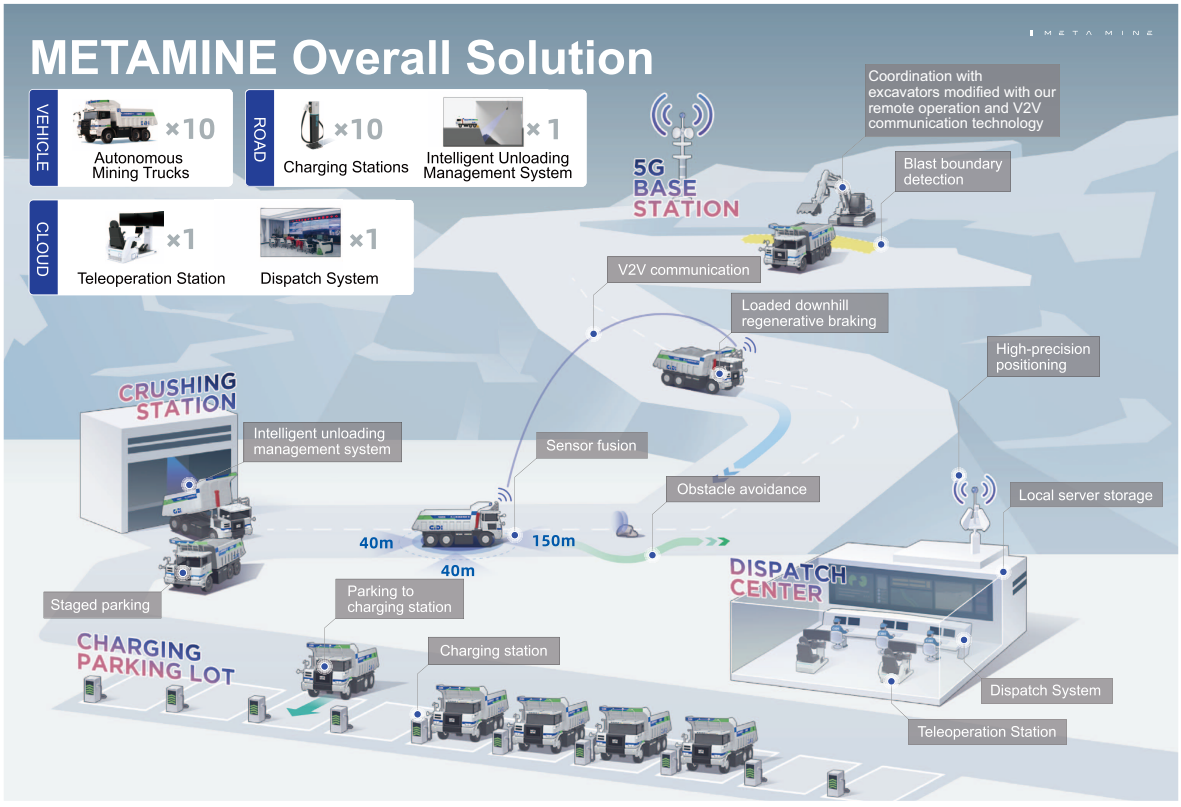
Autonomous Driving

Our autonomous driving solutions include (i) METAMINE solution and (ii) closed-environment autonomous logistics truck solution. Our revenue from autonomous driving solutions increased from RMB28.0 million in 2022 to RMB254.9 million in 2024. Our revenue from autonomous driving solutions significantly increased from RMB156.0 million in the six months ended June 30, 2024 to RMB378.4 million in the six months ended June 30, 2025.

METAMINE — Closed-environment Autonomous Mining Truck Solution

Our closed-environment autonomous mining truck solution, METAMINE, enables autonomous haulage and logistics and remote controlled excavation in mining sites and aims to enable the remote operation of other mining processes such as drilling and blasting in the future.

Our METAMINE solution comprises (i) driverless mining trucks equipped with our proprietary autonomous truck system, realizing driverless loading, haulage and unloading processes for enhanced operational efficiency; (ii) fleet coordination module, managing loading, haulage and unloading processes in the mining area and facilitating efficient scheduling and collaboration among vehicles; (iii) central dispatch platform, enabling monitoring and coordination of the entire mining operation; and (iv) teleoperation station, enabling remote operation of excavators and other high-skill maneuvers.



Closed-environment Autonomous Logistics Truck Solution

Our Closed-environment autonomous logistics truck solution offers similar fundamental functionalities to our METAMINE solution such as autonomous vehicle control and decision-making as well as coordination and planning, while adapting to specific demands of logistics scenarios such as cargo handling requirements, navigating challenging conditions of industrial parks and adapting to mixed traffic scenarios with pedestrians and other vehicles.

V2X

Our V2X products and solutions for intelligent transportation integrate advanced perception technologies, sensor fusion algorithms, V2X communication capabilities and traffic optimization algorithms to exchange information between traffic participants (including pedestrians, non-motorized vehicles and connected vehicles) and roadside infrastructure at urban intersections or roads. Our products and solutions not only monitor vehicle speeds, trajectories and traffic conditions but also detect different kinds of traffic events, such as traffic accidents, illegal parking, wrong-way driving, slow-moving vehicles and traffic congestion.

By linking infrastructures within cities, our V2X solutions make intelligent predictions and decisions for both urban and highway traffic. They integrate vehicles, roadside infrastructures and cloud platforms to build robust network computing capabilities, thereby facilitating the advancement of intelligent transportation systems and smart cities. Our solutions enhance road safety and enable coordinated traffic perception, dynamic traffic light timing, traffic flow analysis and congestion alerts.

Intelligent Perception

Our intelligent perception solutions include (i) the train autonomous perception system and (ii) in-vehicle intelligent perception and safety management solution for commercial vehicles.

Train autonomous perception system (TAPS)

The rail transit industry has a need for trains to possess active perception capabilities. TAPS is a new generation of active safety system for trains, leveraging fusion perception technology to fully utilize the detection capabilities of LiDAR, cameras and mmWave radars, enabling train speed measurement, positioning and active obstacle detection capabilities.

In-vehicle intelligent perception and safety management solution

Leveraging high-performance intelligent connected devices, our in-vehicle intelligent perception and safety management solution for commercial vehicles reduces driving risks by delivering multi-dimensional visual data through a data analysis platform. Additionally, it offers oversight from pre-incident risk avoidance to post-incident response to enhance safety management standards by enabling data-driven fleet and risk management in commercial fleet operation scenarios.

Our Cooperation with Automotive OEMs

We possess the R&D capability to develop chassis for drive-by-wire-controlled vehicles, which can be seamlessly integrated with our independently developed intelligent driving system. Depending on project requirements (such as whether there are existing vehicle designs of automotive OEMs on the market that meet our standards for the specific project), we collaborate with automotive OEMs in three primary collaboration models:

- ***Collaboration model*** **①*:*** The OEMs provide the overall vehicle design while our focus is on the integration of intelligent driving technology. During the Track Record Period, all autonomous mining trucks we delivered utilized this collaboration model.

- ***Collaboration model*** **②*:*** We jointly formulate the overall vehicle design with the OEMs. We also provide the electrification system and software. The OEMs supply the unpowered chassis and structural components and are responsible for vehicle assembly. During the Track Record Period, we delivered three sets of electrification system and software under this collaboration model.

- ***Collaboration model*** **③*:*** We are responsible for the formulation of the overall vehicle design under this model. We also provide designs for specific structural parts and supply key components such as electrification systems, which include the electric motor, power battery, electronic control system, and chassis electrical systems. Our responsibilities also encompass commissioning, which includes functional tests and quality inspections. The OEMs primarily take charge of the vehicle assembly process. We adopted this collaboration model for our cabless autonomous mining trucks. As of the Latest Practicable Date, these trucks were in the testing phase while we engaged in pre-sales negotiations with our customers.

We are responsible for the design of intelligent driving technology, providing intelligent driving hardware and software, offering technical guidance and conducting vehicle testing under all three collaboration models.

SPECIALIST TECHNOLOGY INDUSTRIES

The table below sets out a summary for how each of our autonomous driving products and solutions and intelligent imaging solutions falls within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Products	Specialist Technology Industry Acceptable Sectors
Autonomous Driving	*Electric and autonomous vehicles*
V2X	*Advanced transportation technology*
	Electric and autonomous vehicles
TAPS	*Advanced transportation technology*
In-vehicle intelligent perception and safety management solution	*Electric and autonomous vehicles*

Our industry consultant, CIC, confirms and our Directors are of the view that based on the above, our Company meets the definition of a Specialist Technology Company under Chapter 18C of the Listing Rules.

COMMERCIALIZATION

We started to commercialize intelligent driving technology for commercial vehicles in closed environments in 2018, and were one of the earliest among industry peers in China (including Hong Kong, Macau and Taiwan) to do so, according to CIC. We began mass production of our V2X products and solutions in 2019 and implemented V2X projects in five out of seven national-level V2X pilot zones in China. We began mass production of our METAMINE and closed-environment autonomous logistics truck solutions in 2022. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers. We began mass production of our TAPS and in-vehicle intelligent perception and safety management solution in 2023 and delivered 80 units and 11,105 units, respectively, to customers as of June 30, 2025.

The following table illustrates the key commercialization timeline of our major products, reflecting our continuous application of advanced technologies:

Specialist Technology Products	Launch	Start of Revenue Generation	Mass Production
V2X products and solutions	March 2018	December 2018	2019
METAMINE	June 2020	September 2021	2022
Closed-environment autonomous logistics truck solution	February 2021	September 2021	2022
TAPS	March 2022	February 2023	2023

Specialist Technology Products	Launch	Start of Revenue Generation	Mass Production
In-vehicle intelligent perception and safety management solution .	October 2022	June 2023	2023

OUR STRENGTHS

We believe that the following strengths contribute to our current market position, ensuring our success and distinguishing us from our competitors:

- Innovative Product-driven Provider of Autonomous Commercial Vehicle Technology
- Pioneering R&D and Comprehensive Technological Prowess
- Proven Commercial Success in Domestic Markets with Global Outlook
- Evolving Ecosystem Built with Trusted Partners along Industry Value Chain
- Esteemed Management Fostering Homegrown Talent Pool with Product-Oriented Culture

OUR STRATEGIES

We plan to implement the following strategies to achieve our mission:

- Continually Invest in Intelligent Driving Technology and Enhance Product Competitiveness
- Expand Sales and Form Lasting Strategic Partnerships
- Expand Overseas Presence and Market Share
- Attract and Retain Top Talent Globally
- Selectively Engage in Investments, Mergers and Strategic Partnerships

RESEARCH AND DEVELOPMENT

Our R&D team's expertise spans across AI, computer science, robotics and vehicle engineering, among others, enabling interdisciplinary development and application. Leveraging comprehensive technological prowess, we developed proprietary algorithms, software, subsystems

and modules encompassing all aspects of intelligent driving, enabling us to develop industry-leading products and solutions to boost driverless mining efficiency to 104% of that of human-driven mining trucks certified by the NIM. As of June 30, 2025, we had a total of 249 R&D personnel, constituting 54.1% of our workforce. Our core R&D team members have an average of more than 15 years of experience in engineering, with domestic or overseas working experience in reputable technology companies. Our total research and development expenses during the Track Record Period amounted to RMB545.4 million. For details, see "Business — Research and Development."

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any instances of infringement of third parties' intellectual property rights. As of the Latest Practicable Date, we had 513 patent applications and 356 registered patents in the PRC, including 164 invention patents, 107 utility patents and 85 design patents. As of the same date, we also had 76 software copyrights and 267 registered trademarks in the PRC. In addition, we had 11 registered patents and seven trademarks overseas as of the Latest Practicable Date. For details, see "Business — Intellectual Property Rights."

CUSTOMERS AND SUPPLIERS

We adopt a direct sales model and sometimes may be requested to provide customers with various forms of financial assistance in relation to such sales. Our major customers include mine owners and operators, government entities and universities, commercial vehicle manufacturers, and other corporate customers. Revenue generated from our largest customer of each of the year/period during the Track Record Period for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 78.4%, 31.2%, 37.4% and 46.7%, respectively, of our revenue during those periods. Revenue generated from our five largest customers of each of the year/period during the Track Record Period for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 96.7%, 64.1%, 80.0% and 94.1%, respectively, of our revenue during those periods.

We sometimes may partner with financial leasing companies to offer alternative financing solutions to customers who require assistance with their capital needs. See "Business — Customers — Finance Lease Arrangements."

Our major suppliers primarily include technology and machinery companies during the Track Record Period. Charges from our largest supplier of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024

and the six months ended June 30, 2025 accounted for 18.0%, 32.9%, 44.3% and 45.0%, respectively, of our total purchase amount during those periods. Charges from our five largest suppliers of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 35.6%, 47.9%, 59.2% and 84.1%, respectively, of our total purchase amount during those periods. The increase in charges from our largest supplier and five largest suppliers of each of the year/period during the Track Record Period for our key business operations during the Track Record Period was in line with the development of our intelligent driving business. Suppliers of mining trucks, including our largest supplier of each of the year/period during the Track Record Period, represented the largest proportion of our total purchase amount among our top five suppliers of each of the year/period during the Track Record Period. The growth in the revenue contribution from our autonomous mining products and solutions reflected our expansion of this business segment, which led to a corresponding increase in purchases from these suppliers.

Transactions with Customer K

Founded in 2021 and registered in Anhui, Customer K primarily provides engineering technical services and engages in the design and execution of construction projects. As a contractor for a mining project, Customer K procured our products for its mining operations.

In 2023, we provided our METAMINE solution to Customer K for an autonomous mining project at a large coal mine in Northwest China, with a contract value of RMB175.4 million (inclusive of tax). We made a deposit payment of RMB15.2 million, as required by the customer, to demonstrate our capability to fulfill contract obligations. The payment aligns with existing commercial practice in the industry, according to CIC. In 2024, we recorded revenue of RMB152.3 million for the project. See "Business — Our Offerings — Our Major Projects." As Customer K purchased our solution through a finance lease arrangement, the financial leasing company required us to provide a guarantee of RMB70.0 million for the debt owed by Customer K. Consequently, our maximum financial exposure from this finance lease arrangement as of June 30, 2025 was RMB70.0 million. See "Business — Customers — Finance Lease Arrangements."

Additionally, pursuant to the mine owner's requirement for prompt commencement of operations due to the significant demand for mining and waste transportation, we extended loans to Customer K in 2023 and 2024 for the procurement of auxiliary equipment necessary for transportation operations, considering it set the record for (i) the world's largest driverless mining fleet operating with manned vehicles, and (ii) the world's largest mixed-operation mining fleet, as of the Latest Practicable Date, according to CIC. According to CIC, due to the substantial equipment and transportation requirements of large-scale mining projects, there were incidences for suppliers to provide financial support to mine operators to facilitate project execution. The total principal amount of the loans, as well as our maximum financial exposure as of June 30,

2025, amounted to RMB12.4 million. Due to the adverse effect of extreme rainfall since June 2024 on safe production conditions at the mining site, the operation of the project was temporarily suspended. Under these exceptional circumstances, we and Customer K entered into a supplementary agreement in August 2024, pursuant to which the principal amount will be repayable in December 2025, with interest. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion." During the Track Record Period, we did not have any similar loan arrangements with other customers. In furtherance of our cooperation with Customer K, we provided auxiliary infrastructure and recorded revenue of RMB1.1 million for the sales in 2024.

As informed by the financial leasing company, since July 23, 2025, Customer K has been in default with respect to certain payment obligations under its finance lease agreement with the financial leasing company. To the best of our knowledge, Customer K's default primarily resulted from Customer K's client being responsible for obtaining the necessary approvals for the new mining faces, which had not been secured as of the Latest Practicable Date. Consequently, Customer K was unable to commence mining on the new faces as initially planned and did not achieve the expected business volume, thereby resulting in some liquidity pressure. As of the Latest Practicable Date, the operation and production of Customer K's autonomous mining project on its existing mining faces continued.

The lessor asserted the corresponding liability to us on a monthly basis from July 2025. According to the finance lease arrangements, Customer K is obligated to make monthly payments to the lessor starting from April 2024. As informed by the lessor, Customer K has paid 15 finance lease installments to the lessor, starting with the first installment in April 2024 as stipulated in the contract, and continuing through June 2025. As of the Latest Practicable Date, we have fulfilled our guarantee obligations for the months of July to September in 2025 with payments of RMB14.4 million in total, as required by the lessor and we had outstanding guarantee obligations amounting to RMB55.6 million that have not yet been fulfilled. We may be required to assume such obligations on a continuing monthly basis over the next twelve months. However, the specific payment schedule is beyond our control and will be determined in accordance with the lessor's collection arrangements. The specific circumstances will depend on the financial condition of Customer K, the operational performance of its projects, and the results of subsequent discussions with the lessor. As of the Latest Practicable Date, Customer K did not make any payment to us. We are also actively pursuing collection from Customer K and have issued a demand letter, while continuing to engage with the Customer K to seek the resolution of the outstanding balance.

As of June 30, 2025, the amount of impairment losses made in respect of transactions with Customer K was RMB70.6 million, representing an impairment ratio of 71.8% for the financial guarantee contract liabilities and other receivables arising from Customer K. As of June 30, 2025, we have not recognized a full impairment loss in respect of the other receivables and financial

guarantee contract exposure related to Customer K. This is primarily because, as of the Latest Practicable Date, the operation and production of Customer K's autonomous mining project on its existing mining faces continued. Furthermore, as Customer K is not subject to any bankruptcy or insolvency proceedings, we do not assess its current default to be permanent. Therefore, we consider that there is recoverable value in this exposure, and we have not made a full provision for impairment loss and we consider the provision for impairment for other receivables and financial guarantees related to Customer K to be sufficient. See "Business — Customers — Major Customers — Transactions with Customer K."

Given that (i) as of June 30, 2025, we have recognized relevant impairment losses to reflect the relevant risk, (ii) we maintain sufficient liquidity reserves for ongoing operations, and (iii) our business model and revenue streams are diversified across multiple customers and projects, and we are also actively working to diversify our customer base further, reducing reliance on any single customer, we believe the aforementioned default does not have a material adverse impact on our business, financial condition, results of operations or liquidity. Meanwhile, apart from the aforementioned agreements, including the sales agreement, the deposit agreement, the loan agreement and finance guarantee agreement, we have no other contractual arrangements with Customer K. Accordingly, we do not expect that we will be subject to any additional legal or financial liabilities in connection with the sales to Customer K.

COMPETITIVE LANDSCAPE

China (including Hong Kong, Macau and Taiwan)'s commercial vehicle intelligent driving market is relatively fragmented. Intelligent driving commercial vehicles have been deployed in various scenarios, which can be categorized into three main types: urban roads, intercity roads and closed environments. Urban roads are characterized by high traffic density and more unpredictable road conditions, which makes intelligent driving in urban roads demand more advanced perception technologies and sophisticated algorithms capable of handling these unstructured scenarios. At the same time, regulatory frameworks in urban settings are typically fragmented due to the involvement of multiple stakeholders. The deployment of intelligent driving on intercity roads is relatively more viable, owing to more structured traffic conditions, higher yet more predictable vehicle speeds and limited interactions with minimal involvement of pedestrians or complex intersections. Although regulatory constraints on vehicle automation levels still persist, the higher degree of scenario standardization has facilitated consistent policy support, with large-scale pilot programs and commercial rollouts in intercity logistics steadily progressing. Closed environments are among the most promising scenarios for the early development of intelligent driving. Closed environments offer clearly defined operational boundaries, planned routes, simplified traffic conditions and a high degree of environmental controllability, all of which contribute to greater

intelligent driving solutions stability and ultimately improved operational efficiency. The regulatory landscape in closed environments is supportive of intelligent driving technologies, providing a favorable policy environment for future deployment.

We primarily compete with existing companies and new entrants in the autonomous mining in closed environments, V2X and intelligent perception sectors. As intelligent driving remains in the early stages of commercialization across various application scenarios, most market players are focused on deepening their capabilities within their respective domains. Although closed environments are ideal for the early testing and deployment of intelligent driving technology, transitioning to the commercial vehicle intelligent driving market presents significant challenges for companies originally focused on passenger vehicles. Commercial vehicle intelligent driving requires more advanced sensor strategies, stricter motion control validation, and robust reliability under harsh operating conditions. See "Industry Overview." Although we believe that we have market-leading technology, we may face competition from a range of companies which may possess more resources and skills in design, development, manufacturing and sales. See "Risk Factors — Risks Relating to Our General Operations — The industries that we operate in are highly competitive. If we fail to compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected."

According to CIC, we ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%. We were the third largest autonomous mining technology company in China (including Hong Kong, Macau and Taiwan) in terms of revenue in 2024. Our market share in the autonomous mining truck solution market in terms of revenue was 12.9% in 2024.

We believe that we are strategically well-positioned in our market, and we compete favorably with others based on our comprehensive technological prowess, advanced in-house R&D capabilities, strong ecosystem partnerships and commercialization capabilities to attract and retain customers and expand our market share.

See "Industry Overview" for details.

RISK FACTORS

Our business and the **[REDACTED]** involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following:

- If we are unable to develop new products and solutions that adapt to changing market demand and customer needs in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

- We have been and intend to continue investing significantly in R&D, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

- Intelligent driving is an emerging technology, and we face significant technical challenges to develop and commercialize our technology.

- We have a limited track record in commercialization in a new and rapidly evolving industry and there can be no assurance that our sales and marketing efforts will succeed.

- Dependency on third-party suppliers to manufacture, assemble and test our products reduces our control over product quantity and quality, and could harm our business.

- We may not be able to obtain or maintain adequate intellectual property rights protection for our product and solution, or the scope of such intellectual property rights protection may not be sufficiently broad.

- We may not be able to obtain additional capital when desired, on favorable terms or at all.

- The industries that we operate in are highly competitive and concentrated. In particular, China's autonomous mining truck solution market is highly concentrated, with top five players accounting for 97% of the market share in terms of revenue in 2024. If we fail to compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected.

- We may be subject to risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

See "Risk Factors" for details.

OUR CONTROLLING SHAREHOLDERS

Prof. Li is entitled to exercise 43.64% of the voting rights in our Company as of the Latest Practicable Date and **[REDACTED]**% of the voting rights in our Company immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) through its direct or indirect interests in NovoDriv HK, NovoDriv Limited, Changsha Gangwan, Dongguan Intelligence, CWB Startup HK, Clear Water Bay Startup Fund GP, Clear Water Bay Startup Fund LP, Changsha Shengyu and Dongguan Yunhe. Accordingly, Prof. Li, NovoDriv HK, NovoDriv Limited, Changsha Gangwan, Dongguan Intelligence, CWB Startup HK, Clear Water Bay Startup Fund GP, Clear Water Bay Startup Fund LP, Changsha Shengyu and Dongguan Yunhe constitute a group of Controlling Shareholders of the Company. For further details, see "Relationship with our Controlling Shareholders".

PRE-[REDACTED] INVESTMENTS

Since the inception of our Group and up to the Latest Practicable Date, we have conducted eight rounds of Pre-**[REDACTED]** Investments raising funds of approximately RMB1,492 million in total. Our Pre-**[REDACTED]** Investors (excluding CWB Startup HK and Changsha Shengyu) hold approximately 56.36% of the voting rights in our Company as of the Latest Practicable Date. In particular, we have received meaningful investment from Sophisticated Independent Investors (including our Pathfinder SIIs, HongShan, Xinding Capital and Legend Holdings), holding in aggregate approximately 26.04% in the voting rights of our Company as of the Latest Practicable Date. See "History and Corporate Structure — Pre-**[REDACTED]** Investments" for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountant's Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth selected items from our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentage)									
							(unaudited)			
Revenue	31,056	100.0	132,604	100.0	410,035	100.0	258,461	100.0	408,036	100.0
Cost of sales	(37,051)	(119.3)	(105,781)	(79.8)	(308,595)	(75.3)	(214,082)	(82.8)	(338,328)	(82.9)
Gross profit/(loss)	**(5,995)**	**(19.3)**	**26,823**	**20.2**	**101,440**	**24.7**	**44,379**	**17.2**	**69,708**	**17.1**
Other income	7,406	23.8	11,199	8.4	7,455	1.8	5,798	2.2	861	0.2
Other gains/(losses), net	115	0.4	801	0.6	(19)	(0.0)	(102)	0.0	401	0.1
Impairment losses	(5,092)	(16.4)	3,589	2.7	(29,038)	(7.1)	(5,280)	(2.0)	(84,280)	(20.7)
Selling expenses	(23,148)	(74.5)	(31,404)	(23.7)	(64,439)	(15.7)	(23,611)	(9.1)	(44,288)	(10.9)
General and administrative expenses	(68,969)	(222.1)	(97,827)	(73.8)	(300,721)	(73.3)	(56,070)	(21.7)	(199,678)	(48.9)
Research and development expenses	(110,507)	(355.8)	(90,396)	(68.2)	(193,181)	(47.1)	(35,339)	(13.7)	(151,317)	(37.1)
Finance costs — net	(96,684)	(311.3)	(112,921)	(85.2)	(130,653)	(31.9)	(63,246)	(24.5)	(71,252)	(17.5)
Loss before income tax	**(302,874)**	**(975.3)**	**(290,136)**	**(218.8)**	**(609,156)**	**(148.6)**	**(133,471)**	**(51.6)**	**(479,845)**	**(117.6)**
Income tax credit	39,877	128.4	35,057	26.4	28,312	6.9	10,904	4.2	24,759	6.1
Loss for the year/period	**(262,997)**	**(846.8)**	**(255,079)**	**(192.4)**	**(580,844)**	**(141.7)**	**(122,567)**	**(47.4)**	**(455,086)**	**(111.5)**

Non-IFRS Financial Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also 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 this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measure that we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (Non-IFRS Measure) for the year/period as net loss for the year/period adjusted by adding back (i) share-based payments, (ii) financial cost on financial instruments with preferred rights at amortized cost, and (iii) **[REDACTED]** expenses. The following table reconciles our adjusted net loss (Non-IFRS Measure) for the year/period presented in accordance with IFRS, which is net loss for the periods:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Net loss for the year/period	(262,997)	(255,079)	(580,844)	(122,567)	(455,086)
Add:					
— Share-based payments[(1)]	—	—	313,500	—	266,822
— Financial cost on financial instruments with preferred rights at amortized cost[(2)]	104,136	117,528	128,593	63,119	67,923
— **[REDACTED]** expenses[(3)]	—	—	11,896	—	9,379
Adjusted net loss (Non-IFRS Measure) for the year/period	**(158,861)**	**(137,551)**	**(126,855)**	**(59,448)**	**(110,962)**

Notes:

(1) Share-based payments relate to the non-cash employee benefit expenses incurred in connection with our award to management and key employees.

(2) Financial cost on financial instruments with preferred rights at amortized cost was in relation to financial instruments with preferred rights in connection with our issuance of ordinary shares to pre-**[REDACTED]** investors that conferred the redemption rights. The financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs. The financial cost on financial instruments with preferred rights at amortized cost is considered a non-cash item. The financial instruments with preferred rights at amortized cost will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon **[REDACTED]**.

(3) **[REDACTED]** expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**.

Our gross margins have shown consistent improvement from 2022 to 2024, and remained relatively stable at 17.2% and 17.1% in the six months ended June 30, 2024 and 2025, respectively. We recorded a gross loss in 2022, primarily due to the gross loss in the Jurong Project, our first large-scale implementation of an autonomous mining project with sophisticated

requirements and significant manpower investment, which incurred a gross loss in 2022 because we adopted competitive pricing to secure market entry. See "Financial Information — Period-to-Period Comparison of Results of Operations."

We had a net loss of RMB263.0 million, RMB255.1 million, RMB580.8 million, RMB122.6 million and RMB455.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, primarily due to (i) our continuous investment in research and development, (ii) continuous increase in net finance costs mainly resulting from financial cost on financial instruments with preferred rights at amortized cost in relation to our Pre-**[REDACTED]** investments, and (iii) share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024, which amounted to RMB313.5 million in 2024 and RMB266.8 million for the six months ended June 30, 2025. Apart from the three reasons mentioned above, the increase in our net loss from RMB122.6 million in the six months ended June 30, 2024 to RMB455.1 million in the same period of 2025 is also attributable to higher impairment losses, primarily from (i) impairment losses of RMB56.9 million[(1)] related to financial guarantee contract liabilities and other receivables arising from Customer K's default under its finance lease agreement, and (ii) impairment losses of RMB26.2 million related to trade and notes receivables, mainly due to (a) revenue growth, which led to an increase in trade and notes receivable balances, and (b) the aging of trade receivables from Customer L, which resulted in an impairment loss of RMB5.8 million. Correspondingly, our adjusted net loss (Non-IFRS Measure) increased from RMB59.4 million in the six months ended June 30, 2024 to RMB111.0 million in the same period of 2025. See "Business — Customers — Major Customers — Transactions with Customer K" and "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Trade and Notes Receivables, Current Portion" for further details.

Note:

(1) The impairment losses of RMB56.9 million arising from Customer K are higher than our total impairment amount recognized for financial guarantee contract liabilities and other receivables in the six months ended June 30, 2025, primarily because certain impairment losses were partially reversed.

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected items from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Current assets				
Inventories	123,465	174,227	96,544	170,521
Trade and notes receivables	30,772	58,680	137,360	417,946
Prepayments and other receivables	56,082	90,426	117,920	160,724
Contract assets	2,887	9,834	12,251	20,286
Financial assets at fair value through profit or loss ("**FVTPL**")	30,130	—	10,005	—
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	395	9,799	290	18,543
Income tax recoverable	3	458	454	498
Restricted bank deposits	27,806	27,819	10,481	22,105
Term deposits	—	147,411	5,328	5,402
Cash and cash equivalents	381,678	234,663	306,402	186,225
Total current assets	**653,218**	**753,317**	**697,035**	**1,002,250**
Current liabilities				
Trade and notes payables	41,530	70,689	63,299	377,708
Contract liabilities	46,757	86,124	42,011	49,314
Borrowings	44,606	123,834	153,842	230,884
Lease liabilities	4,566	2,980	3,661	5,937
Other payables and accruals	76,728	106,465	101,707	133,831
Income tax payables	—	9	2	—
Provision	1,938	4,743	17,735	35,217
Financial instruments with preferred rights at amortised cost	—	—	—	1,962,541
Total current liabilities	**216,125**	**394,844**	**382,257**	**2,795,432**
Net current assets/(liabilities)	**437,093**	**358,473**	**314,778**	**(1,793,182)**

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	331,756	332,792	309,612	297,313
Right-of-use assets	44,497	42,683	41,093	43,020
Intangible assets	2,575	2,292	1,756	1,942
Deferred tax assets	117,252	152,318	180,653	205,423
Prepayments and other receivables	3,881	17,486	10,542	11,230
Term deposits	190,101	5,177	—	—
Trade receivables	—	—	—	39,880
Financial assets at FVTPL	525	2,116	2,541	3,398
Total non-current assets	**690,587**	**554,864**	**546,197**	**602,206**
Non-current liabilities				
Financial instruments with preferred rights at amortized cost	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities	**1,729,597**	**1,770,333**	**1,978,850**	**115,231**
Net liabilities	**601,917**	**856,996**	**1,117,875**	**1,306,207**

Our net liabilities increased from RMB601.9 million as of December 31, 2022 to RMB857.0 million as of December 31, 2023, primarily due to (i) loss for the year of RMB255.1 million in 2023, and (ii) the effect of financial instruments with preferred rights at amortized cost of RMB24.0 million in 2023, partially offset by the capital contributions from the equity holders of the Company of RMB24.0 million. Our net liabilities increased from RMB857.0 million as of December 31, 2023 to RMB1,117.9 million as of December 31, 2024, primarily due to loss for the year of RMB580.8 million in 2024, partially offset by share-based payments of RMB313.5 million. Our net liabilities remained relatively stable at RMB1,117.9 million as of December 31, 2024 and RMB1,306.2 million as of June 30, 2025. We expect to turn into net asset position upon **[REDACTED]**, taking into account the re-designation of the financial instruments with preferred rights at amortized cost with carrying amount of RMB1,962.5 million as of June 30, 2025 from liabilities to equity as a result of the automatic conversion into ordinary Shares.

Our net current assets decreased by 18.0% from RMB437.1 million as of December 31, 2022 to RMB358.5 million as of December 31, 2023, primarily due to (i) a decrease in cash and cash equivalents, (ii) an increase in borrowings, and (iii) an increase in contract liabilities, partially offset by an increase in prepayments and other receivables. Our net current assets decreased by 12.2% from RMB358.5 million as of December 31, 2023 to RMB314.8 million as of December 31, 2024, primarily due to (i) a decrease in inventory, and (ii) an increase in borrowings, partially offset by (i) an increase in trade and notes receivables, (ii) an increase in cash and cash equivalents, and (iii) a decrease in contract liabilities. We recorded net current liabilities of RMB1,793.2 million as of June 30, 2025 compared with net current assets of RMB314.8 million as

of December 31, 2024, primarily due to (i) the reclassification of financial instruments with preferred rights at amortised cost of RMB1,962.5 million from non-current liabilities to current liabilities in relation to our Series A financing to Series C+ financing, (ii) a decrease in cash and cash equivalents, and (iii) increases in trade and notes payables and borrowings, partially offset by an increase in trade and notes receivables. Our trade and notes receivables increased from RMB137.4 million as of December 31, 2024 to RMB417.9 million as of June 30, 2025, primarily due to (i) an increase in sales of autonomous mining products and solutions, mainly reflecting the concentrated revenue recognition from three large-scale autonomous mining truck projects involving Customers M, N and O in the second quarter of 2025, with trade receivables amounting to RMB151.0 million, RMB85.4 million, and RMB40.1 million, respectively, and (ii) the 24-month credit term and monthly installment payment arrangement with Customer M and Customer P. Our trade and notes payables significantly increased from RMB63.3 million as of December 31, 2024 to RMB377.7 million as of June 30, 2025, primarily due to (i) an increase in our procurement of mining trucks from Supplier F and L, with trade payable amounting to approximately RMB164.8 million and RMB98.9 million, respectively, as we expanded our business scale and supported the aforementioned three large-scale autonomous mining truck projects, (ii) the collection progress of receivables from these three projects as payments to suppliers are generally made after the corresponding customer payments have been received, and (iii) the 18-month credit term and monthly installment payment arrangement with Supplier L.

See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets" and "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments."

Selected Items from the Consolidated Statements of Cash Flow

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

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Net cash used in operating activities	(203,053)	(196,761)	(147,735)	(42,481)	(208,210)
Net cash generated from/(used in) investing activities	(302,384)	58,972	125,122	104,878	7,654
Net cash generated from/(used in) financing activities	386,326	(9,226)	94,325	34,919	80,401
Cash and cash equivalents at beginning of year/period	500,789	381,678	234,663	234,663	306,402
Cash and cash equivalents at end of year/period	**381,678**	**234,663**	**306,402**	**331,979**	**186,225**

We had net operating cash outflow of RMB203.1 million, RMB196.8 million, RMB147.7 million, RMB42.5 million and RMB208.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, primarily due to our losses before income tax as we incurred significant R&D expenses and general and administrative expenses. See "Financial Information — Liquidity and Capital Resources — Net Cash Flows Used in Operating Activities."

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of property, plant and equipment, (iii) purchase of intangible assets, (iv) repayment of lease liabilities, (v) interest paid on lease liabilities, and (vi) interest paid on bank borrowings. Our historical cash burn rate was RMB30.6 million, RMB20.1 million, RMB13.5 million and RMB36.2 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, mainly representing our investment in R&D activities. In 2021 and 2022, we recorded significant capital expenditure in purchase of property, plant and equipment, primarily due to the construction of our industrial park during these years, which was substantially completed by the end of 2022. The relatively higher cash burn rate in the six months ended June 30, 2025 was primarily attributable to (i) the comparatively lower cash burn rate in 2024, which mainly resulted from payments received in 2024 for the project carried out in collaboration with Customer K, and (ii) increased operating cash outflows driven by the expansion of our business scale, including the increase in inventories due to the increased number of ongoing orders and larger order sizes for autonomous mining products and solutions.

We had (i) cash and cash equivalents of RMB134.0 million, (ii) committed unutilized bank facilities of RMB345.0 million, and (iii) financial assets at FVTPL, term deposits and restricted bank deposits of RMB27.5 million as of September 30, 2025. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** in this document. Assuming that the average cash burn rate going forward will be similar to the cash burn rate level in the six months ended June 30, 2025, based on the underlying assumptions that (i) the number of our employees will not increase significantly, particularly in the R&D department, (ii) we do not expect substantial capital investment, and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our cash and cash equivalents, financial assets at FVTPL, term deposits, restricted bank deposits and committed unutilized bank facilities totaling RMB506.5 million as of September 30, 2025 will be able to maintain our financial viability for **[REDACTED]** months from September 30, 2025 to **[REDACTED]** or, if we take into account **[REDACTED]**% of the estimated net **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes) together with the foregoing liquidity resources totaling **[REDACTED]** million, **[REDACTED]** months from **[REDACTED]** to **[REDACTED]** or, if we also take into account the estimated net **[REDACTED]** from the **[REDACTED]** together with the foregoing liquidity resources totaling **[REDACTED]** million, **[REDACTED]** months from **[REDACTED]**

to **[REDACTED]**. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings.

Cash Conversion Cycle Analysis

Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days we take to convert our investments in inventory and other resources into cash flows from sales, was 933.0 days, 495.2 days, 188.2 days and 78.6 days in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade receivables turnover days, then subtracting trade payables turnover days.

Our cash conversion cycle has shown a significant improvement over the Track Record Period, decreasing from 933.0 days in 2022 to 78.6 days in the six months ended June 30, 2025. The improvement during the Track Record Period was primarily attributable to the fact that the decrease in our inventory turnover days and trade receivables turnover days far exceeded the decrease in trade payables turnover days, particularly the substantial decrease in inventory turnover days.

The improvement of cash conversion cycle reflects our enhanced operational efficiency and improved working capital management. However, the cash conversion cycle in the six months ended June 30, 2025 remains relatively prolonged. A prolonged cash conversion cycle can increase working capital requirements and pressure liquidity, particularly during periods of rapid growth or large-scale project execution. While we have mitigated these risks through the following prudent working capital management policies:

(i) we proactively negotiate with customers and suppliers to optimize credit terms. For example, we negotiate with suppliers to settle payments only after receiving payments from customers for certain projects, thereby effectively alleviating cash flow pressure; or the installment payment arrangements between our major customers and suppliers are generally aligned in both timing and amount, ensuring that monthly cash inflows are sufficient to cover corresponding cash outflows;

(ii) for large-scale projects, we plan funding in advance and coordinate the use of available committed unutilized bank facilities to ensure smooth project execution;

(iii) we conduct regular monthly monitoring of the aging and balances of our receivables and payables, as well as inventory levels, to enable timely adjustments to our business operation strategies; and

(iv) we utilize diversified funding channels, and in addition to cash inflows from operations, we also maintain strong banking credit lines to support working capital needs.

In the six months ended June 30, 2025, we granted 24-month credit terms and monthly installment payment arrangements to Customer M and Customer P, primarily because these customers, as well-known local mining operators, have strong bargaining power. Such credit terms and installment arrangements for these strategic customers help us strengthen customer relationships and secure long-term or large-scale contracts in a competitive market.

Going forward, we still plan to primarily adopt payment arrangements that require stage payment or bullet payment within a relatively short credit period. However, we will also conduct prudent assessments of potential customers who require monthly installment payments and long credit terms, including their credit status, the operational status of their existing projects, and their financial condition. At the same time, even when we provide certain customers with long credit periods and monthly installment payment arrangements, we also negotiate with suppliers to adopt similar credit periods and installment arrangements, in order to avoid cash flow mismatches and reduce our liquidity pressure.

BUSINESS SUSTAINABILITY

We have experienced robust business growth during the Track Record Period. As we have been focusing on growing our customer base via developing our proprietary technologies and commercializing such technologies into our product and solution offerings rather than seeking immediate financial returns or profitability, we laid a solid foundation for long-term sustainability. Despite our continued increase in customer base, we may continue to incur net losses and net operating cash outflow in the foreseeable future.

During the Track Record Period, we engaged in the offering of autonomous driving solutions in closed environments, V2X products and solutions and intelligent perception solutions, all of which are designated Specialist Technology Products as defined under Chapter 18C of the Listing Rules. Our revenues increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. Benefiting from the solid foundation we have built and the momentum we have seized, we believe that we are able to maintain sustainability and growth of our business. See "Business — Business Sustainability."

Our Directors believe our extensive R&D and ability to identify latent customer needs and leverage comprehensive technological capabilities to develop high-value products for the optimal product-market fit have laid a solid foundation for long-term development and business sustainability. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of

standalone autonomous truck systems to customers. Our strong track record of delivering pioneering, large-scale projects such as the delivery of 56 autonomous mining trucks for the world's largest mixed-operation mining fleet has strengthened our reputation and earned substantial additional customer orders. Our total order backlog value reached approximately RMB583.9 million as of June 30, 2025 and we received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems as of the same date, a strong indication of revenue growth as we begin to deliver for these customer orders.

Key Financial Ratios

The following table sets forth our key financial ratios for the periods indicated:

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Gross profit/(loss) margin (%)[1]	(19.3)	20.2	24.7	17.1
Adjusted net loss margin (Non-IFRS Measure) (%)[2]	(511.5)	(103.7)	(30.9)	(27.2)
Current ratio[3]	3.0	1.9	1.8	0.4
Quick ratio[4]	2.5	1.5	1.6	0.3
Cash ratio[5]	1.9	0.6	0.8	0.1

Notes:

(1) Gross profit/(loss) margin equals gross profit/(loss) divided by revenue and multiplied by 100%.

(2) Adjusted net loss margin (Non-IFRS Measure) equals adjusted net loss margin (Non-IFRS Measure) for the period (non-IFRS measure) divided by revenue for the period and multiplied by 100%. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to, the analysis of our results of operations or financial condition as reported under the IFRS.

(3) Current ratio equals current assets divided by current liabilities as of the same date.

(4) Quick ratio equals current assets less inventories divided by current liabilities as of the same date.

(5) Cash ratio equals the sum of cash and cash equivalents and financial assets at FVTPL recorded as current assets divided by the total current liabilities as of the same date.

[REDACTED]

The statistics in the following table are based on the assumption that the **[REDACTED]** has been completed and **[REDACTED]** H Shares are issued pursuant to the **[REDACTED]**.

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
Market capitalization of our H Shares[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Market capitalization of our Shares[(2)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share[(3)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalization is based on the **[REDACTED]** H Shares expected to be in issue immediately upon completion of the **[REDACTED]**.

(2) The calculation of market capitalization is based on the **[REDACTED]** Shares expected to be in issue immediately upon completion of the **[REDACTED]**.

(3) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per share is arrived at after making the adjustments referred to in Appendix II to this document.

(4) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**) and no exercise of the **[REDACTED]**), representing **[REDACTED]**% of the gross **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** million, of which RMB**[REDACTED]** million was charged to the consolidated statements of profit or loss as general and administrative expenses and RMB**[REDACTED]** million will be deducted from equity. We expect to incur **[REDACTED]** expenses of approximately RMB**[REDACTED]** million, of which approximately RMB**[REDACTED]** is expected to be recognized in the consolidated statements of profit or loss as general administrative expenses and approximately RMB**[REDACTED]** million is expected to be recognized as a deduction in equity directly upon the **[REDACTED]**. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our **[REDACTED]** expenses are comprised of (i) **[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, and (ii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB**[REDACTED]** and other fees and expenses of approximately RMB**[REDACTED]**.

FUTURE PLANS AND USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** commissions and other estimated **[REDACTED]** expenses payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for our research and development in the next five years.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for improvement of our commercialization capabilities in China and overseas and further strengthening our cooperation with domestic and global customers.

  - Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for enhancing the international footprint.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for potential investment, and merger and acquisition opportunities aimed at further integrating upstream and downstream resources in the industrial chain.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be employed as working capital and for general corporate uses.

See "Future Plans and Use of **[REDACTED]**" for details.

DIVIDENDS

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

IMPACT OF COVID-19

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the global economy. In response, countries and regions worldwide, including mainland China, imposed various measures to contain the virus's spread, such as social distancing, travel restrictions, quarantine, and remote work, among others.

The pandemic's recurrence temporarily disrupted our business, operational results and financial condition. In 2022, the mobility of some employees was affected, and certain employees had to work remotely. Additionally, pandemic-related restrictions slowed the implementation schedule of some projects, the acceptance of which was also delayed. We undertook several measures to mitigate the impact on our operations and performance, including temporarily closing our offices and providing remote work arrangements and support for R&D activities.

As the COVID-19 pandemic has subsided since early 2023, our business operations have resumed normalcy. Save for the above, our Directors are of the view that COVID-19 did not have any material adverse impact on our business during the Track Record Period and up to the Latest Practicable Date.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business footprint continued to expand subsequent to the Track Record Period. After the Track Record Period and up to September 30, 2025, we recorded backlog for 121 autonomous truck systems with a total contract value of approximately RMB67.2 million. During the same period, we delivered 71 autonomous truck systems and 35 autonomous trucks, indicating strong potential for revenue growth. In addition, we secured 14 new customers, further demonstrating our ability to continuously expand our customer base. As of September 30, 2025, our total order backlog amounted to approximately RMB471.3 million, with 109 orders in hand.

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since June 30, 2025 (being the date of our latest audited financial statements) and there has been no event since June 30, 2025, which would materially affect the information shown in the Accountant's Report set out in Appendix I to this document.

We expect to record a substantial increase in net loss for the year ending December 31, 2025, primarily due to (i) share-based payments made to recognize employee contributions and to attract and retain talent, and (ii) higher impairment losses, primarily from impairment losses related to financial guarantee contract liabilities and other receivables arising from Customer K's default under its finance lease agreement, and impairment losses related to trade and notes receivables.

DEFINITIONS

In this document, unless the context otherwise requires, the following expressions shall have the following meanings.

"Accountant's Report"	the report of the Accountant as set out in "Appendix I — Accountant's Report" of this document
"affiliate"	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"	the Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company, adopted on [•] with effect from the **[REDACTED]**, a summary of which is set out in Appendix VI to this document
"Audit Committee"	the audit committee of our Company, the details of which are described in "Corporate Information" in this document
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[REDACTED]

"Changsha CiDi Construction"	Changsha CiDi Intelligent Construction Co., Ltd. (長沙希迪智慧建築有限責任公司), a company established under the laws of the PRC with limited liability on July 29, 2019, our direct non-wholly owned subsidiary

"Changsha Gangwan"	Changsha Gangwan Investment Partnership (Limited Partnership) (長沙港灣投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 25, 2017 and one of our Controlling Shareholders
"Changsha Shengyu"	Changsha Shengyu Private Equity Fund Enterprise (Limited Partnership) (長沙晟譽私募股權基金企業(有限合夥)), a limited partnership established under the laws of the PRC on March 1, 2018 and one of our Controlling Shareholders
"China" or the "PRC"	the People's Republic of China, which for the purpose of this document and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited, an independent market research consultant, which is an Independent Third Party
"CiDi Chengdu"	CiDi Smart Driving (Chengdu) Technology Co., Ltd. (希迪智駕(成都)科技有限公司), a company established under the laws of the PRC with limited liability on April 1, 2022, our direct wholly-owned subsidiary
"Companies Ordinance"	the 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"	the 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
"Company", "our Company" or "the Company" or "we" or "us"	CiDi Inc. (希迪智駕科技股份有限公司) (previously known as 希迪智駕（湖南）股份有限公司), established as a limited liability company in the PRC on October 16, 2017
"Compliance Advisor"	Ping An of China Capital (Hong Kong) Company Limited

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Prof. Li, NovoDriv HK, NovoDriv Limited, Changsha Gangwan, Dongguan Intelligence, CWB Startup HK, Clear Water Bay Startup Fund GP, Clear Water Bay Startup Fund LP, Changsha Shengyu and Dongguan Yunhe
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"CWB Startup HK"	CWB Startup Invest HK Limited, a company incorporated in Hong Kong with limited liability on March 17, 2016 and one of our Controlling Shareholders
"Director(s)"	the director(s) of our Company
"Domestic Unlisted Shares"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"Dongguan Intelligence"	Dongguan Wanqu Intelligence Technology Co., Ltd. (東莞灣區智能科技有限公司), a company established under the laws of the PRC with limited liability on July 31, 2017 and one of our Controlling Shareholders
"Dongguan Yunhe"	Dongguan Yunhe Equity Investment Co., Ltd. (東莞蘊和股權投資有限公司), a company established under the laws of the PRC with limited liability and one of our Controlling Shareholders
"Dr. Ma"	Dr. Ma Wei (馬濰), our co-founder, executive Director and vice chairman
"Eastern China"	Anhui, Fujian, Jiangsu, Shanghai, Zhejiang, Jiangxi, Shandong for purposes of this document
"Experts"	the experts set out in "Appendix VII — Statutory and General Information — E. Other Information — 4. Qualifications of Experts" of this document

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
	[REDACTED]
"Full Circulation Application"	the conversion of **[REDACTED]** Domestic Unlisted Shares into H Shares on a one-for-one basis upon completion of the **[REDACTED]**
	[REDACTED]
"Group," "our Group," "the Group," "we," "us" or "our"	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide"	Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

"H Share(s)"	overseas **[REDACTED]** foreign share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and traded in Hong Kong dollars and for which an application has been made for the **[REDACTED]** on the Stock Exchange
	[REDACTED]
"HK$" or "HKD" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
	[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

[REDACTED]

"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company

[REDACTED]

[REDACTED]

"Joint Sponsors"	China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited and Ping An of China Capital (Hong Kong) Company Limited
"Latest Practicable Date"	November 21, 2025, being the latest practicable date for ascertaining certain information in this document before its publication

[REDACTED]

"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange

[REDACTED]

"Listing Rules" or "Hong Kong 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
"M&A Rules"	Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by the MOFCOM, the SASAC, the STA, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange

"MOF"	the Ministry of Finance of the People's Republic of China (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"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)
"NIM"	the National Institute of Metrology, China (中國計量科學研究院)
"Nomination Committee"	the nomination committee of our Company, the details of which are described in "Corporate Information" in this document
"Northeastern China"	Heilongjiang, Jilin, Liaoning for purposes of this document
"Northern China"	Hebei, Shanxi, Inner Mongolia, Beijing, Tianjin for purposes of this document
"Northwestern China"	Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang for purposes of this document
"NovoDriv Chongqing"	New Drive Chongqing Intelligent Vehicle Co., Ltd. (新驅動重慶智能汽車有限公司), a company established under the laws of the PRC with limited liability on May 29, 2020, our direct wholly-owned subsidiary
"NovoDriv HK"	NovoDriv (HK) Limited Partnership, a limited partnership registered under the laws of Hong Kong on August 11, 2017 and one of our Controlling Shareholders

[REDACTED]

"Ordinary Shares" or "Shares"	ordinary shares in the share capital of the Company

[REDACTED]

"Pathfinder SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange
"PBOC"	People's Bank of China (中國人民銀行)
"PRC Company Law"	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
"PRC Legal Advisor"	Zhong Lun Law Firm, the PRC legal advisor to our Company

"Pre-**[REDACTED]** Investments"	the Pre-**[REDACTED]** investments in our Company undertaken by the Pre-**[REDACTED]** Investors, details of which are set out in "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" in this document
"Pre-**[REDACTED]** Investors"	the investor(s) who participated in our Pre-**[REDACTED]** Investments, details of which are set out in "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" in this document

[REDACTED]

"Prof. Li"	Professor Li Zexiang (李澤湘教授), our founder, chairman of the Board and non-executive Director
"Remuneration Committee"	the remuneration committee of our Company, the details of which are described in "Corporate Information" in this document
"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", or formerly known as "SAIC"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"Securities and Futures (Stock Market Listing) Rules"	the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of our Shares
"SOE"	state-owned enterprise
"South-Central China"	Henan, Hubei, Hunan, Guangdong, Guangxi, Hainan for purposes of this document
"Southwestern China"	Chongqing, Sichuan, Guizhou, Yunnan, Tibet for purposes of this document

[REDACTED]

"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"State Council"	the PRC State Council (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"TCC"	TCC Group Holdings Co., Ltd,. formerly known as Taiwan Cement Corporation, an Independent Third Party
"Tianjin CiDi"	Tianjin CiDi Intelligent Network Technology Co., Ltd. (天津希迪智能網聯技術有限公司), a company established under the laws of the PRC with limited liability on December 14, 2020, our direct wholly-owned subsidiary
"Track Record Period"	the period comprising the three years ended December 31, 2024 and the six months ended June 30, 2025

[REDACTED]

"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"U.S. Export Control and Sanctions Counsel"	Pillsbury Winthrop Shaw Pittman LLP, the U.S. export control and sanctions counsel of our Company
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States

In this document, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", and "substantial shareholder" shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For the ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AD"	advanced autonomous driving, a technology that enables vehicles to operate itself in certain or all conditions
"AI"	artificial intelligence, a field of research in computer science focused on creating systems capable of performing tasks that typically require human intelligence
"Automatic Emergency Braking" or "AEB"	a system which can automatically detect a potential forward collision and activate the vehicle braking system to decelerate a vehicle with the purpose of avoiding or mitigating a collision
"automotive OEM"	the original equipment manufacturer, which assembles and installs automotive parts during the construction of a new vehicle
"autonomous"	when describing mining or logistics trucks, means that the vehicle has reached AD level, where it can perceive its environment, make decisions and control its movements without human intervention
"AUTOSAR"	Automotive Open System Architecture, an open and standardized global software architecture for automotive electronic control units developed by leading automotive manufacturers and suppliers
"BEV"	bird's-eye view, an elevated view of an object or location from a very steep viewing angle, creating a perspective as if the observer were a bird in flight looking downwards
"BVR" or "beyond-line-of-sight"	in vehicle perception, refers to the ability of a vehicle to detect and respond to objects or hazards that are beyond the immediate line of sight using advanced sensing technologies such as radar, LiDAR and V2X communication

GLOSSARY OF TECHNICAL TERMS

"CCC"	China Compulsory Certificate, a certification of product quality and safety
"CIP" or "cooperative intersection passing"	a scenario where vehicles are coordinated to move through intersections safely and efficiently, preventing collisions and optimizing traffic flow
"CVM" or "cooperative vehicle merge"	a scenario where vehicles are coordinated for safe and efficient on-ramp merging
"C-ITS group standards"	Cooperative Intelligent Transport Systems group standards that aim to enhance road safety, traffic efficiency and environmental sustainability by facilitating Vehicle-to-Vehicle and Vehicle-to-Infrastructure communications
"C-V2X"	Cellular Vehicle-to-Everything, referring to the low-latency communication system between vehicles and vehicles, vehicles and pedestrians, vehicles and road infrastructure, and vehicles and networks
"deep learning"	a machine learning technique that constructs artificial neural networks with multiple layers to extract features from the raw input
"DMS"	Driver Monitoring System, a vehicle safety system to monitor the driver's alertness and warn the driver if needed and eventually apply the brakes
"drive-by-wire"	a design where vehicle functions such as steering, braking and acceleration are electronically controlled via commands sent through electronic interfaces, replacing the traditional manual controls such as pedals or levers operated by the hand and foot
"DSRC"	dedicated short-range communications, a wireless communication protocol enabling vehicles to communicate with each other and with roadside infrastructures
"edge"	hardware or service that brings computation and data storage closer to where the data is produced

"electrification"	in the automotive industry, refers to the process of powering the vehicle by electricity, replacing vehicle components that operate on a conventional energy source
"EN50126:2017"	a European standard for the reliability, availability, maintainability and safety of railway systems
"EN50128:2011"	a European standard for the software used in railway control and protection systems
"EN50129:2018"	a European standard that focuses on the safety related electronic systems for signaling in the railway sector
"factory-installed autonomous perception system"	Autonomous perception system that is installed by the manufacturer (in contrast to the autonomous perception system that may be installed by the owner or the dealer)
"GNSS"	Global Navigation Satellite System, a collective term for a series of satellite navigation systems that provides global positioning, speed, time and other related information
"HLW" or "hazardous location warning"	a safety alert transmitted between vehicles and infrastructure to notify drivers of potentially dangerous road conditions or areas, such as accidents, construction zones, or adverse weather, enhancing drivers' situational awareness and preventing collisions
"IATF 16949"	a technical specification aimed at the development of a quality management system which provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the automotive industry supply chain and assembly process
"IMU"	Inertial Measurement Unit, referring to an electronic device that measures the vehicle's acceleration, orientation, angular rates and other gravitational force, providing data for navigation and positioning
"IPU"	Intelligent Processing Unit, referring to an on-board computing device capable of enabling various intelligent functionalities

GLOSSARY OF TECHNICAL TERMS

"ISO"	the International Organization for Standardization, an independent, non-governmental organization that develops and publishes international standards
"ISO 14001"	an internationally recognized standard for Environmental Management System published by the ISO
"ISO 45001"	an internationally recognized standard for Occupational Health and Safety Management Systems published by the ISO
"ISO 9001"	an internationally recognized standard for Quality Management Systems published by the ISO
"km/h"	kilometer per hour
"latency"	the delay between the transmission of data and its reception or processing
"LDW" or "lane departure warning"	a mechanism designed to warn the driver when the vehicle begins to move out of its lane (unless a turn signal is on in that direction) on freeways and arterial roads
"LiDAR"	a remote sensing device that uses light from a laser to measure the relative spatial positions of objects
"mass production"	a large-scale production phase that adopts automated intelligent manufacturing and engineering facilities to ensure product consistency, reduce labor costs, enhance utilization, and achieve cost-efficiency
"MEC" or "multi-access edge computing"	a network architecture that brings computing of traffic and storage closer to end-users, reducing latency and enabling real-time applications by deploying resources at the edge of the network
"metaverse"	refers to the convergence of physical, augmented and virtual reality in a shared online space

"mmWave radar"	millimeter wave radar, referring to the radar that uses millimeter wave frequencies to detect objects in real-time, providing information from four dimensions including their range, azimuth, elevation and velocity
"ms"	milliseconds
"multi-agent system"	a system composed of multiple interacting intelligent agents that can communicate, cooperate or compete to achieve collective goals, which are difficult for an individual agent to solve
"neural network"	in the context of AI, refers to a machine learning algorithm or model that mimics the human brain
"new engineering education transformation"	a program launched by the Massachusetts Institute of Technology (MIT) that redefines undergraduate engineering education through interdisciplinary, project-based learning, preparing students to solve complex, real-world problems in specialized tracks such as autonomous machines and climate & sustainability systems
"new quality productive forces"	referring to productivity led by technological innovation that breaks away from the traditional mode of economic growth and development pathway
"NIM"	National Institute of Metrology
"OBU"	on-board unit, referring to a device installed on vehicles enabling V2X communication and supporting V2X applications
"perception"	in autonomous vehicles, refers to the ability of vehicles to perceive and understand its environment, process and interpret data from sensors and base decisions on this knowledge
"R&D"	research and development

"redundancy"	referring to employing two or more parallel systems, sensors or components that perform the same or similar functions to ensure that the vehicle can continue to operate safely in the event of partial failure
"RSU"	roadside unit, referring to device installed on the roadside enabling V2X communication and supporting V2X applications
"RTK system"	Real-Time Kinematic Positioning system, referring to a high-precision GNSS technology that collects and process signals from GNSS satellites to provide real-time accurate
"sensor"	a device, module, machine, or subsystem whose purpose is to detect events or changes in its environment and send the information to other electronics, frequently a computer processor
"sensor fusion"	the comprehensive analysis of data and information from multiple sensors to reduce uncertainty, resulting in more precise, comprehensive and reliable information
"SIL2"	safety integrity level 2, the moderate level in the safety integrity level classification system that evaluates the safety performance of safety-related equipment, with SIL 4 being the most stringent
"SIL4"	safety integrity level 4, the highest level in the safety integrity level classification system, standing for low probability of failure and rigorous safety assurance processes
"T/CSAE 53-2017 standard"	the standard specifying the terms and definitions of the application layer of the cooperative intelligent transportation system, vehicle communication system, as well as the data set and data interaction standards and interface specifications

"teleoperation station"	a system that allows operators to monitor and control the vehicle or equipment from a distance, providing operators with real-time data, video feeds and the ability to intervene during the operation
"TOPS"	tera operations per second, a unit used to measure the computational power of processors
"track-side devices"	any devices installed alongside the railway tracks, serving a specific function relating to train operations, including signals, switches, sensors and communication systems
"TSP" or "Transit Signal Priority"	a system that enables communication between transit vehicles and traffic signals to optimize signal timing, giving priority to public transportation at intersections
"V2I"	vehicle-to-infrastructure, referring to wireless communication technology between OBUs and RSUs
"V2V"	vehicle-to-vehicle, referring to wireless information exchange and communication technology between OBUs, enabling real-time sharing of driving data such as speed, position and direction to enhance road safety and traffic efficiency
"V2X"	vehicle-to-everything, referring to the communication between a vehicle and any entity that may affect, or may be affected by, the vehicle
"VRUCW" or "vulnerable road user collision warning"	a system that alerts drivers to the presence of vulnerable road users, such as pedestrians, cyclists and motorcyclists, in the vehicle's path or vicinity, helping to prevent collisions by enhancing driver awareness
"WDW" or "wrong-way driving warning"	a scenario where drivers and surrounding vehicles are alerted when a vehicle is traveling in the wrong direction on a roadway

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;

- various business opportunities that we may pursue; and

- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the research and development of our products and solutions; (ii) risks relating to the commercialization of our products and solutions; (iii) risks relating to the manufacturing of our products; (iv) risks relating to our intellectual property rights; (v) risks relating to our financial condition and need for additional capital; (vi) risks relating to our general operations; (vii) risks relating to conducting business in the place where we operate; and (viii) risks relating to the **[REDACTED]**.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations and financial condition. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR PRODUCTS AND SOLUTIONS

If we are unable to develop new products and solutions that adapt to changing market demand and customer needs in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

Our future business, results of operations, financial condition and competitive position depend on our ability to develop new and enhanced autonomous driving products and solutions in closed environments for commercial vehicles that incorporate and integrate the latest technological advancements in sensing and perception technologies, software and hardware, and camera, radar,

LiDAR, AI and deep learning technologies to satisfy evolving customer demands, regulatory requirements and industry standards. Intelligent driving is an emerging technology, and we may encounter significant unexpected technical and production challenges, or delays in completing the development of new and enhanced products and solutions and ramping up production in a cost-efficient manner, which require us to invest significant resources in R&D and also require that we:

- design innovative, accurate, and safety- and efficiency-enhancing functions that differentiate our products and solutions from those of our competitors;
- continuously improve the reliability of our autonomous driving, V2X and intelligent perception technologies;
- cooperate effectively on new designs and development with our customers, suppliers and partners;
- respond effectively to technological changes and product announcements by our competitors; and
- adjust to changing customer requirements, market conditions, and regulatory standards quickly and cost-effectively.

If there are delays in, or if we fail to complete when expected or at all, the development of new and enhanced products and solutions, we may not be able to satisfy our customers' requirements, achieve additional sales to existing or new customers, or achieve broader market acceptance of our products and solutions, and our business, results of operations, financial condition and competitive position would be materially and adversely affected.

We have been and intend to continue investing significantly in R&D, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

Our ability to develop new technologies, design new products and solutions, and enhance existing products and solutions is critical for maintaining our market position. We have been investing heavily in our R&D efforts. Our research and development expenses amounted to RMB110.5 million, RMB90.4 million, RMB193.2 million, RMB35.3 million and RMB151.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The industries in which we operate are subject to rapid technological changes and are evolving quickly in terms of technological innovation. We need to invest significant resources, including financial

resources, in R&D to make technological advances in order to expand our offerings and make our products and solutions innovative and competitive in the market. As a result, we may continue to incur significant R&D expenses in the future.

In addition, to enhance our market position, we expect to incur significant capital expenditures for R&D of new products and solutions, purchase of property, plant and equipment and purchase of intangible assets. Our capital expenditures were RMB153.4 million, RMB30.4 million, RMB2.1 million, RMB0.6 million and RMB1.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. See "Financial Information — Capital Expenditures."

However, inherent risk exists for such significant R&D expenditures and capital expenditures as our investment may not succeed or generate the benefits that we expect. Development activities are inherently uncertain, and we may not be able to obtain and retain sufficient resources, including qualified R&D personnel. Even if we succeed in our R&D efforts and generate the results we expect, our short-term cash flow and liquidity may be adversely affected, and we may still encounter practical difficulties in commercializing our development results. New technologies could render our technologies, our technological infrastructure or products and solutions that we are developing, or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related product development costs, which could result in a decline in our revenues, profitability and market share. In addition, if it is determined that our innovations require any filings with regulatory authorities or the fulfillment of other requirements, and we fail to complete such filings or meet such requirements in a timely manner, it may increase our expenses or prevent us from successfully commercializing new products, solutions or technologies.

Our R&D efforts may not contribute to our future results of operations for several years, if at all, and such contributions may not meet our expectations or even cover the costs of such efforts, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

RISKS RELATING TO THE COMMERCIALIZATION OF OUR PRODUCTS AND SOLUTIONS

Intelligent driving is an emerging technology, and we face significant technical challenges to develop and commercialize our technology.

The intelligent driving industry is rapidly evolving. The industry faces a significant number of technical and commercial challenges, including an expectation for outperforming manned operations in terms of both efficiency and safety, large funding requirements, long vehicle development lead times, specialized skills and expertise requirements of personnel, evolving

regulatory frameworks, a need to build public trust and brand image, and real-world operation of an entirely new technology. If we are not able to overcome these challenges, our business, prospects, financial condition and results of operations will be negatively impacted and our ability to create a viable business may not materialize at all.

The future commercial success of our products will depend on the degree of their market acceptance among customers. Given that our development and sales cycles can be long and unpredictable, and we have limited track record of commercializing our products and solutions, the future commercial success of our products and solutions is subject to inherent uncertainties. Market acceptance of intelligent driving solutions and products depends upon many factors, including regulatory requirements, evolving safety standards, costs and technological advancement. Market acceptance of intelligent driving solutions and products may also be adversely affected by safety incidents involving intelligent driving solutions and products, even if the incidents do not involve our solutions and products. In particular, our V2X products and solutions are sensitive to changes and uncertainty in industry policies and technical standards. For example, the decrease of revenue generated from V2X from RMB28.2 million in the six months ended June 30, 2024 to RMB20.5 million in the six months ended June 30, 2025 was primarily attributable to the uncertainty regarding the implementation of industry policies and standards, which affected potential customers' procurement decisions and led to temporary softening of market demand.

Market acceptance of our solutions and products also depends on the ability of market participants, including us, to resolve technical challenges for increasingly complex intelligent driving solutions and products in a timely and cost-effective manner. We cannot assure you that we will be able to adjust to market or regulatory conditions quickly or cost-effectively. If we fail to do so, our business, results of operations and financial condition will be adversely affected.

We have a limited track record in commercialization in a new and rapidly evolving industry and there can be no assurance that our sales and marketing efforts will succeed.

We are a development-stage company with a limited operating history since 2017. Therefore, we have a limited track record in developing, commercializing and marketing of our products and solutions. Our ability to successfully commercialize our products and solutions may involve more uncertainties, take longer, and cost more than it would if we were a company with a longer track record in launching and marketing. In particular, the commercialization of new products and solutions requires additional resources. The success of our sales and marketing efforts depends on our ability to attract, motivate and retain qualified and professional employees in our commercialization team who have, among other things, adequate technical knowledge to communicate effectively with potential customers, sufficient experience in sales and marketing of products and solutions, and extensive industry connections and experience. We may not be able to scale up rapidly enough to generate significant revenue, raise additional capital or operate

profitably. We will continue to encounter risks and difficulties frequently experienced by companies at an early stage of commercialization, including marketing our products and services, scaling up our operation and headcount, and may incur unforeseen expenses, difficulties, or delays in connection with our growth.

Due to our limited track record in commercialization of our products and solutions, there can be no assurance that our efforts to market and sell our products and solutions will succeed, that the sales results of our products and solutions will meet our forecast, or that third parties will deploy and utilize our products and solutions effectively and meet overall user experience. We may invest significant effort from the time of our initial contact with a customer to the time when they choose to purchase or incorporate our products and solutions into their vehicles or systems. We could expend significant resources pursuing, but fail to achieve, customer orders for our products and solutions. Even after achieving customer orders, the period of time from product design to mass production may be long and we are subject to the risks of termination or postponement of contracts or unsuccessful implementation. In addition, we may experience launch and production ramp delays for new products and features. Any of the above individually or collectively, would materially and adversely affect the commercialization of our products and solutions or cause us to incur sales and marketing expenses which we are not able to recover, and, in turn, materially and adversely affect our business and results of operations.

We depend on growth in the end markets that adopt our products. Any slowdown in the growth of these end markets could adversely affect our business, financial condition and results of operations.

We primarily provide autonomous driving products and solutions in closed environments to customers operating across various industries, including mining, transportation and rail transit. As such, the demand for our products and solutions is closely linked to the market development and growth within these end markets, which, in turn, depends on the respective demand for products in these markets. In addition, our products and solutions can be assembled and integrated into the machinery, equipment and product offerings of our customers. The product life cycle of the machinery, equipment and product offerings of our customers will also have a corresponding effect on the demand for our products and solutions.

Factors affecting our end markets are beyond our control. If any factor occurs in the future which results in material slowdown of any or all of our major end markets, or the growth of our end markets is not sustained, our business, financial condition, results of operations and prospects may be materially and adversely affected. For example, if future demands for mining-related products decrease for any reason, our customers in the mining sector may experience a

corresponding decrease in demand for their products, which in turn may materially reduce demand for our products and solutions and materially and adversely affect our business, results of operations and financial condition.

Our customers may not purchase our products and solutions in any certain quantity and we are subject to the risks of termination or postponement of contracts or unsuccessful implementation.

When customers choose our products or solutions, we typically receive preliminary estimates of their anticipated order volumes, while such estimates may be revised significantly by the customer, potentially multiple times, and may not be representative of future order volumes, which could be significantly higher or lower than estimated. The period of time from product design to mass production is long and we are subject to the risks of termination or postponement of contracts or unsuccessful implementation. As a result, obtaining indicative orders is not a guarantee of revenue. As of June 30, 2025, we received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems. As of the same date, we signed multiple overseas projects with indicative order value reaching RMB64.8 million. If the sales results of our products and solutions for which we obtain indicative orders do not meet our forecast, our business, results of operations and financial condition would be materially and adversely affected.

The sales results of our products and solutions will partially depend on effective deployment and operation by third parties on, and overall user experience of, the commercial vehicles.

The sales results of our products and solutions will partially depend on our customers and partners effectively deploying and operating our products and solutions on vehicles, roads, systems in the future, and their failure to do so may result from factors beyond our control. Our products and solutions are technologically complex, incorporate many technological innovations, and are typically subject to significant safety testing, and customers generally must devote significant resources to test and validate our products and solutions before operating and deploying them. This results in our investment of resources prior to realizing any revenue. For example, some of our products and solutions control various vehicle functions including engine, transmission, safety, steering, navigation and braking, and therefore must be integrated effectively with the other systems of the vehicle developed by the customers, and we may be unable to achieve the requisite level of interoperability in a vehicle model for our solutions to be implemented even after we enter into collaboration with the customer. Despite effective deployment and operation, the vehicle models integrated with our products and solutions may generate poor sales results due to poor overall user experience of the vehicle models, which, in turn, affect the sales results of our products and solutions.

Furthermore, we have specifically engineered our intelligent driving products and solutions for commercial vehicles with technology to provide a superior ability to sense, predict, and react to real-world driving situations. Our proprietary AI and perception capabilities are specifically engineered to meet the demands of commercial trucks. In certain instances, these protections may cause the vehicle to behave in ways that are unfamiliar to drivers of non-autonomous driving trucks. There can be no assurance that our users will be able to properly adapt to the different operation processes for our autonomous commercial trucks. For example, they may not be able to adapt their business processes to address activities such as the dispatching of trucks, pre-trip inspections, remote monitoring, and truck maintenance. Any accidents resulting from such failure to operate our autonomous commercial trucks properly could harm our brand and reputation, result in adverse publicity, and product liability claims, and have a material adverse effect on our business, prospects, financial condition and operating results.

A substantial amount of our revenue is attributable to a limited number of customers in each year, and such amount may fluctuate in any given period.

Our major customers include manufacturers of commercial vehicles, construction and energy companies, providers of autonomous driving and V2X technologies and providers of transportation services, government entities and research institutions. Revenue generated from our largest customer of each of the year/period during the Track Record Period for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 78.4%, 31.2%, 37.4% and 46.7%, respectively, of our revenue during those periods. Revenue generated from our five largest customers of each of the year/period during the Track Record Period for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 96.7%, 64.1%, 80.0% and 94.1%, respectively, of our revenue during those periods.

Given the project-based nature of our business, we derive a substantial portion of revenue from a limited number of customers during each period. As a result, our gross profit margin is highly dependent on the terms and profitability of transactions with these major customers, and our working capital position is also closely tied to the payment terms we negotiate with them. Any adverse change in pricing, cost structure, or payment terms with these customers could have a significant impact on our overall gross profit margin, cash flow and liquidity. In addition, our business, results of operations and financial condition for the foreseeable future may continue to depend on sales to a relatively small number of customers during the given year. Further, the amount of revenue attributable to any single major customer, or our major customer concentration generally, may fluctuate in any given period, which may affect our business, financial condition and results of operations.

If we are unable to retain existing customers, acquire new customers, and increase revenue from our customer base, our financial condition and results of operations would be materially and adversely affected.

Our ability to retain existing customers, attract new ones, and expand the scope of solutions and products that our customers utilize is critical to our revenue growth. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Our customer engagement may decrease for a variety of reasons, including their level of satisfaction with our products and services, our pricing and the pricing and quality of competing products or services, overall economic conditions, or changes to our customers' operations. If we are unable to encourage customers to contract and use our products and solutions, anticipate changing industry trends, enhance our offerings, innovate and develop new products and solutions that meet our customers' evolving needs, and expand our operations into new markets, we may not be able to attract and acquire new customers. Our success will depend on our ability to continue to expand our sales capabilities to widen our customer base. If we are unable to attract, motivate and retain a sufficient number of qualified sales and marketing personnel to support our business, the commercialization of our products and solutions and our ability to attract new customers may be adversely affected. The loss of a significant number of customers, or a decline in their growth rate, could have a material adverse effect on our business, financial condition, results of operations and prospects. The growth of our business depends in part on existing customers continuing or expanding their use of our products and solutions. However, our customers have no obligation to continue to use our products and solutions, and we cannot assure you that they will. If we are unable to retain customers and maintain their continued or broadening use of our products and solutions, or if there is a decline in our customers' business performance, our growth may slow or decline, and our business may be materially and adversely affected.

Any failure to offer high-quality maintenance and support services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our customer base, we need to be able to continue to provide efficient customer support and maintenance services that meet our customer demand at scale. We may not be able to recruit or retain sufficient qualified support personnel with experience in supporting customers of our products and solutions. As a result, we may be unable to timely respond to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future scope of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. Any failure to maintain high-quality maintenance and support services would harm our business. If we experience increased customer demand for support and maintenance, we may face increased costs that might harm our results of operations. Any delays in adding servicing capacity or servicing our vehicles efficiently, unforeseen issues with the reliability of our vehicles

or failure to offer high-quality maintenance and support services for our customers may harm our relationships with them and, consequently, our business. Our ability to attract new customers is highly dependent on our business reputation and positive recommendations from our existing customers. Any failure to maintain high-quality maintenance and support services, or any market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

The size of our addressable markets and the demand for our products and solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations, financial condition and prospects.

We are pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities for each of our products and solutions. See "— Risks Relating to Our General Operations — The industries that we operate in are highly competitive. If we fail to compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected."

Our future financial performance will depend on our ability to make timely investments in the correct market opportunities. If one or more of these markets experience a shift in customer or prospective customer demand, then our products and solutions may not compete as effectively, if at all, and they may not be incorporated into commercialized end customer products. Given the evolving nature of the markets in which we operate, it is difficult to predict customer demand or adoption rates for our products and solutions or the future growth of the markets in which we operate. The addressable markets for our products and solutions may be smaller than we have estimated, our future growth opportunities and sales growth may be smaller than we estimate, and our future business, results of operations and financial condition may be materially and adversely affected. Even if the markets in which we operate grow substantially, there is no guarantee that demand for our products and solutions will correlate with that growth if we fail to effectively pursue such opportunities. There is also no guarantee that our business will be successful simply because of the future addressable markets of our products and solutions, or because of the trends of the addressable markets of our products and solutions. If demand does not develop or if we cannot accurately forecast customer demand, then the size of our markets, inventory requirements or our future business, results of operations and financial condition would be adversely affected.

RISKS RELATING TO THE MANUFACTURING OF OUR PRODUCTS

Dependency on third-party suppliers to manufacture, assemble and test our products reduces our control over product quantity and quality, and could harm our business.

We engage third-party suppliers for components and parts required in the manufacturing of our products. We also collaborate with contract manufacturers for the manufacturing, assembly and testing of our vehicles and other products. Charges from our largest supplier of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 18.0%, 32.9%, 44.3% and 45.0%, respectively, of our total purchase amount during those years. Charges from our five largest suppliers of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 35.6%, 47.9%, 59.2% and 84.1%, respectively, of our total purchase amount during those years. If we are unable to maintain our contractual relationships with such third parties, or if we are unable to continue using or obtaining these services on commercially reasonable terms, we may not be able to secure alternatives in a timely manner or at all, which may, in turn, materially and adversely affect our business, results of operations, financial condition and competitive position. We also face several risks which could adversely affect our ability to meet customer demand and scale our supply chain, negatively impact longer-term demand for our products and services, and adversely affect our business operations, gross margin, revenue and financial results, including:

- failure by our contract manufacturers to procure raw materials or to provide adequate levels of manufacturing or test capacity for our products;
- reliance on a single or limited suppliers and manufacturers;
- limited number of suppliers available to choose from as a result of international trade policies and sanctions. See "— Risks Relating to Our General Operations — We may be subject to risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.";
- loss of a supplier and additional expense and/or production delays as a result;
- lack of direct control over product quantity, quality and delivery schedules;

- suppliers or their suppliers failing to supply high-quality products and/or making changes to their products without our qualification;

- delays in product shipments, shortages, a decrease in product quality and/or higher expenses in the event our suppliers prioritize our competitors' or other customers' orders over ours;

- fraudulent or illegal activities or other misconduct by suppliers. See " — Risks Relating to Our General Operations — Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may materially and adversely affect our business.";

- low manufacturing yields resulting from a failure in our product design or a contract manufacturer's production process; and

- disruptions in manufacturing, assembly and other processes due to closures related to natural disasters or other incidents.

A significant disruption in our supply chain that affects the manufacturing or sourcing of our products or components for any reason, including those mentioned above, could interrupt product supply and significantly delay our development plans or commercialization efforts. Such disruptions, if not remedied, could lead to delay of our research and development plans, loss of orders and customers, litigation or regulatory action, financial penalties, and reputational damage that could materially and adversely affect our business, results of operations and financial condition.

Our intelligent driving technology and related hardware and software could have undetected defects, errors or bugs in hardware or software which could create safety issues, reduce market adoption, damage our reputation with current or prospective customers or expose us to product liability and other claims that could materially and adversely affect our business.

Our autonomous driving, V2X and intelligent perception technologies are highly technical and complex, and may experience defects, errors or bugs at various stages of development. We may be unable to timely correct problems to our customers' satisfaction. Additionally, there may be undetected errors or defects especially as we introduce new systems or as new versions are released. Errors or defects in our products may only be discovered after they have been tested, commercialized, and deployed. If that is the case, we may incur significant additional development costs and product recall, repair or replacement costs.

Our technology is used for intelligent driving, which entails the risk of significant injury, including fatalities. We may be subject to claims if one of our trucks, or a user's truck, is involved in an accident and persons are injured or purport to be injured or if property is damaged. Any insurance that we carry may not be sufficient or it may not apply to all situations. If we experience such an event or multiple events, our insurance premiums could increase significantly, or insurance may not be available to us at all. Further, if insurance is not available on commercially reasonable terms, or at all, we might need to self-insure. In addition, lawmakers or governmental agencies could pass laws or adopt regulations that standardize the use of autonomous trucking technology or increase liability associated with its use. Any of these events could adversely affect our brand, relationships with users, operating results, or financial condition.

In addition, we could face material legal claims for breach of contract, product liability, personal injury or breach of warranty as a result of these problems. Given that many of our customers use our products and solutions in processes that are critical to their businesses, any error, defect, security vulnerability, service interruption or software issue in our products and solutions could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, our customers may share information about their negative experiences on social media, which could damage our reputation and result in a loss of future sales. A claim brought against us by any of our customers would likely be time-consuming, costly to defend and may materially and adversely affect our reputation and brand, making it harder for us to sell our products and solutions.

Increases in costs of the materials and other components that we use in our products would adversely affect our business, results of operations and financial condition.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our material and processing costs amounted to RMB9.0 million, RMB71.5 million, RMB257.1 million, RMB185.4 million and RMB312.1 million, respectively. Significant changes in the markets in which we purchase materials, components, and supplies for our products may adversely affect our profitability. In the event of any supply shortages or inflationary pressures, we may experience increases in the cost of our products, and, therefore, our gross margin may decrease, at least in the short term, as a result of these cost increases. Competitive and market pressures limit our ability to recover increases in costs through increases in prices we charge to our customers. The inability to pass on price increases to our customers when raw material or component prices increase rapidly or are significantly higher than historic levels would adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We may not be able to obtain or maintain adequate intellectual property rights protection for our product and solution, or the scope of such intellectual property rights protection may not be sufficiently broad.

Our success depends in a large part on our ability to protect our proprietary technology as well as our product and solution from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications in the PRC and other jurisdictions. As of the Latest Practicable Date, we owned 356 registered patents and filed 513 patent applications in the PRC. See "Business — Intellectual Property Rights." The patent application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, if at all. In addition, we may however fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products and solutions in all such fields.

Specifically, patents may be invalidated, and patent applications may not be granted for several reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. Our patent applications may not be granted in the end as they involve complex legal and factual considerations. As such, we do not know the degree of future protection that we will have on our proprietary technologies, if any, and we may not be able to obtain adequate intellectual property protection with respect to our products and solutions.

Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products and solutions in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the PRC and other jurisdictions. Further, although various extensions may be available, the life of a patent and the protection it affords are limited. For example, in the PRC, invention patents and utility model patents are valid for 20 years and ten years from the date of application, respectively. We may face competition for any similar products or solutions even if we successfully obtain patent protection once the patent life has expired for the product or solution. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our patent rights relating to our products and solutions could be found invalid or unenforceable if challenged in court or before the CNIPA or related intellectual property agencies in other jurisdictions.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patents, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly.

In addition, collaborative relationships in our industry can be complex, particularly with respect to IP rights. Disputes may arise in the future regarding ownership rights to technology developed by or with other parties. These and other possible disagreements between us and third parties with respect to our IP rights or our collaborative relationships could lead to delays in the research, development or commercialization of our products and solutions. These disputes could also result in litigation or arbitration, both of which will consume a certain amount of time and cost.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation. Defendant counterclaims alleging invalidity or unenforceability are commonplace and can be asserted on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products and solutions. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products and solutions or product and solution candidates. Such a loss of patent protection could materially and adversely affect our business.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling the products or solutions involved.

Companies operating in our industries routinely seek patent protection for their product and solution designs. Some of our competitors have large patent portfolios and may claim that our expected commercial use of our products or solutions has infringed their patents. These patents have broad claims, so it might be alleged that certain features of our products or solutions fall within the claims of such patents. Therefore, our competitors may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of the relevant products or solutions.

Companies in our industries may use intellectual property litigation to gain a competitive advantage. Whether a product or solution infringes a patent involves an analysis of complex legal and factual issues, the determination of which can not be predicted by us accurately. We may hire employees who have previously worked for our competitors. There can be no assurance that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could:

- cost a certain amount of money and time to defend;
- require us to pay substantial damages to third parties;
- forbid us from making or selling products or solutions that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our products or solutions;
- require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to us or at all;
- divert the attention of our management; or
- result in customers terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

In addition, new patents obtained by our competitors could threaten the continued life of the product or solution in the market even after it has already been introduced.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The CNIPA and various governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees, and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdiction. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products and solutions.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in the country where we operate or other countries may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will issue as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

Even if patent applications we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and solutions and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or include such undertakings in the agreements with parties that have access to them. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees or business partners 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.

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable.

We also seek to enter into agreements with our employees that obligate them to assign to us any inventions created during their work for us. However, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. And it is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets and inventions through such breaches or violations. We may be involved in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in certain costs and be a distraction to our management and R&D personnel.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We need significant capital to, among other things, conduct research and development for our intelligent driving technology, attract and retain top talent, launch new intelligent driving vehicle types, offer more advanced intelligent driving functionalities, maintain and grow our fleet, expand our customer base and provide quality technical support services. Our capital requirements will be subject to many factors, including, but not limited to:

- technological advancements;
- market acceptance of our products and solutions and product and solution enhancements, and the overall level of sales of our products and solutions;
- R&D expenses;
- our relationships with our customers and suppliers;
- our ability to control costs;
- sales and marketing expenses;
- enhancements to our infrastructure and systems and any capital improvements to our facilities;
- potential acquisitions of businesses and product lines; and
- general economic conditions, inflation, rising interest rates, and international conflicts and their impact on our industry in particular.

If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products and solutions, expand our sales and marketing programs, take advantage of future opportunities, or respond to competitive pressures.

We have incurred significant operating losses and net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the near future.

Since our inception, we have incurred net losses. In 2022, 2023, 2024, in the six months ended June 30, 2024 and 2025, we had loss for the periods of RMB263.0 million, RMB255.1 million, RMB580.8 million, RMB122.6 million and RMB455.1 million, respectively. We may continue to incur net losses in the short term, as we are in the stage of expanding our business and operations and are continuously investing in R&D. We may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully, develop new products and solutions and successfully maintain and secure additional customers. Accordingly, you should not rely on the revenues of any prior periods as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operation and invest in R&D and geographic expansion. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

We are subject to credit risk related to delay in payment and defaults of customers or related parties, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our various customers or related parties. In addition, in the ordinary course of business, we may be required to provide various forms of financial assistance such as financial guarantees, direct loans and extended payment terms and installment arrangements to our customers to secure their orders. Such arrangements could expose us to heightened credit risk and potential financial losses.

As of December 31, 2022, 2023, 2024 and June 30, 2025, our current trade and notes receivables amounted to RMB30.8 million, RMB58.7 million, RMB137.4 million and RMB417.9 million, respectively, and our prepayments and other receivables amounted to RMB56.1 million, RMB90.4 million, RMB117.9 million and RMB160.7 million, respectively. As of December 31, 2022, 2023, 2024 and June 30, 2025, our non-current trade receivables amounted to nil, nil, nil and RMB39.9 million. As of December 31, 2023 and 2024 and the six months ended June 30, 2025, we recorded financial guarantee contracts liabilities of RMB0.2 million, RMB6.5 million and RMB50.5 million, respectively. In addition, in the ordinary course of business, we may be required to provide various forms of financial assistance such as financial guarantees, direct loans and extended payment terms and installment arrangements to our customers to secure their orders. Such arrangements could expose us to heightened credit risk and potential financial losses. If these customers delay payment or default on their obligation, we may be required to fulfill guarantee

obligations, write off receivables, or incur impairment losses. We may not be able to collect all such trade and notes receivables and prepayments and other receivables due to a variety of factors that are beyond our control, including long project acceptance periods for certain large scale projects, adverse operating condition or financial condition of customers, and customers' inability to pay, among others. We have made and may continue to make impairment provisions and write-off the relevant receivables if our customers or related parties delay or default in their payments to us, adversely affecting our liquidity and financial condition.

We had and may continue to have loss-making projects.

In 2022, 2023, 2024 and the six months ended June 30, 2025, we had four, five, four and three loss-making projects, with gross losses of RMB7.7 million, RMB1.7 million, RMB0.5 million and RMB0.7 million, respectively. These loss-making projects were due to various reasons, including technical adjustments for new projects, poor customer operations and our competitive pricing strategy in the face of intensified market competition. We cannot guarantee that we will not have loss-making projects in the future. These loss-making projects have resulted, and may result, in the recognition of impairment losses on trade and notes receivables, which may materially and adversely affect our financial condition, results of operations and prospects.

We may be subject to inventory obsolescence risk.

Our business expansion requires us to manage a large volume of inventory effectively. Our inventories amounted to RMB123.5 million, RMB174.2 million, RMB96.5 million and RMB170.5 million as of December 31, 2022, 2023, 2024 and June 30, 2025. As of December 31, 2022, 2023, 2024 and June 30, 2025, we recorded inventory provision of RMB7.2 million, RMB19.0 million, RMB7.7 million and RMB7.7 million, respectively. Our inventories during the Track Record Period primarily consisted of contract costs in progress, raw materials, finished goods and consigned-processing-material. Our inventory turnover days decreased from 988.5 days in 2022 to 513.6 days in 2023, 160.1 days in 2024 and further decreased to 71.0 days in the six months ended June 30, 2025. We cannot guarantee that our inventories can be fully utilized within their effective lifespan. See "Business — Logistics and Inventory Management — Inventory Management." As our business expands, our inventory obsolescence risk may also increase commensurately with the increase in our inventories and our inventory turnover days.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We have recorded relatively long inventory turnover days and trade receivable turnover days during the Track Record Period, which may cause delays in the conversion of our revenue into cash flows. Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days we take to convert our investments in inventory

and other resources into cash flows from sales, was 933.0 days, 495.2 days, 188.2 days and 78.6 days for 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade receivables turnover days, then subtracting trade payables turnover days. The improvement during the Track Record Period was primarily attributable to the fact that the decrease in our inventory turnover days and trade receivables turnover days far exceeded the decrease in trade payables turnover days, particularly the substantial reduction in inventory turnover days.

Our inventory turnover days was 988.5 days, 513.6 days, 160.1 days and 71.0 days in 2022, 2023, 2024 and the six months ended June 30, 2025. The significant improvement in inventory turnover days during the same period benefiting from (i) the acceptance of certain V2X projects, (ii) continuous improvements in inventory management, and (iii) increased sales of our autonomous mining products and solutions. Our trade receivables turnover days was 244.9 days, 120.2 days, 89.8 days and 121.7 days in 2022, 2023, 2024 and the six months ended June 30, 2025. The overall decreasing trend was primarily attributable to the growth of our business scale and our enhanced efforts in receivables management. The increase in the six months ended June 30 was primarily attributable to a higher proportion of receivables recognized during the period that remained within agreed payment terms. Our trade payables turnover days was 300.4 days, 138.6 days, 61.7 days, and 114.1 days in 2022, 2023, 2024 and the six months ended June 30, 2025. The overall decreasing trend was primarily attributable to the settlement of certain major projects in the respective period. The increase in the six months ended June 30 was primarily attributable to extended credit terms granted by certain suppliers following the expansion of our business. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets/(Liabilities)."

However, there can be no assurance that similar performance can be sustained in future periods, particularly in light of potential fluctuations in project acceptance cycle, customer payment patterns, supply chain volatility, and broader macroeconomic conditions. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and future growth. Meanwhile, concentration of customers and suppliers may restrict our ability to negotiate favorable payment terms, potentially resulting in tighter cash flow and increased liquidity risk. If we are unable to manage our inventory levels and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position may be negatively impacted, which could in turn materially and adversely affect our business, financial condition and results of operation.

We are subject to risks associated with certain finance lease arrangements, which may cause material and adverse effect on our financial condition and operational results.

As part of our sales strategy, we have formed business partnerships with financial leasing companies to offer our customers alternative financing options, easing their financial constraints and facilitating the purchase of our solutions. As our business grows, we anticipate an increase in the use of finance leases by our customers. However, if our partner financial leasing companies are unable to meet our customers' capital requirements, those customers may be unable to afford our solutions and could potentially turn to competitors that can fulfill their financing needs, diverting our existing clientele and negatively impacting our future business growth.

Additionally, it is common industry practice to offer guarantees in finance lease agreements, which require us to make payments to the financial leasing companies in the event of a customer default, exposing us to increased credit risks. See "Business — Customers — Finance Lease Arrangements." As of the Latest Practicable Date, one of our customers was in default, and we fulfilled our obligations under the relevant guarantee as required by the lessor of the finance lease. See "Business — Customers — Major Customers — Transactions with Customer K". As of December 31, 2023 and 2024 and the six months ended June 30, 2025, we recorded financial guarantee contracts liabilities of RMB0.2 million, RMB6.5 million and RMB50.5 million, respectively. As of June 30, 2025, the amount of impairment losses made in respect of financial guarantee contracts with Customer K was RMB50.5 million, representing an impairment ratio of 72.1% for the financial guarantee contract liabilities arising from Customer K. If we cannot effectively control and manage credit risks related to our guarantees in finance lease agreements, our financial condition may be materially and adversely affected.

We had net current liabilities, net liabilities and recorded net operating cash outflows historically, which may continue into the foreseeable future and expose us to liquidity risk.

We had net current liabilities of RMB1,793.2 million as of June 30, 2025, and net liabilities of RMB601.9 million, RMB857.0 million, RMB1,117.9 million and RMB1,306.2 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. We may have net current liabilities and net liabilities in the future. Having significant net current liabilities and net liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. A net current liabilities position and a net liabilities position can expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected. We recorded net cash used in operating activities of RMB203.1 million, RMB196.8 million, RMB147.7 million, RMB42.5 million and RMB208.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. See "Financial Information — Liquidity and Capital Resources — Net Cash Flows

Used in Operating Activities." We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition.

Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, results of operations and financial condition may be adversely affected.

There are uncertainties about the recoverability of our deferred tax assets, which may affect our financial condition in the future.

As of December 31, 2022, 2023, 2024 and June 30, 2025, we recognized deferred tax assets of RMB117.3 million, RMB152.3 million, RMB180.7 million and RMB205.4 million, respectively. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. While the deferred tax assets may enable us to reduce future tax payments, our deferred tax assets may also represent a risk to us as their recoverability depends on our ability to generate sufficient taxable profits. We cannot assure you that our deferred tax assets can be recovered in the future. In the event that the value of our deferred tax assets is changed, we may have to write-down the deferred tax assets, which may materially and adversely affect our financial condition.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, results of operations, financial condition and prospects.

During the Track Record Period, we benefited from government grants, many of which are non-recurring in nature or are subject to periodic review. As of December 31, 2022, 2023, 2024 and June 30, 2025, the government grants we recognized as other income amounted to RMB7.3 million, RMB11.0 million, RMB5.1 million and RMB0.7 million, respectively. In addition, we enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. For example, we were recognized as a high and new technology enterprise and were entitled to a preferential income tax rate of 15% instead of 25% during the Track Record Period. For more details of the preferential tax treatments, see Note 13 to the Accountant's Report in Appendix I to this document.

The PRC governmental authorities may, at their discretion, decide to reduce or cancel such government grants or preferential tax treatment, which could adversely affect our business, results of operations, financial condition and prospects. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, results of operations, financial condition and prospects.

We have granted and may continue to grant share-based awards in the future, which may result in share-based payment expenses and as a result, may adversely affect our results of operations and financial condition.

We have granted and may continue to grant share-based awards in the future as we believe such share-based awards are important to our ability to attract, retain and motivate our key individuals. As a result, we may incur share-based payment expenses, which may adversely affect our results of operations and financial condition.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our selected property interest as of September 30, 2025 prepared by AVISTA Valuation Advisory Limited, an independent property valuer, are set forth in the valuation report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

RISKS RELATING TO OUR GENERAL OPERATIONS

The industries that we operate in are highly competitive. If we fail to compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected.

The industries in which we operate are highly competitive and concentrated. In particular, China's autonomous mining truck solution market is highly concentrated, with top five market players accounting for approximately 97% of the market share in terms of revenue in 2024. We primarily compete with other companies that focus on developing and commercializing intelligent driving technologies for commercial vehicles. If we compete with players that have a longer

corporate operating history than us, or if we do not have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than our competitors.

We may also face competition from new entrants who may offer lower prices or new technologies, products and solutions, and thus increase the level of competition in the future. Increased competition could result in lower sales, price reductions, reduced margins or loss of market share. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining top innovative talents, and acquiring technologies complementary to, or necessary for, our current and future products and solutions in order to respond to such competitive threats, and we cannot assure you that such measures will be effective.

If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, results of operations and financial condition may be materially and adversely affected.

We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance.

We have a limited operating history compared to some of our competitors. Our operations to date have focused on establishing our intellectual property portfolio and conducting R&D activities and the commercialization of our product and solution. As a result of our limited operating history, revenue fluctuations during the Track Record Period and particularly in light of the rapidly evolving nature of our industries, it may be difficult to evaluate our current business and reliably predict our future performance. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. If we cannot address these risks and overcome these difficulties successfully, our business and prospects will suffer.

Our success relies on key management and other highly qualified personnel with specialized skills. If we are unable to attract, retain and motivate key individuals, our business, results of operations and financial condition would be materially and adversely affected.

Hiring and retaining key individuals, such as key management, technical staff, qualified executives, developers, engineers and sales representatives are critical to our business, in particular, to the R&D and commercialization of each of our products and solutions. As of June

30, 2025, our R&D team consisted of 249 members, representing 54.1% of our total employees. In particular, our key R&D personnel are integral to the advancement of our technology and development of our products and solutions. See "Business — Research and Development — R&D Team." If our key R&D personnel were to cease their relationship with us or develop relationships with competitors, our ability to develop new technologies and products may be materially and adversely affected. The competition for highly skilled employees in our industries is increasingly intense. Changes in our management team would also disrupt our business. Our management and senior leadership team has significant industry experience, and their knowledge and relationships would be difficult to replace. See "Directors and Senior Management."

Changes in our management team may occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit qualified personnel. In addition, changes in the interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our changing workforce needs. See "Regulatory Overview — Laws and Regulations Relating to Labor Protection, Social Insurance and Housing Provident Fund." We may experience difficulty in hiring employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel may have greater resources than we have and may offer more attractive compensation packages for new employees. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees have breached their legal obligations, resulting in a diversion of our time and resources and potentially in litigation. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our share-based or other compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain, and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, results of operations and financial condition.

Our development strategies may not succeed, which may materially and adversely affect our business, financial condition and results of operations.

We have implemented comprehensive business strategies, including developing new technologies and expanding our operations. We have been and will continue introducing new products and solutions and improving existing ones to meet market demand and customer needs. However, there can be no assurance that our strategies align with market development, including technological advancements, industry trends and customer preferences. If any of our business strategies are proven to deviate from such market development, it could have a negative impact on our business, financial condition and results of operations. In addition, we may fail to obtain the necessary resources to fund our future plans or employ suitable personnel to manage our expanded

business. If we are unable to develop and introduce new solutions and improve existing solutions in a cost-effective and timely manner, our business, financial condition, results of operations and competitive position would be materially and adversely affected.

Our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks.

International expansion is a significant component of our growth strategy and may require significant capital investment in the future, which could strain our resources and adversely affect current performance, while adding complexity to our current operations. We will be subject to legal and regulatory requirements, political uncertainty and social, environmental and economic conditions in the overseas jurisdictions where we operate, including markets in which we generate significant sales. Our operations in such jurisdictions may create risks relating to organizing local operating entities; establishing, staffing and managing foreign business locations; attracting local customers; navigating foreign government taxes, regulations and permit requirements; enforceability of our contractual rights; trade restrictions, customs regulations, data privacy compliance, tariffs and price or exchange controls; and preferences in foreign nations for domestically manufactured products. If any of our overseas operations, or our associates or agents, violate laws in the relevant jurisdictions, we could become subject to sanctions or other penalties, which could adversely affect our reputation, business, results of operations and financial condition.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions and to the extent that strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which, in turn, could adversely affect our business. Acquired assets or businesses may not generate the financial or results of operations we expect. In addition, acquisitions could result in the use of substantial amounts of

cash, potentially dilutive issuances of equity securities, the incurrence of debt, the incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and expenses and harm our business generally. If we use our equity securities to pay for acquisitions or investments, we may dilute the value of our Shares. If we borrow funds to finance acquisitions or investments, such debt instruments may contain restrictive covenants that could, among other things, restrict us from distributing dividends. Such acquisitions and investments may also lead to significant amortization expenses related to intangible assets, impairment charges or write-offs. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from government authorities for the acquisitions and comply with applicable laws and regulations, which could result in increased costs and delays.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We rely on information technology networks and systems for electronic communications among our personnel, customers, manufacturers and suppliers and for synchronization with our manufacturers and logistics providers on demand forecast, order placements and manufacturing and service status and capacity. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. Failures in information technology systems, especially those related to automotive safety and associated data, could potentially lead to problems with our products and solutions, resulting in physical injuries or even fatalities to drivers, passengers, and other individuals. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

Our operations require continuous attention to the evolution of regulatory requirements. If we are unable to adapt to changes in automotive safety regulations, our operational and financial prospects could be significantly impacted.

We operate in regulated industries and are required to comply with the applicable laws, rules and regulations governing our operations. See "Regulatory Overview — Regulations and Policies Relating to the Intelligent Driving and Intelligent Connected Vehicle Industry." For details of our internal control measures to monitor and ensure compliance, see "Business — Risk Management and Internal Control — Compliance Management." Given a certain degree of discretionary authority held by relevant PRC authorities in interpreting, implementing and enforcing relevant rules and regulations, as well as other factors beyond our control, we cannot guarantee you that we have obtained or will be able to obtain and maintain all requisite licenses, permits, filings and registrations. Among other types of regulations, safety regulations play an important role in our operations. These regulations often impose stringent compliance and reporting requirements and are subject to evolvement due to new technological data, adverse publicity regarding industry recalls and safety risks of intelligent driving. If the manufacturing, use and sale of our products fail to meet the conditions or requirements of the new regulations that will be applicable at that time, our business, operating results and financial condition may be materially and adversely affected accordingly.

If we are unable to adapt to new legislation or changes in regulatory requirements, as well as changes or evolution in court interpretation of those regulations with respect to the industry of solutions for automotive intelligence, our business may be adversely affected. We need to continuously monitor laws, regulations and relevant compliance procedures to ensure that we are in compliance with existing laws and regulations in each market where we operate. Given the potential changes in the nature and complexity of relevant laws and regulations, we may need to incur higher compliance costs. If we are not currently in compliance with existing regulations, or if we fail to adhere to new regulations or fail to continually keep abreast of updates to such regulations, we may incur costs in remedying our non-compliance and it may disrupt our operations. In addition, we have no control over our products being resold or used by our customers in jurisdictions where our products are deemed incompliant with relevant laws and regulations, which could result in damage to our brand and adversely affect our business, results of operations and financial condition.

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate our business, results of operation and financial condition may be materially and adversely affected.

The industries we operate in are highly regulated. For example, under the current PRC regulatory scheme, a number of governmental authorities, including, but not limited to, SAMR and MIIT, jointly regulate major aspects of our industries. We are also required to obtain and maintain the requisite licenses and approvals required in the jurisdictions where we operate our business.

In addition, for the purpose of conducting the research and development in the ordinary course of our business and also for the purposes of performing contracts with our customers, we are cooperating with a service provider with surveying and mapping qualifications. Our cooperation scope covers the conduction of activities that requires qualification in order to facilitate our research and development and business operations. The service provider is responsible for providing solutions for the transmission, storage, use, and other processing activities of the geospatial data. However, if our cooperation with such service provider cannot continue or we cannot reach cooperation with other qualified service providers in the market, we may be subject to the requirement of obtaining surveying and mapping qualification certificate and complying with the state's surveying and mapping criteria, there is no assurance that we will be able to meet such criteria in a timely manner or at all, and our research and development activities and collaboration with our customers might be affected, any of which may materially and adversely affect our business, financial condition and results of operations.

As confirmed by our PRC Legal Advisor, as of the Latest Practicable Date, we had obtained all the licenses and made all the filings with competent governmental authorities in all material aspects that are essential to the operation of our business in China. However, we cannot assure you that we can successfully update or renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future business. We cannot assure you that we will be able to continuously comply with any future laws, regulations and policies or any of the laws, regulations and policies currently in effect due to changes in the relevant authorities' interpretation of these laws, regulations and policies. New laws and regulations may also be enforced from time to time to require additional licenses and permits other than those we currently have. We cannot assure you that we will be able to obtain such licenses and permits in a timely and cost-effective manner. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdiction where we operate our business, we may be subject to various penalties, such as confiscation of the revenue that were generated through the unlicensed activities, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business

operations and materially and adversely affect our business, results of operations and financial condition. For further details on the requisite licenses and approvals for our business operations, see "Regulatory Overview."

We may be subject to risks associated with international trade policies, investment restrictions, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to deterioration in political and economic relations among countries and sanctions and export and import controls administered by the government authorities in the countries where we operate and where our technologies originate from, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. Margins on sales of our products and services in certain countries and on sales of products that include components obtained from certain foreign suppliers could be materially and adversely affected by international trade regulations, including duties, tariffs and antidumping penalties. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. In addition to the existing trade sanctions and tariffs, the U.S. government may implement additional export and import controls and other regulatory measures targeting China-based technology companies. Such laws and regulations are likely subject to frequent changes, and their interpretation and enforcement involves substantial uncertainties, which may be heightened by national security concerns or driven by political and/or other factors that are beyond our control. See "Regulatory Overview — Laws and Regulations relating to U.S. Export and Import Controls." If certain of our customers and suppliers are listed on the Entity List and subject to restrictions on sourcing or selling technologies, software, or products from/to us, there is no guarantee that we will be able to obtain as well as extend and maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers, or that such permits will cover all our existing and potential transactions with such customers and suppliers. We cannot be certain what additional export control actions the U.S. government may take that could impact our products, suppliers or customers. The U.S. government could further expand the scope of items subject to the EAR in a manner that captures our products. Additional actions could also take the form of additional designations on the Entity List, which could make our products subject to the EAR for certain transactions if involving those parties. Furthermore, other countries may continue to adopt export controls that could impact our products and operations. The aforementioned restrictions, and similar or more expansive restrictions or sanctions, including sanctions currently imposed or may be imposed in the future by the Office of Foreign Assets Control of the United States or other relevant authorities in other jurisdictions, may materially and adversely affect our customers' and suppliers' ability to acquire or use technologies, systems, software, devices or components that may be critical to their products, service offerings and business operations, which in turn may adversely affect our business, results of operations and financial condition. Therefore, such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be difficult or costly to comply with and

may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. If any of us, or our Shareholders, Directors, management personnel, employees and business partners, violate such laws, we could become subject to sanctions or other penalties, which could adversely affect our reputation, business, results of operations and financial condition.

Other countries may also consider adopting similar trade restrictions or policies that may affect our ability to conduct import and export activities. As a result, our business, financial health, and operational performance could be negatively impacted by new sanctions, export controls, or other trade-related measures.

On August 9, 2023, the Biden administration signed an executive order and an advanced notice of proposed rule-making providing a conceptual framework for outbound investment controls focused on China, including Hong Kong and Macau. On October 28, 2024, the U.S. Department of Treasury issued a final rule to implement the executive order of August 9, 2023 (the "**Final Rule**"). The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "covered activities." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in a "covered foreign person," which are defined as "covered transactions," and include acquisitions of equity interests and contingent equity interests, certain debt financing, greenfield and brownfield investments, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule excludes some investments from the scope of "covered transactions", including those in publicly traded securities. We may be deemed a "covered foreign person" defined under the Final Rule because we may be deemed to be engaged in the development of AI systems intended to be used for the control of robotic systems, which constitutes "covered activities" under the Final Rule. If U.S. persons engage in a "covered transaction" (as defined under the Final Rule), including a transaction that involves the acquisition of our equity interests that are not publicly traded, such U.S. persons may need to make a notification to the U.S. Department of Treasury pursuant to the Final Rule. In addition, even though U.S. persons' acquisitions of certain publicly traded securities (such as our Shares following the completion of the Listing) will be exempted from the scope of "covered transactions" under the Final Rule, the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after the Listing given that relevant laws, regulations, and policies continue to evolve, and there could be amendments to publicly traded securities exemption and other aspects of the Final Rule or the introduction of similar regulations. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Economic and industry uncertainty or changes, including recession or slowing growth, inflation, changes or uncertainty in fiscal, monetary, or trade policy, disruptions to capital markets, currency fluctuations, higher interest rates, tighter credit, lower capital expenditures by businesses, including on IT infrastructure, increases in unemployment, labor shortages, and lower consumer confidence and spending. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought or the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or COVID-19, and force majeure events including acts of war or terrorism may disrupt our R&D, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.

We maintain insurance coverage which includes property all risks insurance for our buildings, machinery and equipment and third-party liability insurance for our test vehicles. While we believe that the amount of our insurance coverage is in line with the customary standard in the industry and is adequate for our operations, it may not be adequate to fully compensate for all kinds of losses we may suffer in the future. For example, insurance covering losses from acts of war, terrorism, or natural disasters is either unavailable or cost-prohibitive. In addition, our insurers review our policies every year and we cannot guarantee that our policies can be renewed on similar or other acceptable terms or at all. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. Furthermore, if we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, results of operations, financial condition and prospects.

Our business and prospects depend on our ability to build our brands and reputation, which could be harmed by negative publicity with respect to any negative publicity regarding our Company, Directors, employees, branding or products and solutions, whether warranted or not, could adversely affect our business.

We believe that maintaining and enhancing our brands are of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion

of our brand will depend on the effectiveness of our marketing efforts and the amount of word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities are and will be successful or that we can achieve the brand promotion effect we expect. In addition, negative publicity about our Company, Directors, employees, branding or products and solutions, whether warranted or not, may adversely affect our brand, reputation and business. Certain of such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control.

Issues relating to the responsible use of our technologies, including AI in our offerings, may result in reputational and financial harm and liability.

Concerns relating to the responsible use of new and evolving technologies, such as AI, in our products and services may result in reputational and financial harm and liability and may cause us to incur costs to resolve such issues. We are increasingly building AI capabilities into many of our products and services. AI poses emerging ethical issues and presents risks and challenges that could affect its adoption, and therefore our business. If we enable or offer solutions that draw controversy due to their perceived or actual impact on society, such as AI solutions that have unintended consequences or are controversial because of their impact on human rights, privacy, employment, or other social, economic, or political issues, or if we are unable to develop effective internal policies and frameworks relating to the responsible development and use of AI models and systems offered through our sales channels, we may experience brand or reputational harm, competitive harm or legal liability. Compliance with government regulation in the area of AI ethics may also increase the cost of related research and development, and changes in AI-related regulation could disproportionately impact us and require us to change our business practices, which may negatively impact our financial results. Our failure to address concerns relating to the responsible use of AI by us or others could undermine public confidence in AI and slow adoption of AI in our products and services or cause reputational harm.

Any failure or perceived failure to comply with data privacy and security laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure, and other processing of data, could damage our reputation and deter current and potential customers from using our products and solutions.

In recent years, privacy and data protection has become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of personal data in the past few years. We are subject to a variety of laws and regulations relating to data security and privacy, as our business operations involve collection, use, storage, retention, transfer, disclosure and other processing of data, and procurement of data from third parties for training purpose. The

interpretation and application of laws, regulations and standards relating to cybersecurity, data protection and privacy are still subject to change, and these regulations are also affected by different interpretations or significant changes, making it difficult for us to anticipate the scope of our responsibilities in this regard. For instance, on June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "Data Security Law," effective since September 1, 2021). The Data Security Law sets out a number of obligations on data security and privacy undertaken by entities and individuals engaged in data-related activities. It also prohibits any individual or entity in China from providing data stored in China to foreign judicial or law enforcement departments without the approval of the competent authorities in China. Besides, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which was promulgated by Cyberspace Administration of China on July 7, 2022 and became effective on September 1, 2022, stipulates the obligation that before applying for the security assessment of outbound data transfer, data processors shall conduct a self-assessment of the risks in the outbound data transfer. And on November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》, effective since June 1, 2017), and pursuant to which, the state is to advance the development of a socialized service system for cybersecurity, and encourage related businesses and institutions to carry out cybersecurity services such as certification, testing and risk assessment. According to the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was promulgated by the Cyberspace Administration of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance, the Ministry of Commerce, the People's Bank of China, the State Administration for Market Regulation, the National Radio and Television Administration, the National Administration of State Secrets Protection, and the State Cryptography Administration on December 28, 2021 and became effective on February 15, 2022, entities meeting certain standards shall apply for a cybersecurity review. Meanwhile, the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which was promulgated by the State Council on September 24, 2024 and came into effect on January 1, 2025, further provides rules on network data security. As advised by our PRC legal adviser as to data security laws, the cybersecurity related laws and regulations would not have a material adverse impact on our business operations or the **[REDACTED]** as of the Latest Practicable Date. While we strive to comply with our privacy guidelines as well as all applicable data protection laws and regulations, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, and could damage our reputation.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties, that could subject us to liabilities, fines and other penalties imposed by government authorities and negative publicity. There can be no assurance that our controls and policies will prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our employees, customers, suppliers or other third parties, including, but not limited to, those in violation of anti-corruption or anti-bribery laws, could subject us to negative publicity that could severely damage our brand and reputation and, if conducted by our employees, could further subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties could materially and adversely affect our business, results of operations, financial condition and prospects.

Our legal right to some leased properties may be challenged.

As of the Latest Practicable Date, the lessor of one of our leased properties was unable to provide us with their property ownership certificates and construction permits, which may adversely affect our ability to continue to use them in the future. As the property is used as garages and warehouses that only accounts for a relatively small portion of the aggregate gross floor area of our leased properties, we believe that we will be able to find alternative properties easily if we are required to relocate. Nonetheless, we may incur additional expenses during the process, and our business, financial condition and results of operations may be negatively affected. In addition, as of the Latest Practicable Date, we were unable to complete the registration and filing procedures for the above-mentioned leased property because the lessor was unable to complete their property ownership registration. As advised by our PRC Legal Advisor, the non-registration and filing of the relevant property lease will not affect the validity of the lease contracts and the legal use of the leased properties, but relevant local housing authorities may require us to complete the filing within the prescribed period and we may be subject to penalties of RMB1,000 to RMB10,000 for non-registration exceeding such time limit.

As of the Latest Practicable Date, we were not subject to any investigation or administrative penalties by the relevant government authorities, nor subject to any legal proceeding or arbitration in relation to the above-mentioned issues.

If we fail to comply with environmental, fire protection or health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, fire protection, or health and safety laws and regulations. Our assembly and testing processes involve machinery and equipment that may be prone to industrial accidents, potentially causing physical injuries to, or even fatalities of, our employees. There can be no assurance that industrial accidents, whether caused by malfunction or misuse of equipment or machinery, will not occur in the future. In such event, we may be liable to claims brought against us by injured employees or their families in cases of fatalities. We may also be subject to fines or penalties for violations of applicable health and safety laws and regulations by government authorities if our measures for health and safety protection are found to be insufficient, as well as suspension of our operations for investigation after such incidents. In addition, we may also need to continuously improve and implement new health and safety requirements to prevent the recurrence of such incidents in the future.

We have been in compliance with such laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date. However, compliance with such laws and regulations incurs certain costs. Any potential failure to comply with environmental, fire protection, or health and safety laws and regulations and/or failure to adequately protect the health of our employees could have a material and adverse impact on our business operations and financial performance.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. For example, a construction service supplier filed a lawsuit against us due to disagreements over payment settlement terms and procedures in relation to a construction project for our self-operated factory. The dispute is ongoing and no court judgment had been issued as of the Latest Practicable Date, and the court imposed pre-litigation property preservation measures in relation to one of our properties and bank accounts. See "Business — Legal Proceedings and Compliance" for details. This litigation arose from the ordinary course of our operations and does not concern our core business or assets, and we have made sufficient provisions for the disputed amount. We believe and our PRC Legal Advisors are of the view that such dispute would not have a material adverse impact on our business operations. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal

advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. If our business is disrupted as a result of judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees, it may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PLACE WHERE WE OPERATE

Failure to respond to development in the economic, government policies, and laws and regulations in the principal place where we operate may have a material adverse effect on our business, financial condition and results of operations.

Our business, financial condition and operating result may be influenced by the overall political, economic and social conditions in the countries where we operate.

Governments around the world have implemented and may continue to introduce various policies and measures aimed at encouraging economic growth and guiding resource allocation. These economic measures may be adaptively adjusted from industry to industry or across different regions. Failure to respond to such development may materially and adversely affect 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.

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down 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》). These opinions enhanced administration and 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. See "Regulatory Overview — Laws and Regulations Relating to Overseas Listing." for details.

If it is determined that our future financing activities or other significant events require any filings with the CSRC or other regulatory authorities or the fulfillment of other requirements, and we fail to complete such filings or meet such requirements in a timely manner, such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial condition.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC, and substantially all of our business, assets and operations are located in Mainland China. In addition, a majority of our Directors or members of our senior management reside in Mainland China, and a substantial portion of the assets of such Directors or members of our senior management are located in Mainland China. As a result, it may be difficult, cumbersome, and time-consuming to effect service of process outside Mainland China upon us or such Directors or members of our senior management. Furthermore, an original action may only be brought in China against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the PRC civil procedure law, therefore, you are advised to pay attention to whether you are able to bring an original action in China in this manner. Moreover, Mainland China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with many countries including the United States. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. As a result, recognition and enforcement in Mainland China or Hong Kong of a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"). Pursuant to such arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement. On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which took effect in January 2024. The 2019 Arrangement superseded the 2006 Arrangement and afforded greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect.

Although we will be subject to the Hong Kong Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases upon the **[REDACTED]** of our H Shares on the Hong Kong Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Hong Kong Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules. The Hong Kong Listing Rules and Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law in Hong Kong.

Regulations and policies regarding currency exchange, as well as fluctuations in exchange rates may impact our ability to distribute dividends and our operating result.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, if we cannot continuously comply with the applicable foreign exchange regulations and policies, we may not be able to obtain sufficient foreign currency, which may in turn affect our ability to pay dividends to our Shareholders in foreign currency.

Fluctuations in the exchange rate of Renminbi against the Hong Kong dollar, the U.S. dollar and other foreign currencies are affected by, among other things, the policies of the PRC Government and changes in China's and international political and economic conditions. The **[REDACTED]** from the **[REDACTED]** will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our **[REDACTED]** from the **[REDACTED]**. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. There are limited instruments currently available for us to reduce our foreign currency risk exposure at reasonable cost, and we have not utilized, and may not in the future utilize, any such instrument. All of these factors could materially and adversely affect our business, results of operations, financial condition and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, and subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is unclear whether dividends we pay with respect to our H Shares, or the gain realized from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Payment of dividends is subject to the provisions under PRC laws.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our Shareholders' meeting), each such appropriation based on the unconsolidated net profit determined under PRC GAAP. Our distributable net profit referred to above represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS. As a result, we may not have sufficient distributable profits, if any, to make dividend distributions to our

Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

RISKS RELATING TO THE [REDACTED]

There has been no prior public trading market for our H shares, and their liquidity and market price may be volatile.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares may not be an indication of the market price of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our results of operations, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the volume and price at which our H Shares will trade.

Substantial future sales or the expectation of substantial sale of our H Shares in the public market could cause the price of our H Shares to decline.

Although our Controlling Shareholders are subject to restrictions on their sales of H Shares within 12 months from the **[REDACTED]** as described in "**[REDACTED]**" in this document, future sales of a significant number of our H Shares by our Controlling Shareholders or other existing shareholders in the public market after the **[REDACTED]**, or the perception that these sales could occur, could cause the market price of our H Shares to decline and could materially impair our future ability to raise capital through **[REDACTED]** of our H Shares. We cannot assure you that our Controlling Shareholders, or other existing shareholders will not dispose of H Shares held by them or that we will not issue H Shares pursuant to the general mandate to issue shares granted to our Directors, upon the expiration of restrictions set out above. We cannot predict the effect, if any, that any future sales of Shares by our Controlling Shareholders or other existing Shareholders, or the Shares available for sale by our Controlling Shareholders or other existing Shareholders, or the issuance of Shares by our Company may have on the market price of the H Shares. Sale or issuance of a substantial number of Shares by our Controlling Shareholders or us,

or the market perception that such sale or issuance may occur, could materially and adversely affect the prevailing market price of the H Shares.

We may need additional capital, and the sale or issue of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash and cash equivalents and the net **[REDACTED]** from the **[REDACTED]**, we may require additional cash resources to finance our continued growth or other future developments. We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell additional equity securities, which could result in additional dilution to our Shareholders.

As the [REDACTED] of our H Shares is higher than our consolidated net tangible book value per Share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the **[REDACTED]** of our H Shares is higher than the consolidated net **[REDACTED]** per Share immediately prior to the **[REDACTED]**, purchasers of our H Shares in the **[REDACTED]** may experience an immediate dilution. Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their H Shares. In addition, holders of our H Shares may experience further dilution of their interest if the **[REDACTED]** exercise the **[REDACTED]** or if we issue additional H Shares in the future to raise additional capital.

We cannot assure you whether and when we will declare and pay dividends in the future.

We may not be able to pay any cash dividends in the foreseeable future. Our ability to pay dividends will depend on various factors, including whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the corporate approval processes. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRS, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory provisions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there

can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See "Financial Information — Dividends and Dividend Policy."

Certain facts, forecasts and statistics contained in this document are derived from a third-party report and publicly available official sources and they may not be reliable.

Certain facts, forecasts and statistics contained in this document relating to, among other things, the industry in which we operate have been derived from a third-party report and various official government publications. However, we have not independently verified information and statistics from official government sources, and we cannot assure you of the quality or reliability of such source materials. Information from official government sources have not been prepared or independently verified by us, the **[REDACTED]** or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this document may be inaccurate or may not be comparable to statistics produced with respect to other economies. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward- looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Investors should read the entire document carefully and should not consider any particular statements in this document or in published media reports without carefully considering the risks and other information contained in this document.

Prior to the publication of this document, there has been coverage in the media regarding us and the **[REDACTED]**, which contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

In preparation for the **[REDACTED]**, we have sought the following waivers and exemption from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Our principal business operations are primarily located, managed, and conducted in the PRC and will continue to be based in the PRC, and our Company's head office is located in Changsha, the PRC. Our executive Directors and senior management members ordinarily reside in the PRC and play important roles in our Company's business operations, principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, it is important for them to remain in close proximity to the Group's operations located in the PRC. We consider that it would be practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by relocation of our existing executive Directors or by appointment of additional executive Directors. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us], a waiver from strict compliance with the requirements set out in Rule 8.12 of the Listing Rules subject to the following conditions:

(i) we have appointed Dr. Hu Albert Sibo (胡斯博) and Mr. Li Chunlin (李春林) as the authorized representatives of our Company (the "**Authorized Representatives**") for purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Stock Exchange and will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Our Company will provide contact details of the Authorized Representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any changes in Authorized Representatives. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See "Directors and Senior Management" for further biographical details of our Authorized Representatives;

(ii) to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (including mobile phone number, office phone number and/or email address) of each of our Directors. When the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact our Directors;

(iii) to the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request by the Stock Exchange; and

(iv) our Company has appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor with effect from the **[REDACTED]** in accordance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of the Company with the Stock Exchange during the period from the **[REDACTED]** to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the **[REDACTED]**. The Compliance Advisor will act as the additional and alternative channel of communication with the Stock Exchange when the Authorized Representatives are not available and its representatives will be readily available to answer enquiries from the Stock Exchange.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, the Stock Exchange will consider the following factors in assessing the individual's "relevant experience":

(i) length of employment with the issuer and other issuers and the roles he/she played;

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

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

(iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time but in any event not exceeding three years from the date of **[REDACTED]** and on the following conditions: (i) the relevant company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by the Company.

We have appointed Ms. Au Wing Sze (區詠詩) ("**Ms. Au**") and Mr. Li Chunlin (李春林) ("**Mr. Li**") as the joint company secretaries of our Company. See "Directors and Senior Management Joint Company Secretaries" for further biographical details of Ms. Au and Mr. Li.

Ms. Au is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She fully meets the qualification requirements stipulated under Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Mr. Li has served as the legal director and head of risk control of our Company since November 2017 and has been responsible for corporate governance affairs of our Company since then. By virtue of Mr. Li's substantial experience in corporate governance and his experience and familiarity with our Group, we believe that appointment of Mr. Li as our company secretary would be beneficial for our Company. Furthermore, given that the key operations of our Group are located in the PRC, we believe that it would be in the interest of our Company and our corporate governance to have Mr. Li, who possess the relevant background and experience in the PRC, to act as our joint company secretary.

Accordingly, while Mr. Li personally does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us] with, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Li will act as our joint company secretary. The waiver [has been granted] for a three-year period commencing from the **[REDACTED]** (the "**Waiver Period**"), on the condition that:

(i) Mr. Li will endeavor to attend relevant training courses to enhance his knowledge of the Listing Rules during the Waiver Period, and comply with the annual professional training requirement under Rule 3.29 of the Listing Rules;

(ii) Ms. Au, as a joint company secretary of our Company, will provide assistance to, and work closely with, Mr. Li in the discharge of his duties and responsibilities as our company secretary during the Waiver Period;

(iii) Ms. Au is suitably qualified person render assistance to Mr. Li so as to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) during the Waiver Period; and

(iv) before the expiry of the Waiver Period, our Company will evaluate Mr. Li's experience in order to determine if he has acquired the relevant experience required under Rule 3.28 of the Listing Rules, and whether ongoing assistance should be arranged so that Mr. Li's appointment as the company secretary of the Company satisfies the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us with, a waiver from strict compliance with Rule 3.28 and 8.17 of the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this document.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Ma Wei (馬濰)	Room 1402, Building 1 No. 39 Shenjia Road, Yuelu District Changsha, Hunan Province PRC	American
Dr. Hu Albert Sibo (胡斯博)	Room 2003, Building 7, Phase 2 Vanke Jinyu Tixiang Xiaoxiang Middle Road, Yuelu District Changsha, Hunan Province PRC	Chinese (Hong Kong)
Non-executive Directors		
Prof. Li Zexiang (李澤湘)	Room 801, Building 3 No. 11 University Road Songshan Lake Dongguan, Guangdong Province PRC	Chinese (Hong Kong)
Mr. Wang Hao (王昊)[(1)]	#20-04 Ardmore II 2 Ardmore Park Road Singapore	Chinese
Ms. Yang Xi (楊溪)	Room 8D, Xiangliange, Xiangli Building No. 2075 Lianhua Road Futian District Shenzhen, Guangdong Province PRC	Chinese (Hong Kong)

Name	Address	Nationality
Dr. Li Zhiyong (李智勇)	Unit 103, Building A14, Xijie Garden, No. 10 Renmin East Road, Furong District, Changsha, Hunan Province PRC	Chinese
Independent non-executive Directors		
Dr. Li Xiaoyuan (李曉原)	2/F, 55 Tai Po Tsai Village Clearwater Bay Road Sai Kung, New Territories Hong Kong	Chinese (Hong Kong)
Prof. Tan Guangrong (譚光榮)	Room 203, Building 16, First Area Wangyuehu Community, Yuelu District Changsha, Hunan Province PRC	Chinese
Mr. Zhang Jiangang (張健鋼)	Flat E, 2/F, B1, The Horizon 18 Fo Chun Road Taipo, New Territories Hong Kong	Chinese (Hong Kong)

Note:

(1) As of the date of this document, Mr. Wang Hao was our non-executive Director. Mr. Wang Hao has already tendered his resignation from directorship, conditional and effective upon **[REDACTED]**, and the appointments (i) of Dr. Li Zhiyong as a non-executive Director and (ii) Dr. Li Xiaoyuan, Prof. Tan Guanrong and Mr. Zhang Jiangang as independent non-executive Directors will become effective at the same time. Mr. Wang Hao is a board representative of HongShan prior to **[REDACTED]** and have performed non-executive functions through providing advice on our overall development as a private company. Mr. Wang Hao has tendered his resignation based on internal decision-making of HongShan which he represents and his intention to focus on other endeavours. In addition, the appointment of three independent non-executive directors would allow us to meet the requirements under Rules 3.10(1) and 3.10A of the Listing Rules that our Board shall include at least three independent non-executive directors, who shall represent at least one-third of our Board. Mr. Wang Hao has confirmed to the Board that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders of the Company.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited
29/F One International Finance Centre
1 Harbour View Street
Central, Hong Kong

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18/F, Two Exchange Square
8 Connaught Place
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Ping An of China Capital (Hong Kong) Company Limited
Units 3601, 07 & 11–13
36/F, The Center
99 Queen's Road
Central, Hong Kong

[REDACTED]

[REDACTED]

Auditor and Reporting Accountant	**BDO Limited** *Certified Public Accountants* 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
Legal Advisors to the Company	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **Zhong Lun Law Firm** Floor 57/58/59, Building A Ping An Financial Center No. 5033 Yitian Road, Futian District Shenzhen, Guangdong Province PRC *As to U.S. export control and sanctions law* **Pillsbury Winthrop Shaw Pittman LLP** 1200 Seventeenth Street, NW Washington, DC 20036 The United States

Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law:* **Fangda Partners** 27/F, North Tower Beijing Kerry Centre 1 Guanghua Road Chaoyang District Beijing 100020, China
Independent Property Valuer	**AVISTA Valuation Advisory Limited** Room 2401–06, 24/F Everbright Centre No. 108 Gloucester Road Wan Chai, Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B Jingan International Center 88 Puji Road Jingan District, Shanghai

[REDACTED]

CORPORATE INFORMATION

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Principal Place of Business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.cidi.ai** *(The information contained in this website does not form part of this document)*
Joint Company Secretaries	**Ms. AU Wing Sze (區詠詩)** 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong **Mr. LI Chunlin (李春林)** Building A3 and A4 Hunan Provincial Inspection and Testing Characteristic Industrial Park No. 336 Xueshi Road, Yuelu District Changsha, Hunan Province PRC

CORPORATE INFORMATION

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Audit Committee	Prof. TAN Guangrong (譚光榮) *(Chairperson)* Ms. YANG Xi (楊溪) Dr. LI Xiaoyuan (李曉原)
Remuneration Committee	Dr. LI Xiaoyuan (李曉原) *(Chairperson)* Dr. MA Wei (馬濰) Mr. ZHANG Jiangang (張健鋼)
Nomination Committee	Prof. LI Zexiang (李澤湘) *(Chairperson)* Dr. LI Xiaoyuan (李曉原) Mr. ZHANG Jiangang (張健鋼)
Compliance Advisor	**Ping An of China Capital (Hong Kong) Company Limited** Units 3601, 07 & 11–13 36/F, The Center 99 Queen's Road Central, Hong Kong

[REDACTED]

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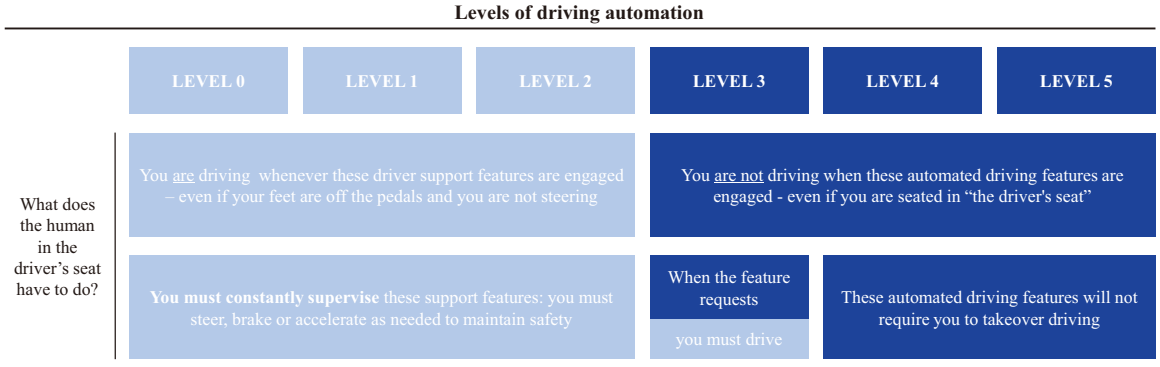
This and other sections of this document contain information relating to the industry in which we operate. Certain information and statistics set forth in this section have been extracted from the CIC Report issued by CIC, an independent market research agency, which we commissioned, and from various official government publications and other publicly available publications. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *any of our or their respective directors, officers or representatives or any other person or party involved in the* **[REDACTED]**, *and no representation is given as to their accuracy.*

OVERVIEW OF GLOBAL AND CHINA'S COMMERCIAL VEHICLE INTELLIGENT DRIVING INDUSTRY

Overview of Driving Automation

The rapid development of driving automation technology is reshaping global transportation, leading mobility into a new era with enhanced safety, efficiency and comfort.

The Society of Automotive Engineers, a global professional association and standards organization, categorizes driving automation into six levels, ranging from full control by a human driver, supported by advanced safety features, to vehicles that can operate entirely without any human input.



Note:

(1) In the Industry Overview section, "China" or "PRC" refers to the People's Republic of China, which for the purpose of this section and for geographical reference only, including Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

The table below illustrates the differences among the six levels of driving automation:

Levels of driving automation	Definition
Level 0	The vehicle has no driving automation.
Level 1	The vehicle features a single automated system for driver assistance, such as steering or brake/acceleration support to the driver.
Level 2	The vehicle can provide both steering and brake/accelerating support to the driver.
Level 3	The vehicle is equipped with "environmental detection" capabilities and can make informed decisions for themselves, such as accelerating past a slow-moving vehicle, but will not operate unless certain conditions are met.
Level 4	The vehicle can automatically drive without human intervention under limited conditions such as certain locations, road types, weather, etc.
Level 5	The vehicle can drive under all conditions without human intervention.

Among these, Level 2+ is commonly used to describe systems that require constant human supervision and can offer functions surpassing Level 2 but not fully reaching Level 3. Vehicles equipped with Level 2+ or higher systems can achieve vehicle autonomy with minimal human intervention under suitable driving conditions.

Overview of Intelligent Driving

Driving automation is primarily divided into two categories: advanced driver-assistance systems (ADAS) and intelligent driving. As illustrated below, ADAS refers to technologies and functions that assist drivers in various driving tasks, while requiring the driver to remain attentive. ADAS provides functionalities at Level 1 and Level 2. In contrast, intelligent driving involves a higher level of automation, which typically provides functionalities at Level 2+ and higher, aiming to eventually achieve full automation, wherein vehicles can operate without human intervention. intelligent driving technology is evolving from a mix of conditional and full automation toward complete full automation, enabling vehicles to navigate increasingly complex, diverse and challenging scenarios.

Globally, the technological capabilities of driving automation solutions are approaching the intelligent driving level. In the passenger vehicle market, commercialized solutions still remain largely focused on ADAS due to high regulatory hurdles on open urban roads. However, since the responsibility for intelligent driving operations in closed environments lies with the scenario operator rather than public traffic authorities, and because closed environments allow for a controlled setting for the comprehensive deployment of intelligent driving solutions before scaling to a wider variety of applications, they present an ideal setting for the early testing and deployment of intelligent driving technology.

Overview of driving automation

Human Driver / Automated System	ADAS	Intelligent driving	
	Driver Assistance	***Conditional Automation***	***High/Full Automation***
Driving Responsibility	Automated system providing assisted driving features only	Smart vehicle driving under limited conditions	Smart vehicle driving under all conditions
Supervising Responsibility	Human driver solely responsible	Human driver intervening when necessary	Little or no human intervention
Key Features & Functions	• Lane centering • Lane departure warning • Lane following • Adaptive cruise control • Automatic emergency braking …	• NOA on highway and urban scenarios • Traffic sign recognition and stop sign control • Automated parking …	***High Automation*** • Pedal/steering wheel may not be installed ***Full Automation*** • Driverless and automated under all conditions • Robobus/Robotruck …

Overview of China's Commercial Vehicle Intelligent Driving Industry

Intelligent driving commercial vehicles have already achieved large-scale commercialization, primarily due to the following pain points that create guaranteed market acceptance for commercial vehicle intelligent driving solutions.

(i) **Safety.** Safety is the most critical concern in commercial vehicle operations, since accidents can lead to severe injuries, significant economic losses and disruptions to operations. The introduction of intelligent driving technology enables driverless commercial vehicle operations, reducing accidents caused by human error and minimizing potential casualties and financial losses. Additionally, drivers face health risks associated with commercial vehicle operations, such as chronic lung and hearing problems caused by dust and noises in mining areas. Vehicle automation can protect drivers from prolonged exposure to hazardous environments, thereby lowering such health risks.

(ii) **Efficiency and Reliability.** Operations with manned commercial vehicles are often suspended due to humans' limited attention span and inability to work long, consecutive hours. In contrast, intelligent driving commercial vehicles can operate 24/7, thereby improving operational efficiency and reliability.

Intelligent driving commercial vehicles have been deployed in various scenarios, which can be categorized into three main types: urban roads, intercity roads and closed environments. Urban roads scenarios mainly involve robobuses, urban logistics, last-mile delivery and robosweepers. Intercity roads scenarios refer to intercity logistics vehicles. Closed environments primarily include mines, industrial parks, ports and airports.

The development of intelligent driving technologies vary significantly across urban roads, intercity roads, and closed environments.

Urban roads: Urban roads are characterized by high traffic density and more unpredictable road conditions, which makes intelligent driving in urban roads demand more advanced perception technologies and sophisticated algorithms capable of handling these unstructured scenarios. At the same time, regulatory frameworks in urban settings are typically fragmented due to the involvement of multiple stakeholders. In most cases, current policies allow only vehicles with Level 2+ or lower capabilities to run on urban roads, with fully driverless operations not yet authorized, resulting in extended implementation timelines and the business models still remain in an exploratory stage.

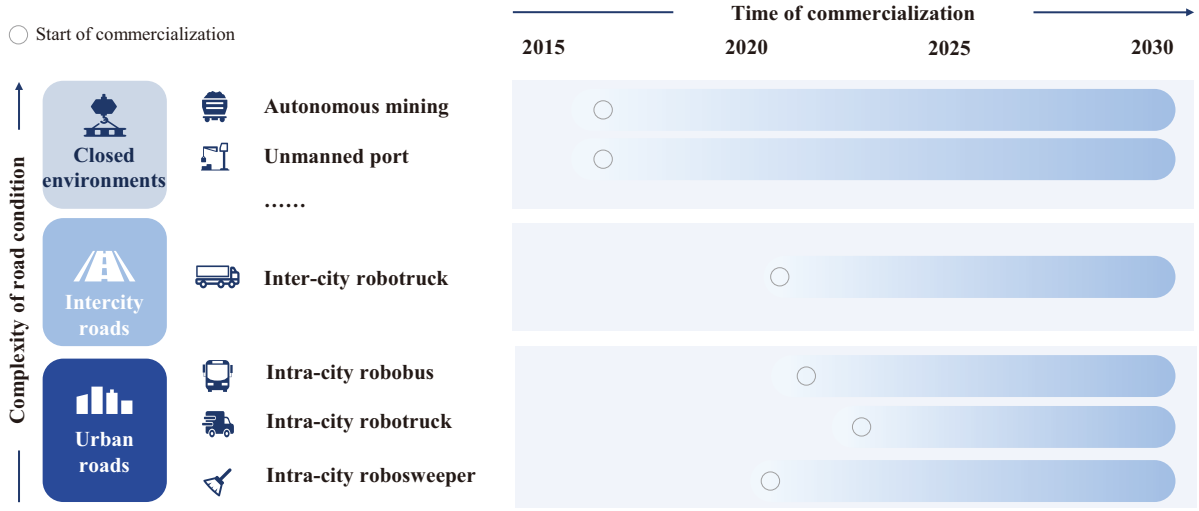
Intercity roads: Compared to urban roads, the deployment of intelligent driving on intercity roads is relatively more viable, owing to more structured traffic conditions, higher yet more predictable vehicle speeds and limited interactions with minimal involvement of pedestrians or complex intersections. Although regulatory constraints on vehicle automation levels still persist, the higher degree of scenario standardization has facilitated consistent policy support, with large-scale pilot programs and commercial rollouts in intercity logistics steadily progressing.

Closed environments: Closed environments are among the most promising scenarios of intelligent driving. Intelligent driving operations within such environments generally comply with existing laws and regulations, as they offer clearly defined operational boundaries, planned routes, simplified traffic conditions and a high degree of environmental controllability; moreover, in 2024, national policies have explicitly called for promoting "unmanned and less-manned" operations in hazardous mining sites, all of which contribute to greater intelligent driving solutions feasibility, reliability, stability and operational efficiency. The regulatory landscape in closed environments is supportive of intelligent driving technologies, providing a favorable policy environment for future deployment. Among various closed environments, open-pit mines, characterized by their hazardous conditions, pollution, remoteness, and large scale, constitute a rigid-demand market for intelligent driving industry.

As intelligent driving remains in the early stages of commercialization across various application scenarios, most market players are focused on deepening their capabilities within their respective domains of expertise. Currently, the commercialization of intelligent driving solutions for commercial vehicles on urban and intercity roads is still nascent. With respect to urban roads, several intelligent driving companies have collaborated with local governments to establish fixed routes connecting major transportation hubs with surrounding facilities. In terms of intercity roads, autonomous logistics truck companies are working with logistics companies and commercial vehicle OEMs to pilot smart heavy-duty truck operations for long-haul transportation. In contrast, the commercialization of intelligent driving solutions in closed environments is at a significantly higher level. Successful deployments in mining sites, ports and industrial parks demonstrate the effective integration of intelligent driving technologies into established processes and infrastructure. These deployments exemplify the successful implementation of intelligent driving solutions in closed environments.

Although closed environments are ideal for the early testing and deployment of intelligent driving technology, transitioning to the commercial vehicle intelligent driving market presents significant challenges for companies originally focused on passenger vehicles. Firstly, the elevated viewpoints of commercial vehicles and the consequently larger blind spots necessitate a distinct and more advanced sensor deployment strategy compared to passenger vehicles. This includes a greater number of sensors, more complex installation configurations and stricter requirements for sensing reliability, shock resistance, and dust resistance to ensure accurate perception and safe operation, especially in unstructured environments such as mining sites where there are no road signs, lane markings or guidelines. Secondly, the heavier weight of commercial vehicles results in more sluggish steering, braking and throttle responses, making stable motion control more sophisticated. This imposes stricter requirements on the validation of intelligent driving solutions in real-world scenarios, particularly during heavy-load transportation. Last but not the least, the harsh working environments such as dirty, dusty and rocky roads and extended operating hours typical of commercial vehicle operations demand stronger on-site deployment and testing capabilities for industrial heavy machinery to ensure reliable and efficient intelligent driving performance under demanding conditions.

Overview of commercial vehicle intelligent driving



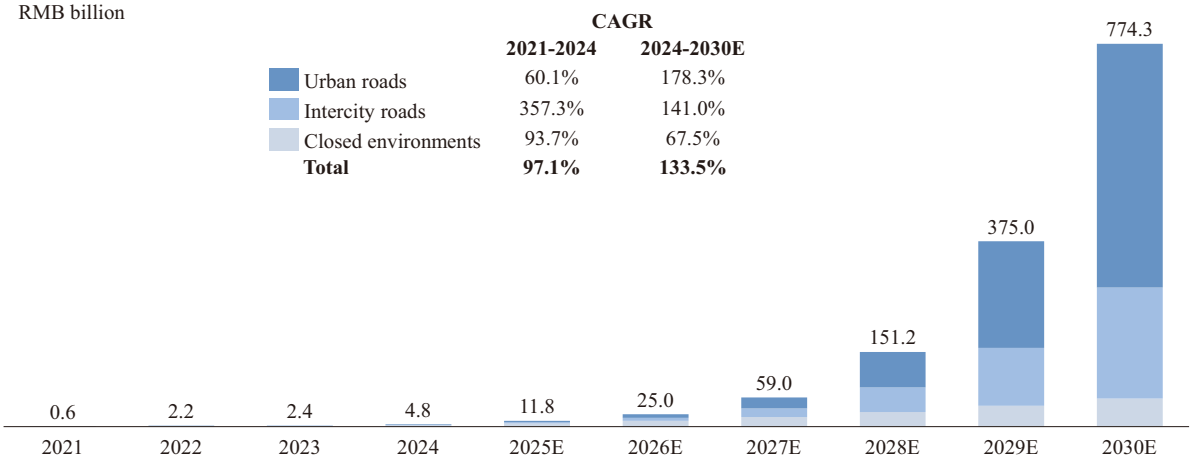
Companies in the commercial vehicle intelligent driving market primarily follow two business models: product sales and fleet operation. Product sales, which primarily generate one-time revenue, contribute to healthier cash flow and stronger financial stability for companies. However, success under the product sales model requires robust expertise in vehicle manufacturing to ensure optimal integration, advanced technical capabilities to address software and hardware compatibility challenges, and strong customer retention with technological alignment to secure a steady flow of orders and drive sustainable growth. Under the product sales model, there are occassions that customers may require solution providers to provide financial assistance (e.g., offering guarantees for financial leases, granting extended payment terms) as a condition for placing orders. Conversely, fleet operation offers customers comprehensive operation services, encompassing end-to-end support and maintenance. The business models of fleet operation vary across different application scenarios. For example, in urban roads, operators of robosweeper fleets typically adopt a project-based pricing model, offering clients a comprehensive service package that includes the deployment, daily operation, and maintenance of robosweeper fleets and charges fee for fixed periods. In contrast, within mining sites, fleet operators of autonomous mining trucks typically adopt a usage-based pricing model, charging clients based on either the total freight volume or the total transportation mileage. While fleet operation delivers added value to customers, it entails relatively higher operational costs with sales proceeds collection periods often extending throughout the entire operation cycle, which typically lasts two to three years or more, and could potentially lead to direct competition with customers with regard to fleet operation.

Companies offer intelligent driving systems for commercial vehicles in two manners. factory-installed and after market. The factory-installed model offers higher integration, safety and reliability, while requiring intelligent driving technology companies to possess advanced knowledge of vehicle manufacturing to achieve better integration. This model also requires close collaboration with vehicle manufacturers for a stable supply of vehicles. In contrast, the after

market model allows customers to select and install systems into existing vehicles based on individual needs. This model could enable better cost control, but faces challenges in terms of software and hardware compatibility. As technology advances and the ecosystem for intelligent driving commercial vehicles matures, the factory-installed model is expected to become the mainstream solution in the future.

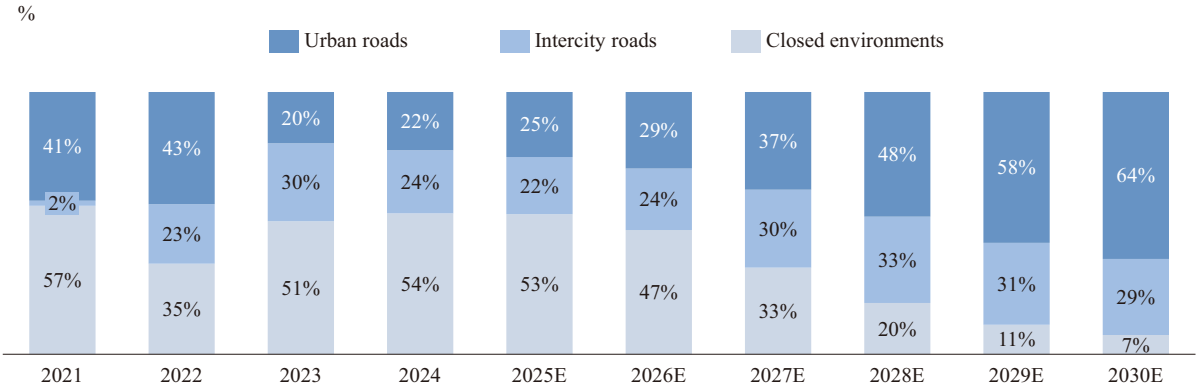
According to CIC, the market size of global commercial vehicle intelligent driving reached RMB10.0 billion in 2024 and is expected to grow significantly, reaching RMB1,614.4 billion by 2030, with a CAGR of 133.3% from 2024 to 2030. China's commercial vehicle intelligent driving market, which stood at RMB4.8 billion in 2024, is expected to grow rapidly due to favorable policies and technological advancements in intelligent driving, with a projected market size of RMB774.3 billion by 2030. As an early adopter of intelligent driving technology, the sub-segment of the intelligent driving commercial vehicles in closed environments reached RMB5.1 billion in global and RMB 2.6 billion in China, representing approximately 50.8% of the global market size and 53.8% of the China's market size in 2024, both being significantly higher than the market size of the urban roads and intercity roads segments. Going forward, with the continued advancement of intelligent driving technology and ongoing exploration of commercialization in other scenarios, urban roads and intercity roads are expected to experience faster growth. The market size of global commercial vehicle intelligent driving in closed environments is expected to reach RMB107.5 billion, representing approximately 6.7% of the global market size by 2030. The market size of China's commercial vehicle intelligent driving in closed environments is expected to reach RMB56.8 billion, representing approximately 7.3% of the China's market by 2030.

Market size of commercial vehicle intelligent driving industry, by application scenario, China, 2021-2030E



Note: The market size includes revenues from both product sales and fleet operations.

Segmentation of commercial vehicle autonomous driving industry, by application scenario, China, 2021-2030E



Competitive landscape of China's Commercial Vehicle Intelligent Driving Market

China's commercial vehicle intelligent driving market was relatively fragmented as of December 31, 2024, with many players still in the stages of exploring technological breakthroughs and accumulating data. Some leading companies are actively expanding into various application scenarios to achieve large-scale commercialization. According to CIC, the Company ranked sixth among all commercial vehicle intelligent driving companies in China, with a market share of approximately 5.2%. Notably, the Company's revenue was primarily generated from product sales during the Track Record Period. Additionally, CiDi is one of the earliest companies to achieve commercialization in China's commercial vehicle intelligent driving market.

Competitive landscape of China (including Hong Kong, Macau and Taiwan)'s commercial vehicle intelligent driving market, 2024

Company	Revenue from commercial vehicle intelligent driving, RMB million	Market share, %
Company A	~1,000	20.9%
Company B	~590	12.3%
Company C	~430	9.0%
Company D	~300	6.3%
Company E	~290	6.1%
CiDi	~250	5.2%
Company F	~200	4.2%
Company G	~200	4.2%
Company H	~150	3.1%
Company I	~130	2.7%

Notes:

(1) This table includes revenue from both product sales and fleet operations for the listed companies. However, our revenue was generated primarily from product sales during the Track Record Period, with no involvement in fleet operations.

(2) Company A is an intelligent driving company headquartered in China and founded in 2018. It primarily provides driving automation solutions on mining trucks. It is not a listed company.

(3) Company B is an intelligent driving company headquartered in China and founded in 2015. It primarily provides driving automation solutions on sweepers and buses. It is not a listed company.

(4) Company C is an intelligent driving company headquartered in China and founded in 2018. It primarily provides driving automation solutions on logistics trucks. It is not a listed company.

(5) Company D is an intelligent driving company headquartered in China and founded in 2015. It primarily provides driving automation solutions on mining trucks. It is not a listed company.

(6) Company E is an intelligent driving company headquartered in China and founded in 2016. It primarily provides driving automation solutions on logistics trucks. It is a listed company on NASDAQ and the Hong Kong Stock Exchange.

(7) Company F is an intelligent driving company headquartered in China and founded in 2021. It primarily provides driving automation solutions on logistics trucks. It is an unlisted company.

(8) Company G is an intelligent driving company headquartered in China and founded in 2014. It primarily provides driving automation solutions on mining trucks. It is not a listed company.

(9) Company H is an intelligent driving company headquartered in China and founded in 2020. It primarily provides driving automation solutions on logistics trucks. It is not a listed company.

(10) Company I is an intelligent driving company headquartered in China and founded in 2017. It primarily provides driving automation solutions on taxis, buses, sweepers and vans. It is a listed company on NASDAQ and the Hong Kong Stock Exchange.

OVERVIEW OF CHINA'S AUTONOMOUS MINING TRUCK SOLUTION INDUSTRY

Overview of Autonomous Mining

The mining industry is crucial for the national economy, continuously supplying key raw materials and energy to various sectors, such as aggregate, coal and iron ore. In 2024, the output value of China's mining industry reached RMB4.5 trillion and is expected to maintain steady growth. However, traditional mining operations rely on heavy machinery and human labor, presenting the following pain points.

(i) **Frequent Accidents:** Mining operations take place in hazardous environments where workers face risks such as collapses, explosions and toxic gas leaks, leading to frequent accidents. Each year, the direct economic losses caused by mining safety incidents in China approaches RMB10 billion. Additionally, further economic losses will occur when mining operations are suspended following such incidents.

(ii) **Harsh and remote Working Conditions:** Mining jobs are extremely demanding, with underground operations often involving high temperatures, high humidity, high noise levels and poor air quality. Prolonged exposure to such conditions severely impacts workers' health, jeopardizing the mining operation's long-term sustainability. Meanwhile, mining sites are typically located in remote areas, where harsh working conditions lead to low willingness among workers to participate.

(iii) **Aging Workforce:** The number of employees in China's mining industry is expected to decline from approximately 3.3 million in 2024 to 3.2 million by 2030. Meanwhile, attracting young workers to the mining industry is increasingly difficult due to the harsh working conditions, resulting in an aging workforce, with over 60% of workers being older than 40. The increasingly aging workforce in the mining industry leads to greater risks of human error and reduced productivity, causing heightened safety concerns and lower operational efficiency.

(iv) **Low Economic Efficiency:** Traditional mining methods rely heavily on labor and machinery, leading to high production costs. For example, a mining truck typically runs for at least 16 hours per day and sometimes up to 24 hours, usually requiring 2-3 drivers

per truck to ensure its normal operation. As a result, mining companies have experienced a continuous decline in profitability in recent years due to the increase of labor costs.

Intelligent driving technology enhances operational safety in mining, a pressing demand in the industry. With technological advancements and favorable government policy, mining was one of the first industries to realize the large-scale commercialization of intelligent driving. Companies specializing in autonomous mining truck solutions[(1)] focus on developing key technologies such as autonomous driving systems, V2X technology, multi-vehicle intelligent dispatch algorithms and mixed fleet management. These technologies cover the entire mining process — such as drilling, blasting, excavation and transportation — enhancing operational safety, sustainability and efficiency, while addressing the long-standing pain points of traditional mining operations.

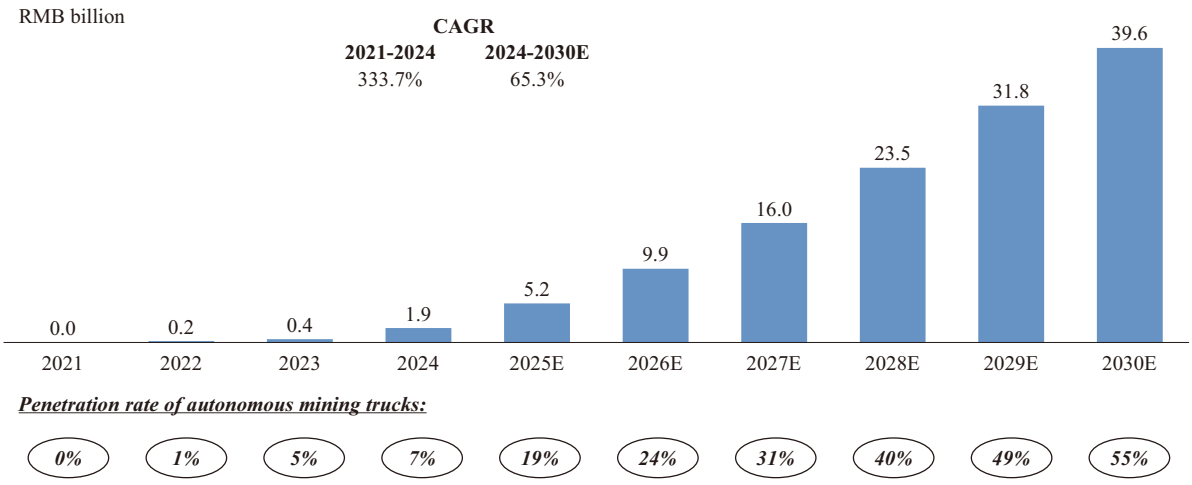
Unlike other closed environments, mining sites are complex and highly variable and require various types of operational vehicles, making the deployment of reliable and comprehensive intelligent driving challenging. Hence, autonomous mining technology companies must possess strong research and development capabilities to overcome challenges relating to environmental perception in mines, precise control of heavy-duty vehicles, vehicle reliability testing and large-scale mixed fleet coordination and systematic dispatching.

Note:

(1) Autonomous mining involves the full automation of the mining process, which includes both extraction and transportation within mining sites. Autonomous mining trucks solution mainly focuses on the transportation process conducted by autonomous mining trucks, which are autonomous driving trucks designed for mining operations.

China's autonomous mining truck solution industry is rapidly expanding, with market size reaching RMB1.9 billion in 2024, representing approximately 75.6% of the intelligent driving market within closed environments. By 2030, the market is expected to grow significantly to RMB39.6 billion, at a CAGR of 65.3% from 2024 to 2030. In 2024, product sales accounted for approximately 34% of China's autonomous mining truck solution market and the proportion is projected to increase to approximately 40% by 2030. The total addressable market size[(1)] of China's autonomous mining truck solution industry in 2024 was approximately RMB550 billion.

Market size of autonomous mining truck solution industry, China, 2021-2030E



Note: The market size includes revenues from both product sales and fleet operations.

In 2024, the total shipment of autonomous mining trucks in China was approximately 1,400 units. This is projected to increase to approximately 5,500 units in 2026 and further to over 16,000 units in 2030. Globally, the total shipment of autonomous mining trucks was approximately 2,100 units in 2024, and is expected to increase to approximately 8,700 units in 2026 and exceed 26,000 units in 2030. In 2024, the average price of an ordinary mining truck in China is approximately RMB1.5 million per unit, compared to over RMB4.5 million per unit in the international market, while the average price of autonomous mining trucks in China was approximately RMB2.5 million per unit, compared to over RMB5.0 million per unit in the international market.

Meanwhile, the Middle East, Australia, and South America also rank among the leading global suppliers of essential resources like coal, copper, and lithium, presenting significant opportunities for the deployment of autonomous mining truck solutions. In developed markets like Australia, labor costs in mining are exceptionally high, but mining companies still struggle with

Note:

(1) The total addressable market size includes product sales and fleet operation, calculated based on the installed base of mining trucks and assuming the penetration rate of intelligent driving is 100%.

recruiting and retaining sufficient qualified drivers due to the remote and challenging nature in mining sites. The substantial mining demand, persistent labor shortage, coupled with increasing pressure to improve operational efficiency and safety, has created a strong imperative for the adoption of autonomous mining technologies in these oversea regions. As a result, regions such as Australia, Europe and South America have emerged as strategic markets for autonomous mining and poised to play an important role in driving the global market's expansion in the following years.

Drivers of China's Autonomous Mining Truck Solution Industry

- **Heightened Safety Standard:** The continuously increasing demand for coal and other resources causes excessive production in mining areas, thus overlaboring mining workers and escalating safety risks. Accidents can endanger workers and lead to mine shutdowns, disrupting production and causing significant economic losses. Autonomous mining can effectively reduce accidents caused by human error, thereby improving overall safety in mining operations.

- **Growing Need for Cost Efficiency:** Maximizing extraction efficiency and managing costs have become essential for maintaining mining companies' competitiveness. Deploying autonomous mining vehicles can significantly reduce labor and energy costs while allowing for continuous 24-hour operation, thereby improving cost efficiency for mining companies.

- **Technological Advancement:** Vehicle intelligence and V2X form the foundation of autonomous mining. Vehicle intelligence, powered by onboard sensors, control systems and algorithms, equips mining trucks with intelligent driving capabilities. Meanwhile, V2X technology enables the exchange of real-time traffic information both between vehicles as well as between vehicles and road infrastructure, effectively filling the information gaps of vehicle-based autonomy and enhancing overall transportation efficiency in mining operations. The integration of vehicle intelligence and V2X technologies drives the commercialization of autonomous mining truck solutions in China.

- **Regulatory Mandate:** The Chinese government is continuously introducing policies and mandates that provide strong policy support as well as quantitative targets and timelines for autonomous mining implementation to enhance mining safety and efficiency. For example, the "Guiding Opinions on Accelerating the Development of Intelligent Coal Mines", issued by the NDRC and seven other ministries, stipulate that large coal mines and those with severe hazards should achieve basic intelligentization by 2025, and all types of coal mines should reach this goal by 2035. Directives by the National Mine Safety Supervision Bureau stipulates that the proportion of intelligent coal mine production capacity should reach at

least 60% nationally by 2026. Additionally, the government is setting increasingly stringent safety requirements for mining operations. These policies and mandates drive substantial demand for autonomous mining technologies.

Competitive landscape of China's autonomous mining truck solution and autonomous logistics truck solution market

According to CIC, the Company's autonomous mining products are classified as Level 4 within the six levels of driving automation. In 2024, the Company was the third largest autonomous mining technology company in China in terms of revenue. Autonomous mining technology companies primarily generate project-based revenue, which can be subject to fluctuations due to the impact of acceptance cycles.

Competitive landscape of China's autonomous mining truck solution market, 2024

Company	Revenue from autonomous mining truck solution, RMB million	Market share, %
Company A	~1,000	51.6%
Company D	~300	15.5%
CiDi	~250	12.9%
Company G	~200	10.3%
Company J	~130	6.7%

Note:

(1) Company J is an intelligent driving company headquartered in China and founded in 2016. It primarily provides driving automation solutions on mining trucks. It is not a listed company.

Autonomous logistics trucks are heavy-duty vehicles equipped with intelligent driving solutions that are designed to transport goods in various logistics scenarios, including intercity long-haul transport, industrial parks and distribution centers.

Competitive landscape of China's autonomous logistics truck solution market, 2024

Company	Revenue from autonomous logistics trucks, RMB million	Market share, in terms of revenue, %	Shipment of autonomous logistics trucks, unit
Company C	~430	32.7%	~1,700
Company E	~290	22.1%	~60
Company F	~200	15.2%	~60

Competitive analysis of China's autonomous mining truck solution market

The table below presents a competitive analysis of autonomous mining technologies offered by CiDi and its key competitors.

Company	Large-scale hybrid fleet operation	Obstacle detection accuracy	Delay of video transmission, ms	Position error, m
CiDi	✓	40m; 10*10cm	<100	<0.1
Company D	×	30m; 30*30cm	<150	<0.2
Company G	✓	30m; 30*30cm	<150	<0.2
Company A	×	80m; 30*30cm	<150	<0.2

Notes:

(1) Large-scale mixed fleet operation refers to the simultaneous operation of human-driven and autonomous vehicles within a fleet comprising several hundred vehicles.

(2) Obstacle detection accuracy measures the system's ability to recognize the location, size, shape, and other characteristics of obstacles under various environments.

(3) Delay of video transmission refers to the time lag that occurs during the transmission of signals over a wireless network from the video source to the receiving end.

(4) Position error refers to the deviation in determining the vertical position of a point relative to a reference level.

Entry Barriers of China's Autonomous Mining Truck Solution Industry

- **Strong R&D Capabilities**: Autonomous mining involves the integration of multiple core technologies, including perception, V2X, intelligent scheduling and remote control, requiring companies to possess strong, comprehensive technical capabilities. Additionally, to achieve the commercialization of autonomous mining truck solutions, companies must address the complex scenarios of mixed operations involving both manned and unmanned mining trucks. The complexity of these high-density, mixed environments is comparable to that of urban traffic, demanding extremely rigorous technical standards. As a result, autonomous mining technology companies that achieved early commercialization have the first-mover advantage to access valuable real-world mining data, enabling them to continuously improve their intelligent driving algorithms and establish high technical barriers for new entrants.

- **Sophisticated Methodologies:** While mining areas are closed environments with relatively simple road structures, their operational conditions are highly complex, featuring challenging terrain such as large dirt areas, steep slopes, sharp turns and irregular roads, along with dense vehicle distribution. Leveraging years of research and commercialization experience, leading autonomous mining technology companies have developed a set of methodologies to ensure that their vehicles can adapt to the complex conditions of mining sites. In contrast, new entrants often lack a deep understanding of mining site conditions, making it difficult for them to offer products of comparable quality.

- **High Product Reliability and Versatility:** Autonomous mining products must be highly reliable to operate stably in harsh mining environments, such as dust, strong winds, rain and snow. Additionally, autonomous mining products must be highly versatile to adapt to varying mining operations, environments and tasks. Compared to new entrants who bear high costs to customize vehicles for differing mining environments, leading autonomous mining technology companies adopt a platform-based approach that enables their products to adapt to varying mining sites, thereby reducing customization costs and improving cost efficiency.

- **Integrated Supply Chain:** Supply chain integration is crucial for cost reduction, efficiency gains and sustainable profitability. Leading autonomous mining technology companies have established strong partnerships with upstream suppliers, such as OEMs and other hardware or software suppliers, to ensure a stable supply chain and reasonable cost control. Meanwhile, they have also built deep relationships with downstream mining clients, who provide them with stable market share and ongoing revenue sources. In contrast, new entrants are unable to integrate their supply chain due to the lack of market recognition.

Major Cost Analysis for Autonomous Mining Trucks

The mining truck body and the intelligent driving solution installed encompass the major costs of an autonomous mining truck.

According to CIC, the average price of an ordinary mining truck is approximately RMB1.5 million in 2024. As technology continues to advance and manufacturing costs continue to decrease due to economies of scale, the average price of mining trucks is projected to steadily decline over time.

Meanwhile, the cost of the intelligent driving solution installed is largely dependent on the cost of the underlying automotive semiconductors. The average global price of automotive semiconductors rose approximately 10% in 2022, due to disruptions on the global auto-part supply chain during COVID-19. Such impact began to ease in the second half of 2023, and the average price growth of automotive semiconductors subsequently slowed to around 5.0% in 2023 and kept to slow down in 2024, as supply-demand dynamics stabilize post-pandemic, according to CIC.

OVERVIEW OF CHINA'S V2X INDUSTRY

Overview of V2X

Vehicle intelligence and V2X are two complementary technological approaches to achieving intelligent driving across various scenarios. Vehicle intelligence integrates perception, decision-making, and control technologies to enable intelligent driving. However, it cannot overcome challenges such as out-of-sight obstacles and has difficulty integrating with existing roadside infrastructure. V2X is complementary to vehicle intelligence, helping to realize all levels of driving automation across various scenarios.

V2X enhances safety, efficiency and intelligence in transportation systems by enabling coordination between vehicles, roadside infrastructure, cloud platforms and communication networks. It is crucial in overcoming the final hurdles of intelligent driving implementation. Addressing the information blind spots of vehicle intelligence, V2X helps vehicles better navigate through complex traffic conditions, improving the safety and reliability of intelligent driving. Additionally, V2X enables coordinated control both between vehicles as well as between vehicles and roadside infrastructure, allowing for shared driving intentions and avoiding conflicts over road usage, thereby enhancing overall efficiency of the transportation system.

V2X typically comprises four main components: on-board unit, roadside infrastructure, a cloud platform with software algorithms and communication infrastructure. These components work together to create a intelligent and efficient traffic management system:

- **On-Board unit:** An On-Board Unit (OBU) is a bidirectional wireless transceiver installed in a vehicle that transmits vehicle status information via the 5.9 GHz frequency band to other vehicles or roadside infrastructure.

- **Roadside device:** Roadside device includes the roadside unit (RSU) and roadside sensing devices (such as cameras, LiDAR and mmWave radar). A Roadside Unit (RSU) is a bidirectional wireless transceiver installed along the roadside. It receives information transmitted by vehicles via the 5.9 GHz frequency band and, in turn, sends data such as road incidents, traffic signals, and abnormal conditions to vehicles. The RSU can also connect with roadside sensing devices to broadcast real-time traffic information detected by these sensors to vehicles. Furthermore, RSUs communicate with cloud platforms through other communication links such as optical fiber or 5G networks.

- **Cloud platform:** Serving as the data processing and traffic decision-making center, the cloud platform aggregates and analyzes data from the OBUs and RSUs, providing comprehensive traffic optimization plans and control commands.

- **Communication infrastructure:** Communication infrastructure comprises optical fiber, 4G and 5G network base stations, which ensure efficient and stable data and information transmission in V2X.

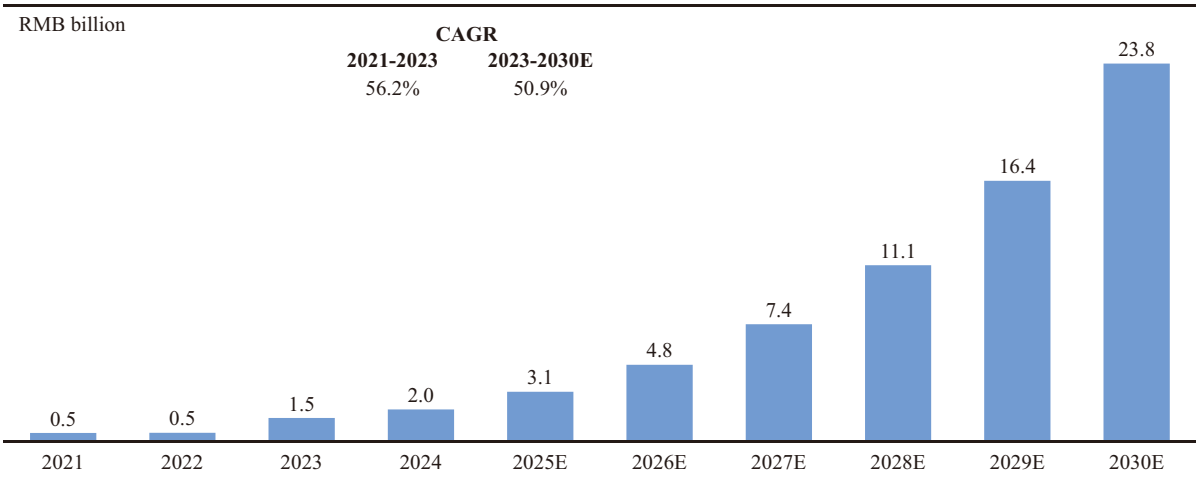
Interconnectivity among V2X hardware from various market players relies heavily on standardized communication frameworks. Leading technologies such as Dedicated Short-Range Communications (DSRC) and Cellular Vehicle-to-Everything (C-V2X) provide unified interfaces and protocol stacks that enable seamless communication across vehicles, infrastructure, and devices from different suppliers. The industry value chain of V2X ecosystem comprises hardware suppliers, software solution providers, system integrators, and network operators. Although V2X solutions deliver limited direct value to vehicles not equipped with OBUs, which are essential for data transmission within the V2X network, the deployment of V2X solutions enhances overall traffic efficiency and road safety, thereby generating systemic benefits that extend even to vehicles not installed with OBUs.

China's V2X market has reached a breakthrough point. Technological advancements in 5G communication, sensing and artificial intelligence have enhanced the performance and reliability of V2X. The Chinese government has issued a series of policies and standards to encourage the development and commercialization of V2X and intelligent driving technologies. Additionally, the government has actively promoted the construction of V2X pilot zones. So far, China has established 17 national-level intelligent connected vehicle demonstration zones, 7 national V2X pilot zones, and 16 dual-intelligence pilot cities, accelerating the commercialization of V2X and growth in China's V2X market.

The national intelligent vehicle demonstration and V2X pilot zones have pioneered the integration of vehicles, roadside infrastructure and cloud platforms, creating a fully coordinated vehicle-road-cloud integrated system, which serve as crucial pilot projects for V2X development in

China. In 2024, the market size of China's vehicle-road-cloud integrated systems reached RMB2.0 billion, which is expected to grow rapidly over the next few years and reach RMB23.8 billion by 2030, at a CAGR of 50.9% from 2024 to 2030.

Market size of vehicle-road-cloud integrated system industry, China, 2021-2030E



The adoption of OBUs in China is expected to become a standard requirement, aligning with benchmarks from developed markets. In 2024, the penetration rate of OBUs in terms of vehicle sales was approximately 70% in China. Supported by the "Guidelines for the Construction of the National Internet of Vehicles Industry Standard System," China aims to establish a comprehensive standard system for intelligent connected vehicles by 2030. Additionally, the ongoing development of China's smart highway infrastructure has laid a solid foundation for the large-scale deployment of RSUs, with implementation costs expected to decrease as installations scale up. As a result, China's V2X market for urban and intercity roads is poised for rapid growth, with the total addressable market size exceeding RMB1 trillion.(1)

Drivers of China's V2X Industry

- **Favorable Government Policy:** Government support is a key driver for the development of the V2X industry. The Chinese government introduced a series of policies related to intelligent connected vehicles, including the construction of V2X infrastructure, the promotion of intelligent vehicle applications, the improvement of cloud platforms and the expansion of application scenarios. For example, (i) The government issued the *Notice on Designating the First Batch of Pilot Cities for the Coordinated Development of Smart City*

Note:

(1) The total addressable market is calculated based on the installed base of vehicles, the length of urban roads and the length of highways, assuming the penetration rate of OBUs in vehicles is 100% and the roadside devices are installed at every signalized intersection on urban roads, as well as each kilometer on highways.

Infrastructure and Intelligent Connected Vehicles in 2021. By establishing pilot zones and test cities in specific regions, the government actively explores use cases and develops replicable and scalable methodologies, attracting investments worth hundreds of billions to the market. As of December 31, 2024, China has established 7 national V2X pilot zones and 16 dual-intelligence pilot cities, continuously expanding application scenarios and injecting strong momentum into the industry's growth; (ii) In 2024, five ministries have jointly announced *Notice on Launching the Integration Vehicle-Road-Cloud Application Pilot for Intelligent Connected Vehicles*, promoting the construction of vehicle-road-cloud integrated systems, and V2X is gradually becoming a new driving force for the future growth of the country's automotive industry.

- **Demand for Traffic Safety:** Due to increasing private vehicle ownership and the growing complexity of traffic conditions, the number of traffic accidents continues to rise, causing economic losses of trillions of dollars annually. V2X can significantly reduce traffic accidents, such as chain collisions and red-light running incidents, by communicating traffic conditions and sending warnings to vehicles.

- **Increased Demand for Urban Traffic Efficiency:** As urbanization accelerates and population density increases, the demand for fast and convenient travel grows. V2X integrates information from vehicles, roadside infrastructure and cloud platforms, helping traffic management authorities monitor traffic conditions, optimize routes and precisely control traffic flow, thereby significantly improving efficiency and reducing congestion.

- **Improved Smart Roadside Infrastructure:** Continuously improved roadside infrastructure has laid a solid foundation for the application of V2X. Technologies such as RSUs, sensing devices and edge computing enable real-time data collection and information exchange between roads and vehicles, supported by intelligent algorithms for data processing and integration. As more smart roadside devices are deployed in the future, V2X will continue to advance.

- **Enhanced Feasibility of V2X Deployment**: With advancements in intelligent sensing, artificial intelligence and 5G communication, along with the gradual establishment of pilot zones, China's V2X technology is becoming increasingly mature. V2X's economic benefits are steadily improving, significantly enhancing its deployment ability and establishing a critical foundation for the future development of smart transportation.

OVERVIEW OF CHINA'S INTELLIGENT PERCEPTION SOLUTIONS FOR RAIL TRANSIT AND COMMERCIAL VEHICLES INDUSTRY

Overview of Intelligent Perception Solutions for Rail Transit and Commercial Vehicles

Intelligent perception solutions utilize various sensors, such as cameras, radar, LiDAR and mmWave radar, along with AI algorithms and data processing technologies, to actively monitor and perceive the surrounding environment, vehicle conditions and driver status. These systems provide strong support for the safe operation and efficient management of rail transit and commercial vehicles. Key functions of intelligent perception solutions include smart object detection and classification, AEB (Automatic Emergency Braking), BSD (Blind Spot Detection), FCW (Forward Collision Warning), LDW (Lane Departure Warning) and DMS (Driver Monitoring System), etc..

The primary challenge in rail transit is the real-time assessment of the operating environment ahead, which is crucial for ensuring the safety of train operations. Similarly, in commercial vehicle operations, the large size and limited driver visibility often result in significant blind spots. Intelligent perception solutions effectively address these challenges by providing the following functionalities:

For Rail Transit:

1. Intelligent perception solutions enable real-time environmental perception ahead of the train, allowing for timely obstacle detection and emergency braking. This addresses the limitations of signaling systems, which cannot directly monitor track conditions, thereby significantly enhancing operational safety.

2. Intelligent perception solutions serve as a redundancy system that complements existing signaling systems, potentially expediting fault recovery during system failures.

3. Intelligent perception solutions can reduce trains' reliance on trackside equipment, thereby lowering the overall construction costs of signaling systems, given the high expense of covering the full lengths of tracks.

For Commercial Vehicles:

1. Provide intelligent solutions for commercial vehicle drivers, with products installed as components on commercial vehicles to monitor the surrounding environment, vehicle status and driver behavior in real-time, enhancing driving safety and reducing traffic accidents.

According to CIC, the market size of China's intelligent perception solutions for rail transit and commercial vehicles reached RMB1.3 billion in 2024 and is projected to grow to RMB10.2 billion by 2030, at a CAGR of 41.4% from 2024 to 2030. The potential market size for these solutions in China is also substantial, with a total addressable market size[(1)] of approximately RMB530.0 billion in 2024.

Drivers of the China's Intelligent Perception Solutions for Rail Transit and Commercial Vehicles market

- **Heightened Safety Demand:** The increasing volume of traffic and the growing complexity of road conditions have made it imperative for commercial vehicles to prioritize reducing accidents and ensuring the safety of drivers and cargo. Meanwhile, rail transit, as a crucial component of urban transportation with significant daily passenger volumes, also plays a vital role in public safety. Utilizing advanced sensing and control technologies, intelligent perception solutions significantly enhance transportation safety of rail transit and commercial vehicles and reduced accident risks, leading to increased demand for rail transit and commercial vehicles.

- **Technological Advancement:** Technological advancements, such as artificial intelligence and big data analytics, lay the foundation for the intelligent transformation of rail transit and commercial vehicles. For instance, AI algorithms based on computer vision can efficiently process images and accurately identify objects, enabling real-time detection of obstacles ahead of trains and enhancing operational safety.

- **Favorable Policy:** The Chinese government prioritizes the safe operation of commercial vehicles and development of smart urban transportation. Various policies have given clear direction for promoting intelligent perception solutions and supporting relevant enterprises with financial subsidies, tax incentives, and research funding.

SOURCE OF INDUSTRY INFORMATION

We commissioned CIC to conduct research on, provide an analysis of, and to produce the CIC Report on the commercial vehicle intelligent driving industry in China. 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.

Note:

(1) The total addressable market is calculated based on the installed base of rail transit and commercial vehicles, assuming the penetration rate is 100%.

We have agreed to pay RMB805,000 to CIC for the preparation of the CIC Report. CIC conducted both primary and secondary research. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from publicly available data sources, such as National Bureau of Statistics of China and public disclosure by relevant industry players, among others.

CIC's projection on the market sizes of the above-mentioned industries in China are based on the following assumptions: (i) the overall global social, economic and political environment is expected to maintain a stable trend over the next decade; (ii) related key industry drivers are likely to continue propelling growth in these industries in China during the forecast period; and (iii) there are no extreme force majeure events or industry regulation changes which may dramatically or fundamentally affect the market situation. Our Directors confirm that, after making reasonable enquiries, there has been no adverse change in the market information since the date of the CIC Report that may qualify, contradict or have a material impact on the information in this section.

We have been and will continue to be governed by relevant PRC laws and regulations. The PRC government authorities promulgate and enforce relevant PRC laws and regulations, including national and regional laws and regulations. This section contains a summary of the major regulatory and legal requirements that are currently relevant to the Company's business. As the relevant PRC laws and regulations are still evolving, it is difficult for us to predict the impact of such changes on our business and the additional compliance costs.

LAWS AND REGULATIONS RELATING TO OVERSEAS [REDACTED]

Trial Administrative Measures of Overseas Securities [REDACTED] and Listing of Domestic Companies

On February 17, 2023, upon approval by the State Council, the China Securities Regulatory Commission (the "**CSRC**") released the Trial Administrative Measures of Overseas Securities **[REDACTED]** and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "**Trial Administrative Measures**") and five supporting guidelines, which came into effect on March 31, 2023. The Trial Administrative Measures significantly reformed the regulatory system of the direct or indirect offering of securities and listing by PRC domestic enterprises in overseas markets to a filing system.

According to the Trial Administrative Measures, (i) a domestic enterprise in the PRC that directly or indirectly issues securities outside the PRC or lists and trades its securities outside the PRC shall file with the CSRC and submit the relevant materials; if a domestic enterprise fails to comply with the procedures for filing, or if there are false records, misleading statements or material omissions in the filed materials, such domestic enterprise may be subject to administrative penalties such as rectification order, warnings, fines, and so forth, and the controlling shareholders, actual controllers, officers in charge and other persons directly responsible who instigate others to do the aforesaid illegal acts or concealing the relevant matters that have led to the occurrence of the aforesaid circumstances may also be subject to administrative penalties such as warnings, fines, and so forth; (ii) the direct overseas issuance and listing of a domestic enterprise refers to the overseas issuance and listing of shares of a joint stock limited company registered and established in the PRC; and (iii) any domestic joint stock limited company shall file a report with the CSRC within three working days after the submission of its application for an overseas listing. A PRC domestic enterprise that fails to complete the filing in accordance with the Trial Administrative Measures may be ordered to make corrections, given a warning and fined not less than RMB1 million and not more than RMB10 million by the CSRC.

In addition, overseas offering and listing by domestic companies shall abide by laws, administrative regulations and relevant rules concerning foreign investment in China, state-owned asset administration, industry regulation and overseas investment. Overseas offering and listing

activities shall not disrupt domestic market order, harm state or public interest or undermine the lawful rights and interests of domestic investors. A domestic company that seeks to offer and list securities in overseas markets shall (i) abide by applicable laws, including the Company Law of the People's Republic of China and the Accounting Law of the People's Republic of China, administrative regulations and relevant state rules, and formulate the articles of association, improve internal control system, standardize corporate governance and financial and accounting practices; (ii) abide by national secrecy laws and relevant provisions and take necessary measures to fulfill confidentiality obligations. Divulgence of state secrets or working secrets of state organs is strictly prohibited. Provision of personal information, important data, etc. to overseas parties in relation to overseas offering and listing of domestic companies shall be in compliance with applicable laws, administrative regulations and relevant state rules. Furthermore, the Trial Administrative Measures also stipulates that no overseas offering and listing shall be made under any of the following circumstances (among others) (i) where such fund-raising by listing is explicitly prohibited by provisions in Chinese laws, administrative regulations or relevant state rules; (ii) where the overseas offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) where the domestic company makes the overseas offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company makes the overseas offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to laws, and no conclusion has yet been made thereof; or (v) where there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that is/are controlled by the controlling shareholder(s) and actual controller.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to the CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary delisting or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a legal opinion issued by a domestic law firm within 3 working days after the occurrence of the changes.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, the CSRC, the Ministry of Finance of the People's Republic of China (the "**MOF**"), the National Administration of State Secrets Protection, and the National Archives Administration revised relevant regulations. The updated Provisions on Strengthening

Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號)) were replaced with the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《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》(證監會公告[2023]44號)) (the "**Provisions on Confidentiality**") on February 24, 2023. The Provisions on Confidentiality now covers domestic joint stock limited companies seeking direct overseas issuance and listing and domestic operating entities with subjects seeking indirect overseas issuance and listing. The Provisions on Confidentiality outlines the procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Trial Administrative Measures. Pursuant to the Provisions on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the examination and approval department for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to such entities as securities companies, securities service institutions and overseas regulatory authorities and individuals shall perform the corresponding procedures pursuant to the relevant provisions of the State.

Regulations Relating to the H Share Full Circulation

"Full circulation" means listing and circulating on the Stock Exchange of the domestic unlisted shares of an domestic H-share listed company, including domestic unlisted shares held by domestic shareholders prior to overseas listing, domestic unlisted shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the "**Guidelines for the Full Circulation**"), which was revised on August 10, 2023. The Guidelines for the Full Circulation allows certain qualified H-share listed companies and H-share companies intended for listing to apply to the CSRC for full circulation.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements in the relevant laws and regulations and the policies for state-owned asset administration, foreign investment and industry regulation are met, and the H-share listed company may be entrusted to file with the CSRC. And domestic companies limited by shares that have not been listed may file with the CSRC for full

circulation at the time of their initial **[REDACTED]** and listing overseas. Moreover, according to the Trial Administrative Measures, shareholders holding unlisted shares in China shall apply for converting domestic unlisted shares held by them into overseas listed shares and listing them on overseas trading venues for circulation in accordance with the relevant provisions of the CSRC, and entrust the domestic enterprises to file with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股「全流通」業務實施細則》) (the "**Measures for Implementation**"). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc., are subject to the Measures for Implementation.

China Securities Depository and Clearing (Hong Kong) Company Limited also issued the Guide to the Program for Full Circulation of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) (the "**Guide to the Program**") in September 2024, which stipulates relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

According to the Measures for Implementation of H-share Full Circulation Business and the Guide to the Program, shareholders who apply for H Share Full Circulation ("**Participating Shareholders**") shall complete the cross-border transfer registration for conversion of relevant domestic unlisted shares into H Shares before dealing in the shares, i.e., CSDC as the nominal holder, deposits the relevant securities held by Participating Shareholders at China Securities Depository and Clearing (Hong Kong) Company Limited ("**CSDCHK**"), and CSDCHK will then deposit the securities at **[REDACTED]** in its own name, and exercise the rights to the securities issuer through **[REDACTED]**, while **[REDACTED]** Nominees as the ultimate nominal shareholder will be listed on the register of shareholders of H-share listed companies. According to the Guide to the Program for Full Circulation of H-shares, H-share listed companies shall be authorized by Participating Shareholders to designate the only domestic securities company ("**Domestic Securities Company**") to participate in the transaction of converted H shares. The specific procedures are as follows:

Participating Shareholders submit trading orders of the converted H Shares through the Domestic Securities Company, which transmits the orders to the Hong Kong Securities Company designated by the Domestic Securities Company through Shenzhen Securities Communication Co.,

LTD.; and Hong Kong Securities Company conducts corresponding securities transactions in the Hong Kong market in accordance with the aforementioned trading orders and the rules of the Hong Kong Stock Exchange.

According to the Guide to the Program for Full Circulation of H-shares, upon the completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDCHK, CSDCHK and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Participating Shareholders, will all be conducted separately.

REGULATIONS AND POLICIES RELATING TO THE AUTONOMOUS DRIVING AND INTELLIGENT CONNECTED VEHICLE INDUSTRY

Regulations and Industry Development Policies Relating to the Autonomous Driving and Intelligent Connected Vehicle Industry

On December 27, 2017, the Ministry of Industry and Information Technology of the People's Republic of China (the "**MIIT**"), the Ministry of Transport of the People's Republic of China ("**MOT**") and the National Standardization Administration jointly released China's intelligent connected vehicle standard system — the Guidelines for the Construction of the National Connected Vehicle Industry Standard System (Intelligent Connected Vehicles) (MIIT Lianke (2017) No. 322) (《國家車聯網產業標準體系建設指南(智能網聯汽車)》) (工信部聯科[2017]332號), as amended on July 18, 2023, which make a systematic plan and deployment for China's intelligent connected vehicle standard system and established the Intelligent Connected Vehicles Sub technical Committee of the National Automotive Standardization Technical Committee, coordinate the construction of the standard system for intelligent connected vehicles. As of now, the first phase of the construction of the intelligent connected vehicle standard system has been successfully completed. Moreover, according to the construction method of the technical logical structure and product physical structure of intelligent connected vehicles, taking into account different functional requirements, product and technology types, and information flow between various subsystems, the Guidelines for the Construction defines the standard system framework of intelligent connected vehicles as four parts: "Foundation", "General Specifications", "Product and Technology Applications", and "Relevant Standards". Foundation mainly includes three types of basic standards, such as terminologies and definitions, classification and coding, identifications and symbols of intelligent connected vehicles. General Specifications put forward the overall requirements and specifications from the vehicle level, mainly including function evaluation, human-machine interface, function safety and information safety. Product and Technology Applications mainly cover the functions, performance requirements, and testing methods of core technologies and applications of intelligent connected vehicles, such as information perception, decision warning, auxiliary control, automatic control, and information interaction. Relevant Standards mainly include communication protocols, the foundation of vehicle information

communication, which mainly cover protocol specifications on medium, short-range communication, wide area communication and other aspects of the realization of intelligent information interaction among vehicles (persons, vehicles, roads, clouds, etc.), and they also include standard specifications for software and hardware interface between various physical layers and different application layers.

In order to implement the National Standardization Development Outline (《國家標準化發展綱要》), promote the high-quality development of the intelligent connected vehicle industry, and accelerate the construction of an automobile power, the MIIT has revised and improved the Guidelines for the Construction of the National Connected Vehicle Industry Standard System (Intelligent Connected Vehicles) based on the development of the intelligent connected vehicle technology industry, further formed the Guidelines for the Construction of the National Connected Vehicle Industry Standard System (Intelligent Connected Vehicles) (2023 Edition) (《國家車聯網產業標準體系建設指南(智能網聯汽車)(2023年版)》), which provided that the government will establish a standard system for intelligent connected vehicles that adapts to China's national conditions and is in line with international standards in stages based on the current status of intelligent connected vehicle technology, industry needs, and future development trends. Moreover, regarding the stage 1 to 2025, the government will systematically form a system of standards for intelligent connected vehicles that can support the combined driving assistance and general functions of autonomous driving and formulate and revise over 100 relevant standards for intelligent connected vehicles to satisfy the demand for standardization of intelligent connected automobile technology, industry development and government administration. Regarding the stage 2 to 2030, a standard system for intelligent connected vehicles that can support the coordinated development of bicycle intelligence and connected vehicle empowerment will be fully formed, and the government will formulate and revise more than 140 standards related to intelligent connected vehicles, and establish an implementation effect evaluation and dynamic improvement mechanism to satisfy the demand for full-scene application of combined driving assistance, autonomous driving and networked functions. Furthermore, the government will establish and improve a safety guarantee system, as well as a support system for software, hardware, and data resources. The coordination of international standards and regulations in key areas such as autonomous driving will reach an advanced level.

As one of the priority basic general standards proposed in the guidelines for the construction of the standard system, the Taxonomy of Driving Automation for Vehicles (《汽車駕駛自動化分級》) was promulgated by the State Administration for Market Regulation and the National Standardization Administration on August 20, 2021 and became effective on March 1, 2022, which refers to the corresponding standard of Society of Automotive Engineers, and stipulates that the standards for autonomous driving can be divided into: Level 0 (emergency assistance), Level 1 (partial driver assistance), Level 2 (combined driver assistance), Level 3 (conditionally automated driving), Level 4 (highly automated driving) and Level 5 (fully automated driving). Specifically,

Level 0 requires the driving automation system to have the capability to continuously detect and respond to some objects and events, and when the driver requests the exit of the driving automation system, the control right of the system should be immediately released. Level 1 requires the driving automation system to continuously perform vehicle lateral or longitudinal motion control in a dynamic driving task on the basis of Level 0, and requires the driving automation system to have the capability to detect and respond to some objects and events that matches both lateral or longitudinal motion control of vehicles. Level 2 further requires the driving automation system to satisfy the capabilities matching both lateral and longitudinal motion control of vehicles. Level 3 mainly requires that the driving automation system be able to perform the full range of dynamic driving tasks under its designed operating conditions after activation. Level 4 mainly requires that the driving automation system be able to automatically implement the minimum risk strategy when the relevant event occurs and the user does not respond to the intervention request. Furthermore, Level 5 requires that the driving automation system have no restrictions on the designed operating range, except for commercial and regulatory restrictions and be able to achieve fully automated driving.

In January 2022, the Ministry of Transport and the Ministry of Science and Technology jointly issued the Outline for the Mid- to Long-Term Development of Technological Innovation in the Transportation Sector (2021–2035) (《交通領域科技創新中長期發展規劃綱要(2021–2035年)》), outlining initiatives to promote the development and large-scale application of autonomous driving technology.

Regulations Relating to the Road Testing of Intelligent Connected Vehicles

The MIIT, the Ministry of Public Security of the People's Republic of China (the "**MOPS**") and the Ministry of Transport jointly issued the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) on July 27, 2021, which became effective on September 1, 2021. Any entity intending to conduct road testing of autonomous driving vehicles shall apply to the traffic management department of the public security organ for a temporary license plate for each tested motor vehicle through the evidence (including materials such as self-declaration on the road testing safety of the road testing subject (the intelligent connected vehicle) confirmed by the relevant competent authority) and vouchers required by the Provisions on the Registration of Motor Vehicles. To obtain the above-mentioned evidence and temporary license plate, according to the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation), the subject under road testing, the vehicle under road testing, and the driver under road testing must satisfy relevant requirements, including: (i) must be an independent legal entity registered in PRC with the capacity to conduct intelligent connected vehicles-related businesses such as manufacturing, technological research and testing of vehicles and vehicle parts, which has established protocol to

test and assess the performance of autonomous driving functionalities and is capable of conducting real-time remote monitor of the vehicle under road testing, and with the ability of event recording, analysis and reproduction of the vehicles under road testing and ensuring the network security of the vehicle under road testing and the remote monitor platforms; (ii) the vehicle under road testing must be equipped with a driving system that can switch between autonomous pilot mode and human operating mode in a safe, quick and simple manner and allow real-time conversion to human operating mode under any circumstance, that is, the driver of road test and demonstration application should always be in the car to monitor the vehicle operation status and the surrounding environment, and take corresponding measures in time when the vehicle is found to be in a state that is not suitable for automatic driving or the system prompts the need for manual operation; (iii) the tested vehicle must be equipped with the functions of recording, storing and real-time monitoring the condition of the vehicle and be able to transmit real-time data of the vehicle, such as the driving mode, location and speed; (iv) the subject under road testing must sign an employment contract or a labor service contract with the driver of the tested vehicle, who must be a licensed driver with more than three years' driving experience and a track record of safe driving and is familiar with the testing protocol for autonomous driving functionalities and proficient in operating the road testing for vehicles; and (v) the subject under road testing must insure each tested vehicle for at least RMB5 million against car accidents or provide a letter of guarantee covering the same. In addition, during testing, the subject under road testing should post a noticeable identification logo for an autonomous driving road test on each tested car, that is, the road test vehicle and demonstration application vehicle body shall be marked with the words "Autonomous Driving Road Test" or "Autonomous Driving Demonstration Application" in conspicuous colors respectively to remind surrounding vehicles and other road users, but shall not interfere with normal road traffic activities in the vicinity. And autonomous driving mode should not be used unless in the road sections and areas specified in the self-declaration on safety. Meanwhile, vehicles shall not illegally engage in road transportation business activities or carry dangerous goods during road testing and demonstration applications. If the subject under road testing intends to conduct road testing with the same or similar functions in the region beyond the administrative territory of the certificate issuing authority, it may submit the original relevant materials to the relevant competent authorities of the provincial or municipal governments where the road testing is to be carried out and apply for a separate license plate. If such provincial or municipal government permits the subject under road testing to hold a temporary license plate issued by other provinces or municipalities to conduct road testing in its administrative region, the subject under road testing may carry out the corresponding test after submitting the relevant materials.

On July 30, 2021, the MIIT promulgated the Opinions of the Ministry of Industry and Information Technology on Strengthening the Administration of the Access of Intelligent Connected Vehicle Manufacturers and Products (《工業和信息化部關於加強智能網聯汽車生產企業及產品准入管理的意見》), which provides that enterprises should strengthen data security

management ability and network security guarantee ability, strengthen management ability and ensure product production consistency. Moreover, enterprises should strengthen product management: (i) Enterprises should strictly perform the obligation of informing. Where the enterprise produces automobile products with driving assistance and autonomous driving functions, it shall clearly inform the vehicle functions and performance limits, driver responsibilities, human-computer interaction equipment indication information, function activation and exit methods and conditions, and more; (ii) Enterprises should strengthen the safety management of combined driving assistance products; (iii) Enterprises should strengthen the safety management of autonomous driving function products; (iv) Enterprises should ensure reliable space-time information services.

The MIIT, the MOPS, the Ministry of Housing and Urban-Rural Development, and the Ministry of Transport jointly promulgated the Notice of Implementing the Pilot Program of Access and On-Road Traffic of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) (the "**2023 Pilot**"), which took effect on the same day. Pursuant to the 2023 Pilot, vehicle manufacturers are eligible for carrying out on-road testing for intelligent connected vehicles equipped with autonomous driving functions (referred to as Level 3 autonomous driving function (conditionally automated driving) and Level 4 autonomous driving function (highly automated driving) as provided in the Taxonomy of Driving Automation for Vehicles) and ready for mass production in restricted areas only after passing the product testing and safety assessment conducted by the relevant authorities and obtaining the access approvals from the MIIT.

On November 21, 2023, the Ministry of Transport issued the Guidelines on Transportation Safety Services for Autonomous Vehicles (for Trial Implementation)《自動駕駛汽車運輸安全服務指南（試行）》, which provides relevant guidance for vehicles which are capable of performing all dynamic driving tasks under designed operating conditions according to relevant national standards and have obtained the access approvals from the MIIT, including but not limited to, requirements for application scenarios, operators of autonomous vehicles, safety and security, supervision and overall management.

At the same time, the Guidelines on Transportation Safety Services for Autonomous Vehicles (for Trial Implementation)(《自動駕駛汽車運輸安全服務指南(試行)》) make the following provisions for autonomous vehicles driving on open roads: the use of autonomous vehicles for taxi passenger transportation business activities can be carried out under good traffic conditions and controllable traffic safety scenarios; prudently use autonomous vehicles for road passenger transport business activities; autonomous vehicles can be used to engage in road cargo transportation business activities under scenarios such as point-to-point trunk highway transportation or urban roads with controllable traffic safety; it is prohibited to use autonomous vehicles to engage in road dangerous goods transportation business activities.

The Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) jointly issued by the MIIT, the MOPS and the Ministry of Transport on July 27, 2021, which became effective on September 1, 2021, make the following provisions for autonomous vehicles driving on open roads. The relevant competent authorities of the governments of the provincial and municipal levels shall select a number of typical road sections with the ability to support the realization of the functions of autonomous driving and connection in their jurisdictions, The relevant authorities at the provincial and municipal levels will select a number of typical road sections and areas within their jurisdictions that are capable of supporting the realization of autonomous driving and connected functions for intelligent connected vehicles to carry out road testing or demonstration applications, and announce them to the society. The main body of road test and demonstration application and drivers shall abide by national road traffic safety laws and regulations and carry out their work in strict accordance with the time, road sections, areas and projects stated in the self-declaration of safety for road test or demonstration application.

In addition, the Guidelines on Transportation Safety Services for Autonomous Vehicles (for Trial Implementation) make the following provisions for autonomous vehicles driving in closed scenarios. In order to safeguard transportation safety, autonomous vehicles carrying out road transportation services should be carried out in designated areas and pass road traffic safety assessments in accordance with the law. The use of autonomous vehicles to engage in urban public automobile and tram passenger transport operation activities can be carried out in physically closed, relatively closed or simple road conditions on fixed routes and in controllable traffic safety scenarios.

The Technical Requirements for the Construction of Closed Test Sites for Autonomous Driving (《自動駕駛封閉測試場地建設技術要求》) (GB/T 43119-2023) was released on September 7, 2023 and came into effect on January 1, 2024, with the National Technical Committee on Intelligent Transport Systems of Standardization Administration of China as the focal point and the National Standardization Administration as the competent authority, and the aforesaid national standard stipulates the general requirements for closed test sites for autonomous driving, road body, plane intersection, traffic setup, and requirements for supporting test facilities and supporting service facilities, and applies to the planning, design and construction of test sites required for large, medium, small and micro passenger vehicles and heavy, medium, light and micro cargo vehicles to carry out automated driving closed site tests.

The Guidance on Promoting the Development and Application of Autonomous Driving Technologies in Road Traffic (《交通運輸部關於促進道路交通自動駕駛技術發展和應用的指導意見》) was issued by the Ministry of Transport on December 2, 2020 and implemented on December 20, 2020, which stipulates the promotion of the pilot and demonstration application of automated

driving technologies for autonomous driving vehicles in closed environments, especially supporting the autonomous driving for cargo transportation services. Demonstration applications of autonomous driving for cargo transportation aligning with operational needs are encouraged in relatively closed environments, such as ports, airports, logistics stations, transportation infrastructure construction sites, and terminal postal services, express delivery and other scenarios. After conducting thorough risk assessments and contingency plans, these applications may be expanded to road freight, city delivery and other scenarios to offer safe, efficient, and intelligent logistics transportation services. Steady efforts will be made to promote autonomous driving in passenger transport services. Aided driving technologies will be promoted steadily in the applications of urban buses and road passenger transportation. Exploration on demonstration applications of autonomous driving for public commuting in closed rapid public traffic systems, industrial parks and other areas is supported. Based on technological advancements and demonstration outcomes. After conducting thorough risk assessments and contingency plans, these applications may be expanded to other passenger transport scenarios. A development action plan for autonomous driving for passenger transport shall be formulated to provide safe, convenient, and comfortable passenger transport services.

The Road Traffic Safety Law (Revised Proposal Draft) (《道路交通安全法(修訂建議稿)》) was promulgated by the Ministry of Public Security on March 24, 2021, which stipulates that vehicles with autonomous driving functions should pass road testing on closed roads and venues, obtain a temporary driving license, and conduct road testing at designated times, areas, and routes according to regulations. Those who have passed the test and are allowed to be produced, imported, or sold in accordance with the law, and those who need to travel on the road shall apply for a motor vehicle license plate. Moreover, a vehicle with autonomous driving function and manual direct operation mode should record real-time driving data when conducting road tests or travelling on the road. The driver should be in the driver's seat of the vehicle, monitor the operation status and surrounding environment of the vehicle, and be ready to take over the vehicle at any time. In case of road traffic safety violations or traffic accidents, the responsibility of the driver and the development unit of the autonomous driving system shall be determined according to law, and the liability for damages shall be determined in accordance with relevant laws and regulations. If a crime is constituted, criminal responsibility shall be pursued in accordance with the law. And vehicles with autonomous driving function but without manual direct operation mode shall be separately stipulated by relevant departments of the State Council for road traffic. Furthermore, the autonomous driving function should be tested and qualified by a third-party testing agency engaged in automotive related business with corresponding qualifications. On April 29, 2021, the SCNPC promulgated the updated Road Traffic Safety Law (《道路交通安全法》). As of the Latest Practicable Date, the aforementioned provisions of the Road Traffic Safety Law (Revised Proposal Draft) have not been formally adopted.

According to the Interim Provisions on Radio Management of Automobile Radar (《汽車雷達無綫電管理暫行規定》) promulgated by the MIIT on November 16, 2021 and effective from March 1, 2022, the automobile radar equipment manufactured or imported for domestic sale or use shall comply with the RF Technical Requirements for Automobile Radar and apply for the radio type approval of the radio transmitting equipment from the national radio administration agency. The Company's business operations do not involve the manufacture or import of automotive radar equipment for domestic sale or use. Therefore, it is not required to apply for the radio type approval of the radio transmitting equipment from the national radio administration agency according to the Interim Provisions on Radio Management of Automobile Radar.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》, the "**FIL**"), which was promulgated on March 15, 2019 and became effective on January 1, 2020, and the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》), which was promulgated in December 2019 and became effective, are the principal laws and regulations governing foreign investment in the PRC and replace three previous major laws on foreign investments in China, namely, the Sino-foreign Equity Joint Venture Law of the People's Republic of China (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Law of the People's Republic of China (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law of the People's Republic of China (《中華人民共和國外資企業法》), together with their respective implementing rules and auxiliary provisions.

Pursuant to the FIL, "foreign investment" refers to investment activities conducted by foreign natural persons, foreign enterprises or other foreign organizations directly or indirectly in the PRC, which include the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment made by foreign investors in other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

According to the FIL, China has implemented a reform of the foreign investment management system, whereby China applies the management system of pre-establishment national treatment and the Negative List for foreign investment. The Negative List will be issued, modified or published upon approval by the State Council from time to time. Foreign investors shall not invest in the prohibited fields as specified in the Negative List, and foreign investors who invest in the restricted fields as specified in the Negative List shall comply with the special management measures for restrictive access under the Negative List. For fields other than the prohibited and

restricted investment fields stipulated in the Negative List, management shall be conducted under the principle of consistency for domestic and foreign investment. Foreign-invested enterprises established before the implementation of the FIL may maintain their respective original form of enterprise organization for a period of five years from January 1, 2020. The Group is a leading supplier of autonomous driving technologies for commercial vehicles in China. Its principal business focuses on R&D in autonomous mining trucks, logistics vehicles, V2X technologies, and intelligent perception solutions. It provides products and solutions based on its proprietary technologies. Therefore, the actual business scope of the issuer and domestic companies, including its business offering of 3D terrain modeling, do not involve fields prohibited or restricted under the Negative List for foreign investment, which will not influence this issuance and listing.

On December 30, 2019, the Ministry of Commerce of the PRC and the State Administration for Market Regulation ("**SAMR**"), jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

The Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) was promulgated by NDRC and MOFCOM on December 19, 2020 and became effective on January 18, 2021. China has established a working mechanism for conducting security reviews of foreign investment, which is responsible for organizing, coordinating, and guiding such reviews. The office of the working mechanism is located in the National Development and Reform Commission. Led by the National Development and Reform Commission and MOFCOM, the working mechanism is responsible for the daily work of the security reviews of foreign investment. The Measures for the Security Review of Foreign Investment define foreign investment as direct or indirect investment by a foreign investor in China, which includes (i) investment in new onshore projects or establishment of enterprises individually or with foreign investors; (ii) acquisition of equity or asset of onshore companies by merger and acquisition; and (iii) onshore investment by and through any other means. Investment in key areas with bearing on national security, such as major equipment manufacturing, important information technology and internet products and services, key technologies and other important areas, which results in the acquisition of de facto control of investee companies, shall be filed with the working mechanism office before such investment is carried out.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT MANAGEMENT

Foreign Trade

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") promulgated by the Standing Committee of the National People's Congress ("**SCNPC**") on May 12, 1994 and last amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022, pursuant to the pre-amendment Foreign Trade Law, a foreign trade operator who is engaged in the import and export of goods or technologies shall apply to the competent foreign trade authority under the State Council or its entrusted agencies for filing and registration, unless otherwise provided by the laws, administrative regulations and requirements of the competent foreign trade authority under the State Council. Where a foreign trade operator fails to do so, the customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

The Customs Law

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021, and became effective on the same date, the customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. In accordance with the relevant laws and administrative regulations, the customs are responsible for the supervision of the transport vehicles, goods, luggage, postal items and other items entering into and departing from the PRC, collecting tariff and other duties and charges, investigating and suppressing smuggling, and preparing customs statistics and conducting other customs affairs.

Pursuant to the Administrative Provisions of the Customs of the People's Republic of China on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) that was promulgated by the General Administration of Customs on November 19, 2021 and became effective on January 1, 2022, customs declaration entities refer to the consignees, consignors of goods imported or exported and customs declaration enterprises filed with the customs. Where the consignee or consignor of goods imported or exported or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY AND TORT LIABILITY

Product Quality

According to the Product Quality Law of the People's Republic of China (中華人民共和國產品質量法), which was promulgated by the SCNPC on February 22, 1993, and was amended and became effective on July 8, 2000, August 27, 2009 and December 29, 2018, respectively, the product quality supervision and administration departments of the State Council are responsible for the supervision of product quality of the whole country. Manufacturers and sellers should establish an internal product quality management system, strictly implement quality specifications for posts. All relevant departments of the State Council shall be responsible for the supervision of product quality within their own functions and duties. The local market supervision and administration departments at the county level and above shall be responsible for the supervision of product quality in the relevant administrative regions. The relevant departments of the local people's governments at the county level and above shall be responsible for the supervision of product quality within their respective scope of duties.

Tort Liability

Pursuant to the "Civil Code of the People's Republic of China" (《中華人民共和國民法典》) (the "**Civil Code**") issued by the National People's Congress on May 28, 2020 and entered into force on January 1, 2021, if defective products are identified after they have been put into circulation, the manufacturers and the sellers shall take remedial measures such as stopping of sales, issuance of a warning, recall of products, etc. in a timely manner. If the damage is caused by a defective product or if the manufacturer or the seller fails to take remedial measures in a timely manner, the aggrieved party may claim compensation from the manufacturer or the seller of such product. Where a defect is caused by the fault of the seller, the manufacturer who has paid compensation has the right to indemnification against the seller. Where any manufacturer or seller knowingly produces or sells defective products or fails to take remedial measures in a timely manner and thus causes death or serious damage to the health of another person, such person shall be entitled to claim, in addition to compensation for loss, punitive damages.

LAWS AND REGULATIONS RELATING TO CYBER SECURITY, PROTECTION OF PERSONAL INFORMATION AND DATA SECURITY

Regulations Relating to Cyber Security

The Chinese government has enacted laws and regulations on internet information security and the protection of personal information from any abuse or unauthorized disclosure. From a state security point of view, on December 28, 2000, the SCNPC enacted the Decision on the Protection

of Internet Security (《關於維護互聯網安全的決定》), as amended on August 27, 2009, which provides that any of the following activities will be subject to criminal liabilities if constituting a crime: (i) gaining improper entry into any of the computer information systems relating to state affairs, national defense construction, or cutting-edge science and technology; (ii) spreading rumor, slander or other harmful information via the internet for the purpose of inciting subversion of the state political power, overthrow of the socialist system, or inciting secession of the country or undermining of national unity; (iii) stealing or divulging state secrets, intelligence or military secrets via the internet; (iv) spreading false advertising of goods and services via the internet; or (v) infringing on others' intellectual property via the internet. The Ministry of Public Security ("**MOPS**") issued the Administrative Measures on Security Protection for International Connections to Computer Information Networks (《計算機信息網絡國際聯網安全保護管理辦法》) on December 16, 1997, which was amended by the State Council on January 8, 2011. These measures prohibit using the internet to leak state secrets or to spread socially destabilizing content. If an internet information service provider violates these measures, the competent authorities may revoke its operating license and shut down its websites.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), which became effective on June 1, 2017. According to the Cyber Security Law, network operators, including internet information service providers, shall take technical and other necessary measures as required by applicable laws, regulations and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The Cyber Security Law highlights that any individual or organization shall not endanger cyber security, or engage in any illegal activities that, by making use of the network, endanger the national security, economic order and social order, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. The Cyber Security Law also restates certain basic principles and requirements for the protection of personal information previously stipulated in other existing laws and regulations, including those mentioned above. Any internet information service provider that violates any provision or requirement in the Cyber Security Law may be subject to warnings, confiscation of illegal income, fines, revocation of business permits or licenses, closure of websites, and even criminal liability.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") issued the revised Measures for Cyber Security Review (《網絡安全審查辦法》) (the "**Revised CAC Measures**"), which became effective on February 15, 2022 and replaced the Measures for Cyber Security Review promulgated on April 13, 2020. The Revised CAC Measures stipulates that if the procurement of network products and services by a critical information infrastructure operator and the data processing activities of a network platform operator affect or may affect national security,

it shall apply for cyber security review. According to Article 7 of the Revised CAC Measures, any network platform operator with personal information of more than one million users shall apply to the Cyber Security Review Office for cyber security review prior to listing abroad.

In accordance with the Revised CAC Measures, we are not applicable to the declaration of cyber security review, on the basis that: (i) According to Article 10 of Regulations on the Security Protection of Critical Information Infrastructure, the security protection departments of critical information infrastructure will timely notify the identification results to the operators. As of the Latest Practicable Date, we had not received such notification from relevant government authorities regarding the identification as a CIIO. In addition, the network products and services that we purchase and use are general network products and services available in the marketplace without significant risks of supply chain disruption. Therefore, we should not be deemed as an operator of critical information infrastructure. (ii) We have not received any material queries or notifications from the CAC or other PRC government authorities, have not received any notification with regard to cyber security review, and have not been subject to any material administrative penalties or other sanctions by any competent regulatory authorities in relation to cyber security, data and personal information protection. (iii) Our business does not involve the cross-border transfer of personal information and important data. (iv) We have established a basic cyber security and data protection system pursuant to the Data Security Law of the PRC and other applicable laws and regulations. (v) During the Track Record Period and up to the Latest Practicable Date, there had not been a significant cyber security or data protection incident regarding theft, leakage, damage or loss of data or personal information. (vi) Based on the consultation with China Cybersecurity Review, Certification and Market Regulation Big Data Center (the agency entrusted by the Cyber Security Review Office to carry out the specific work of cyber security review), Hong Kong is not included in the definition of "abroad" hereof and listing in Hong Kong is not in the scope of "listing abroad", which is not required to apply for cyber security review. (vii) The amount of personal information we process is very limited, not reaching the threshold of one million.

Regulations Relating to the Protection of Personal Information and Data Security

On August 20, 2021, the Law of the People's Republic of China on the Protection of Personal Information (《中華人民共和國個人信息保護法》, the "**Personal Information Protection Law**") was promulgated by the SCNPC and came into effect on November 1, 2021. The Personal Information Protection Law stipulates, among others, the circumstances under which a personal information processor could process personal information, such as when (i) the individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a contracting party or for conducting human resource management under the labor rules and regulations developed in accordance with the law and a collective contract signed in accordance with the law; (iii) the processing is necessary to fulfill

statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) the personal information that has been disclosed is processed within a reasonable scope in accordance with Personal Information Protection Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, or other activities in the public interest; or (vii) any other circumstance provided by any law or administrative regulation occurs.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law establishes a classified and tiered protection system based on the data's importance for economic and social development and the degree of harm to national security, public interests, or the legitimate rights and interests of individuals and organizations if the data are tampered with, destroyed, divulged, or illegally acquired or used. The "important data" as determined by the competent government authorities should be treated with a higher level of protection. State export controls shall be imposed on data related to the safeguarding of national security and interests and the fulfillment of international obligations. In addition, the Data Security Law stipulates that processors of important data shall specify the person in charge of data security and the management organization, and implement the responsibility for data security protection, and that such processors shall carry out regular risk assessments of their data processing activities and submit risk assessment reports to the relevant competent authorities. In violation of the Data Security Law, the relevant entity or person may be ordered to make corrections, given a warning, subject to fines, suspension of operations, revocation of relevant business permits or licenses, or even subject to criminal liabilities.

Moreover, in accordance with the Cyber Security Law: (i) to collect and use personal information, network operators shall follow the principles of legitimacy, rightfulness and necessity, disclose rules of data collection and use, clearly express the purposes, means and scope of collecting and using the information, and obtain the consent of the persons whose data is gathered; (ii) network operators shall neither gather personal information unrelated to the services they provide, nor gather or use personal information in violation of the provisions of laws and administrative regulations and the agreement between both parties; and shall dispose of personal information they have saved in accordance with the provisions of laws and administrative regulations and agreements reached with users; (iii) network operators shall not divulge, tamper with or damage the personal information they have collected, and shall not provide the personal information for others without the consent of the persons whose data is collected, except where it has been processed in such a manner that it is not traceable to a specific person and not recoverable. Furthermore, pursuant to the Cyber Security Law, personal information and important data collected and generated by critical information infrastructure operators in their operations within China shall be stored in China.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》) (the "**Network Data Security Regulations**"), which came into effect on January 1, 2025. The Network Data Security Regulations harmonized the current legislation on cybersecurity and data protection on an administrative regulation level, covering a wide range of topics, including without limitation personal information processing, important data security, regulations on network security products and services, incident report obligations, cross-border data transfer, the responsibilities of internet platform providers. The Network Data Security Regulations define important data as the data in a specific field, group or region or with a certain precision and scale, which, once tampered with, destroyed, divulged, illegally obtained or illegally used, may directly endanger national security, economic operation, social stability, public health and security. Handlers of important data shall conduct risk assessment prior to providing, entrusting others to process or jointly processing important data, except for the performance of statutory duties or obligations. It is also stipulated by the Network Data Security Regulations that, where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

The Several Provisions on Administration of Automobile Data Security (For Trial Implementation) (《汽車數據安全管理若干規定(試行)》) (the "**Provisions on Automobile Data Security**") was jointly promulgated by the CAC, the MIIT and other government authorities on August 16, 2021 and became effective on October 1, 2021. In accordance with the Provisions on Automobile Data Security, automobile data include both personal information and important data involved in the process of automotive design, production, sales, use, operation and maintenance. "Important data" means data that may endanger national security, public interest, the legitimate rights and interests of individuals and organizations once tampered with, destroyed, divulged, or illegally acquired or used. Automobile data processors are defined as entities that carry out automobile data processing activities, including automobile manufacturers, components and parts and software suppliers, dealers, maintenance organizations, and mobility service enterprises. They shall carry out automobile data processing activities (including the collection, storage, use, processing, transmission, provision, and disclosure of automobile data) in accordance with the Provisions on Automobile Data Security. The automobile data processors shall carry out risk assessments for their important data processing activities and submit a report to relevant government authorities. Important data shall be stored in China in accordance with the law. Automobile data processors that have to carry out cross-border data transfers due to business needs shall pass the security assessment organized by the CAC in conjunction with the relevant authorities under the State Council, and shall follow the purpose, scope, mode, and type and size of the data specified in the security assessment of cross-border data transfers.

Moreover, On July 7, 2022, the CAC promulgated the Measures for Security Assessment of Cross-border Data Transfers (《數據出境安全評估辦法》), which took effect on September 1, 2022. According to the Measures, a data processor shall, through the local cyberspace administration at the provincial level, apply for security assessment of cross-border data transfers when it provides data for a recipient outside the PRC under any of the following circumstances: (i) where a data processor transfers important data to overseas recipients; (ii) where a critical information infrastructure operator or a data processor processing the personal information of more than one million individuals transfers personal information to overseas recipients; (iii) where a data processor, who has provided personal information of more than 100,000 individuals, or sensitive personal information of more than 10,000 individuals in total since January 1 of the previous year, transfers personal information to overseas recipients; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for cross- data transfers is required. As of the Latest Practicable Date, our business does not involve any cross-border transfer of personal information and important data. Therefore, the Measures for Security Assessment of Cross-border Data Transfers does not apply to us. In the future, if it is necessary to transfer personal information or important data to overseas recipients for business purposes, we will fulfill our obligation to go through the cross-border transfer formalities in advance.

Cloud platforms serve as the data processing center and are used by customers to process various types of personal information including end-user registration information, basic vehicle information, location and trajectory data, etc. The cloud platforms are locally deployed on the customer's own server. We may remotely access and process data on the cloud platforms for operation and maintenance purposes. The scope of personal information we may remotely access is dependent on the operation or maintenance purposes and within the scope authorized by the customers. We do not collect or store any data from the cloud platforms. If we will process personal information in China during future overseas expansion, we would need to abide by the PRC laws on cybersecurity and data protection to the extent applicable.

As of the Latest Practicable Date, we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been any material cybersecurity and data protection incidents relating to data leakage, violation of data protection laws or regulations, or any investigations or other legal proceedings against us in relation thereto. Based on the above facts and confirmed by our PRC legal adviser as to data security laws, our Directors believe that as of the Latest Practicable Date, we have complied with the Cyber Security Law, the Data Security Law, and the Personal Information Protection Law in all materials aspects.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and revised respectively on February 22, 1993, October 27, 2001, August 30, 2013, and April 23, 2019, and became effective on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and revised on April 29, 2014, and became effective on May 1, 2014, the Trademark Office of the administrative department for industry and commerce under the State Council shall take charge of matters concerning trademark registration and administration in China. The valid period of a registered trademark shall be ten years from the date of approval of the registration. Upon expiry of the valid period, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. If the registrant fails to do so within the period, an extension period of six months may be granted. The valid period for each renewal of registration shall be ten years. Where an applicant for trademark registration files an application for trademark registration in China within six months of filing the first application for registering the same trademark for the same goods in a foreign country, the applicant may have priority in accordance with any agreement concluded by and between the PRC and the foreign country concerned, or with the international treaty to which both countries are parties, or on the basis of the principle of priority recognized by both parties. In the event that an applicant uses a trademark for the first time on goods displayed at an international exhibition organized or recognized by the Chinese government, the applicant may be entitled to priority provided that it files an application to register the trademark within six months from the date of the exhibition. The trademark registrant may, by concluding a trademark licensing contract, authorize other persons to use its registered trademark. The licensor shall supervise the quality of the goods on which the licensee uses the licensor's registered trademark, and the licensee shall guarantee the quality of the goods on which the registered trademark is used. and the licensee shall guarantee the quality of the goods on which the registered trademark is used. The party authorized to use others' registered trademark shall indicate the name of the licensee and the place of origin on the goods that bear the registered trademark. When granting others to use the registered trademarks, the licensor shall file the license of the trademarks with the Trademark Office for record, which shall announce the same. Without putting the licensing of the trademark on records, the trademark shall not be effective against a bona fide third party.

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and revised on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020 respectively, and became effective on June 1, 2021, and the Rules for Implementation 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》), which was promulgated by the State Council on June 15, 2001 and revised on December 28, 2002, January 9, 2010, December 11, 2023, and became effective on January 20, 2024, the patent administration department under the State Council shall be responsible for the patent-related work in China. It accepts and examines patent applications in a uniform way and grants patent rights in accordance with the law. The Patent Law of the People's Republic of China and its implementation rules provide for three types of patents, "invention", "utility model" and "design". An invention or a utility model for which a patent is granted shall be novel, inventive and practical. Any design for which patent right may be granted shall not be an existing design, nor has any entity or individual filed before the date of filing with the patent administration department under the State Council an application relating to the identical design disclosed in patent documents announced after the date of filing. The term for patent right of invention is 20 years, and for utility model and design, it is 10 years and 15 years, respectively, all calculated from the date of application.

Copyright and Software Registration

In accordance with the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was promulgated by the SCNPC On September 7, 1990 and amended on October 27, 2001, February 26, 2010, and November 11, 2020, respectively, and became effective on June 1, 2021, Chinese citizens, legal persons, or unincorporated organizations shall, whether published or not, enjoy copyright in their works. "Works" include written works, oral works, musical, dramatic, quyi, dance, acrobatic works, fine arts, architectural works, photography works, audio-visual works, graphic works (such as engineering design drawings, product design drawings, maps, schematic diagrams) and model works, computer software and other intellectual achievements which comply with the characteristics of the works.

According to the Regulations for the Implementation of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002, became effective on September 15, 2002 and was last amended on January 30, 2013, copyright holders shall be entitled to a variety of personal and property rights, including the publication right, the right of signature, the right of reproduction, and the right of information network transmission.

The Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013 respectively, aim to protect the rights and interests of computer software copyright owners, adjust the interests in the development, dissemination and use of computer software, encourage the development and application of computer software, and boost the development of the software industry and the informatization of the national economy. In accordance with the Computer Software Protection Regulations, Chinese citizens, legal persons or other organizations shall be entitled to the copyright for software developed by them, whether published or not. A software copyright owner may apply for registration with the software registration agency recognized by the copyright administrative department under the State Council. The registration certificate issued by the software registration agency is the preliminary proof of the registered matters.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 was included in and revised by the Computer Software Protection Regulations which was amended by the State Council on January 30, 2013 and entered into force on March 1, 2013, the National Copyright Administration shall be in charge of the registration and administration of software copyrights nationwide and the China Copyright Protection Center has been recognized as a software registration agency.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, which came into effect on November 1, 2017, the MIIT shall be responsible for the supervision and management of China's Internet domain name service. Domain name registrations shall be handled through the domain name service agencies established in accordance with the relevant provisions, and the applicants become domain name holders upon successful registration.

Trade Secrets

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993 and amended on November 4, 2017 and April 23, 2019 respectively, the term "trade secrets" refers to technical and business information that is unknown to the public, has commercial value, and is maintained as secrets by its right holders.

Under the Anti-Unfair Competition Law of the People's Republic of China, operators are prohibited from infringing others' trade secrets by: (i) obtaining the trade secrets from the right holders by any unfair methods by theft, bribery, fraud, intimidation, electronic intrusion or other

improper means; (ii) disclosing, using or permitting others to use the trade secrets obtained illegally under item (i) above; (iii) disclosing, using or allowing others to use trade secrets obtained by him/her in violation of confidentiality obligations or the right holders' requirements on keeping such trade secrets confidential; or (iv) disclosing, using or allowing others to use the right holders' trade secrets by instigating, inducing or helping others to violate the confidentiality obligations or the holders' requirements on keeping such trade secrets confidential. Where a third party knows or should have known any of the illegal acts specified in the preceding items, but still obtains, uses or discloses such trade secrets, the third party may be deemed to have committed an infringement of the others' trade secrets. The party whose trade secrets are being infringed may petition for administrative corrections, and regulatory authorities may stop any illegal acts and fine the infringing party.

LAWS AND REGULATIONS RELATING TO LEASING

Pursuant to the Law on Administration of Urban Real Estate of the People's Republic of China (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019, and became effective on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department. According to the Administrative Measures for Commercial Housing Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010, and became effective on February 1, 2011, without the above-mentioned registration, the lessor and the lessee may be imposed a fine by the development (real estate) department. In accordance with the Civil Code, the lessee may, with consent from the lessor, sub-let the leased item to a third party. The lease contract between the lessee and the lessor shall continue to be valid if the lessee sub-lets the leased item. In the event that the lessee sub-lets the leased item without consent from the lessor, the lessor may terminate the lease contract. In addition, any change of ownership to the lease item does not affect the validity of the lease contract.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), which was last amended on April 24, 2014 and became effective on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Environmental Protection is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC.

Meanwhile, local environmental protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

According to the Administrative Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (the "**Environmental Protection Rules of Construction Projects**"), promulgated by the State Council on November 29, 1998 and amended on July 16, 2017, and other relevant environmental protection laws and regulations, enterprises which plan to construct projects shall prepare or fill in a report, a statement, or a registration form on the environmental impact of such projects, and submit them to relevant environmental protection administrative authority for approval or recording. Construction entities may entrust a technical entity to conduct an environmental impact assessment of its construction projects and prepare environmental impact reports and environmental impact statements on construction projects. If a construction entity has the technical capability of environmental impact assessment, it may carry out the above activities itself.

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and amended on July 2, 2016 and December 29, 2018 respectively, for any construction project that has an impact on the environment, the construction entity concerned is required to prepare either a report or a statement, or fill in a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

According to the Environmental Protection Rules of Construction Projects, after the completion of a construction project for which the environmental impact report or the environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures established by the competent administrative department of environmental protection under the State Council, conduct acceptance checks of the environmental protection facilities and prepare an acceptance report, and announce the acceptance report according to law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Any construction project for which the environmental impact report or the environmental impact statement has been prepared can not be put into operation or use until its environmental protection facilities have passed the inspection and acceptance.

The Interim Measures for Environmental Protection Inspection and Acceptance upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures stipulates the procedures and standards for construction entities to carry out independent environmental protection inspection and acceptance upon the completion of construction projects.

LAWS AND REGULATIONS RELATING TO WORK SAFETY

Under relevant construction safety laws and regulations, including the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) (the "**Work Safety Law**"), which was promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021, and became effective on September 1, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be established to implement the work safety job responsibility system. In addition, production and operation entities must arrange work safety training and provide the employees with personal protective equipment that meets the national standards or industrial standards.

Pursuant to the Work Safety Law, and the Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》), which was promulgated by the State Administration of Work Safety (now has been adjusted to the Ministry of Emergency Management) on April 2, 2015 and became effective on May 1, 2015, production and operation entities are responsible for the construction of the safety facilities of construction projects. The safety facilities of a construction project must be designed, constructed and put into production and use simultaneously with the main part of the project. Investment in safety facilities shall be brought into the budgetary estimate of the construction project.

LAWS AND REGULATIONS RELATING TO FIRE PROTECTION

Fire Protection Design Review and Final Acceptance

According to the Interim Provisions on the Administration of Examination and Acceptance of Fire Protection Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which was promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and became effective on June 1, 2020, and was latest amended on August 21, 2023, the fire protection design review system shall apply to special construction projects for movie theaters, reading rooms in public libraries, commercial indoor fitness and recreation venues, outpatient buildings in hospitals, teaching buildings, libraries and canteens in universities, production and processing workshops in labor-intensive enterprises, temples and churches, each of which has a gross floor area of more than 2,500 square meters. Where an as-built special construction project undergoes the final acceptance formalities, the construction entity shall file an application for fire protection final inspection with the competent department of fire protection design review and final acceptance; where the project fails to undergo or pass the fire protection design review, it

shall be prohibited from being put into use. The recordation and random inspection system shall apply to the classified management of other construction projects. Any other construction project that fails to pass the random inspection conducted under the law shall cease to be used.

According to the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, where a construction project subject to fire protection acceptance according to law that has not undergone or failed to pass the fire protection acceptance shall not be put into use; and any other construction project that failed to pass the random inspection conducted under the law shall cease to be used. Where any of the following conduct is committed in violation of any provision of this Law, the competent housing and urban-rural development department and the fire protection and rescue authority shall, in accordance with their respective powers, order cessation of construction or use, or suspension of production or business, and impose a fine of not less than RMB30,000 nor more than RMB300,000: a construction project that is subject to fire protection design review according to law has not undergone or failed to pass the review and is under construction without authorization; a construction project that is subject to fire protection acceptance inspection according to law has not undergone or failed to pass the fire protection acceptance and is put into use without authorization; and any other construction project that failed to pass the random inspection conducted under the law has not ceased to be used.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the Foreign Exchange Administration Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》) which was latest amended in 2008 and various regulations issued by the State Administration of Foreign Exchange and other relevant PRC government authorities, Renminbi is freely convertible for current account items, such as trade-related receipts and payments, interest and dividends. For capital account items, such as direct equity investment, loan or investment return, except for those expressly exempted by laws and regulations, RMB shall not be convertible into foreign currencies which can be remitted to regions outside China unless prior approval from the SAFE or its provincial counterparts is obtained.

According to the Circular of SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued on December 26, 2014, a joint stock company registered within the territory of the PRC (the "**domestic company**"), which is permitted by CSRC to issue its shares overseas and have them listed and traded on overseas stock exchanges, shall, within 15 working days after the completion of the offering of shares for its overseas listing, register overseas listing with the Foreign Exchange Bureau at the place of its incorporation. The domestic company shall open a "special foreign exchange account of the domestic company for overseas listing" with a domestic bank by producing its overseas listing registration certificate.

The account so opened shall be used for handling the exchange and transfer of funds corresponding to the relevant business. Funds raised from the overseas listing of the domestic company may be repatriated to China or deposited overseas, provided that the use of such funds shall comply with the documents or corporate bonds collection documents, shareholders' circulars, resolutions of the Board Meetings or the shareholders' general meetings and other publicly disclosed documents.

Meanwhile, after overseas listing, a domestic shareholder of the domestic company intending to increase or reduce his holding of shares of the overseas listed company in accordance with relevant provisions shall register his shareholding with the local Foreign Exchange Bureau at the place where domestic shareholder resides within 20 working days before the increase and reduction of shares. The domestic shareholder shall open a "special account of the domestic shareholder for overseas shareholding" with a domestic bank by producing its overseas shareholding registration certificate. The account so opened shall be used for handling the exchange and transfer of funds corresponding to the relevant business. A domestic shareholder's capital income obtained due to reducing or transferring overseas holding of the domestic company or the domestic company's withdrawing from overseas securities markets etc. may be deposited overseas or remitted to the special account of the domestic shareholder for overseas shareholding. For funds repatriated to China, the domestic shareholder can go through the procedures of domestic transfer or exchange settlement of such funds with a bank by producing its overseas shareholding registration certificate.

LAWS AND REGULATIONS RELATING TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, latest amended and effective on December 29, 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and effective on July 1, 2013 and the Regulation on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and effective on the same date, the employer and each employee shall execute a written labor contract. The wages paid by the employer to each employee shall not be less than the local minimum wage. The employer shall establish an occupational safety and health mechanism, and strictly abide by national standards, and provide employees with relevant education. Employees shall work in a safe and sanitary environment.

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Interim Regulations on the Collection of

Social Insurance Fees (《社會保險費徵繳暫行條例》), and other laws, regulations and rules, an employer shall pay several social insurance premiums on behalf of its employees (including basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance and maternity insurance). The relevant fees shall be paid to the local administrative department. Where an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order the payment of such premiums by a specified date or make them up to the full amount, and shall impose a late payment of 0.05% of the unpaid premium on a daily basis from the date of the default payment of such premiums; where such payment is not made after the expiry of that period of time, the relevant administrative authorities shall impose a fine of at least one and not exceeding triple the amount of the unpaid premium. Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and amended on March 24, 2002, and became effective on March 24, 2019, the housing provident fund contributed by an employee and his/her employer for the employee shall be owned by the employee. An employer should undertake registration of payment and deposit of the housing provident fund in the Housing Provident Fund Management Center and open a housing provident fund account for each employee in a commissioned bank after verification by the Housing Provident Fund Management Center. Where an employer fails to register the housing fund contributions or fails to go through the procedures of setting up housing fund accounts for its own employees, it shall be ordered by the Housing Provident Fund Management Center to do so within a certain period of time; where it fails to do so, it shall be subject to a fine of not less than RMB10,000 and not more than RMB50,000. Where an employer fails to pay or underpays the housing provident fund, the Housing Provident Fund Management Center shall order the employer to pay the fund within a certain period of time; where the employer fails to do so, the Housing Provident Fund Management Center may apply to the people's court for compulsory execution.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax Law

Under the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) (the "**EIT Law**"), which became effective on January 1, 2008 and was latest amended and implemented on December 29, 2018, a uniform enterprise income tax rate of 25% applies to the income of all resident enterprises and non-resident enterprises that have set up institutions or establishments in the PRC that originates from China or the income derived from the regions outside China, but which have substantial connection with the said institutions or establishments. Enterprises that qualify as "High and New Technology Enterprises" which are strongly supported by China, are entitled to a preferential tax rate of 15%. Pursuant to the Measures for the Administration of Accreditation of High and New Technology Enterprises (《高新技術企業認定管理辦法》) (the "**Accreditation Measures**") amended in January 2016, the Ministry

of Science and Technology of the People's Republic of China, the Ministry of Finance and the provincial counterparts of the State Taxation Administration determine whether an enterprise qualifies as a "High and New Technology enterprise" under the EIT Law. In making such determination, these governmental authorities take into account, among other things, the ownership of the core technology, whether the technology that plays a central role in supporting the enterprise's major products or services falls within the scope under the High and New Technology Fields with Strong Support by China (《國家重點支持的高新技術領域》), the ratio of research and development personnel to the total number of employees, the ratio of research and development expenses to the sales revenue in the same period, and the ratio of the revenue from products or services produced by high and new technology to the total revenue in the same period. The certificate of a "High and New Technology enterprise" is valid for a term of three years.

Value-added Tax

Pursuant to the Interim Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值税暫行條例》), which was latest amended and became effective on November 19, 2017, and the Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated on December 25, 1993 and amended on October 28, 2011, and became effective on November 1, 2011, entities or individuals engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the PRC shall pay value-added tax (the "**VAT**"). The tax payable shall be the balance of output tax for the period after deducting the input tax for the period. In general, the VAT rate is 17% and in some cases, it is 11% or 6%, as the case may be.

Pursuant to the Circular of the Ministry of Finance and the State Taxation Administration on the Adjustment of Value-added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》), which entered into force on May 1, 2018, for general VAT payers' sales activities or import of goods that are subject to VAT at an existing applicable rate of 17% or 11%, the applicable VAT rate is adjusted to 16% or 10%, respectively.

According to Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Policies for Deepening the VAT Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》) (Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, No. 39 of 2019), which became effective on April 1, 2019, for general VAT payers' sales activities or import of goods that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9%, respectively.

LAWS AND REGULATIONS RELATING TO U.S. EXPORT AND IMPORT CONTROLS

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce, which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR generally is prohibited unless the specified license requirements are met.

With respect to U.S. export controls, in October 2022, BIS issued an interim final rule (the "**BIS October 2022 IFR**") aimed at restricting China's ability to obtain advanced computing integrated circuits, develop and maintain supercomputers, and manufacture advanced semiconductors. In October 2023, BIS issued another interim final rule that updated and expanded U.S. export controls imposed by the BIS October 2022 IFR (together with the BIS's April 2024 interim final rule making technical corrections and clarifications to the BIS October 2023 IFR, the "**BIS October 2023 IFR**"). In January 2025, BIS issued another interim final rule revising the EAR controls on advanced computing integrated circuits and adding a new control on artificial intelligence (AI) model weights for certain advanced closed-weight dual-use AI models (the "**AI Diffusion Rule**" and collectively with the BIS October 2022 IFR and BIS October 2023 IFR, the "**Advanced Computing IFRs**"). Among other measures, the BIS 2022/23 IFRs add to the Commerce Control List (which is a list of commodities, software, and technologies that are subject to the EAR's more restrictive controls) certain advanced and high-performance computing integrated circuits and computer commodities that contain these integrated circuits, and impose new or expanded license requirements for items subject to the EAR destined for an end-use in the development or production of supercomputers, certain types of advanced node integrated circuits and advanced, or semiconductor manufacturing equipment in certain jurisdictions, including China.

In August 2023, President Joe Biden signed an Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Executive Order**"). In October 2024, the U.S. Department of Treasury issued a final rule to implement the Executive Order (the "**Final Rule**"). The final rule provides the operative regulations for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national security in three sectors, namely, semiconductors and microelectronics, quantum information technologies, and artificial intelligence. The program, after its effectiveness on January 2, 2025, prohibits U.S. persons from undertaking certain transactions and require notification by U.S. persons on certain investments. The Final Rule excludes certain "excepted transactions," such as passive investments into publicly traded securities.

The U.S. government has recently increased regulatory scrutiny on Chinese technology in the U.S. automotive sector, citing national security and economic concerns. For example, on February 29, 2024, the U.S. Department of Commerce commenced a study on the risks that "connected vehicles" could pose to the United States and on January 14, 2025, BIS announced a final rule which, effective March 17, 2025, among other things, prohibits (1) vehicle connectivity system ("**VCS**") hardware importers from knowingly importing into the United States VCS hardware that is designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC or Russia; (2) PRC or Russian connected vehicle manufacturers from knowingly selling in the United States completed connected vehicles that incorporate VCS hardware or certain software that directly enables VCS or Automated Driving Systems ("**ADS**") (collectively, "**covered software**"), regardless of whether such VCS hardware or covered software is from China or Russia; and (3) connected vehicle manufacturers from knowingly importing into the United States or selling within the United States completed connected vehicles that incorporated covered software from China or Russia (the "**Connected Vehicle Rule**"). Under the Connected Vehicle Rule, vehicles with a gross vehicle weight rating of more than 4,536 kilograms (10,000 pounds) are excluded from the definition of a 'connected vehicle'. As most commercial vehicles exceed this weight threshold, the rule generally does not cover commercial vehicles. The software-related prohibitions will take effect for vehicles that are model year 2027. The hardware-related prohibitions will take effect for vehicle model year 2030, or January 1, 2029, for units without a model year. Prohibitions on the sale of connected vehicles by manufacturers with a sufficient nexus to China or Russia, even if manufactured in the United States, will take effect for vehicle model year 2027.

OVERVIEW

Our history can be traced back to 2017, when our Company was co-founded by Prof. Li and Dr. Ma under its former name, Changsha Intelligent Driving Research Institute Company Limited (長沙智能駕駛研究院有限公司). Under the combined prowess of Prof. Li, a serial academic entrepreneur with over 30 years of experience in incubating talents and next-generation companies (particularly in AI, robotics and automation), and Dr. Ma, a Silicon Valley veteran with over 30 years of expertise in robotics, signal processing and automotive industries, our Group was formed with the vision to developing practical intelligent driving products for commercial vehicles. For details of our co-founders, see "Directors and Senior Management" in this document.

Since the inception of our Group, we have made long strides and achieved many accomplishments within the autonomous driving industry. According to CIC, we are one of the earliest companies in China (including Hong Kong, Macau and Taiwan) to commercialize autonomous driving technology for commercial vehicles.

OUR KEY MILESTONES

The following is a summary of our Group's key business development milestones:

Year	Month	Milestone
2018	March	We completed our first round Series A Pre-**[REDACTED]** Investment, where we received investments from our Pathfinder SIIs.
	June	We assisted in developing the management and operations plan for the Hunan (Changsha) National V2X Pilot Area.
	August	Our intelligent heavy trucks under development achieved a road speed of 100 km/h under autonomous driving in closed roads and high-speed environments.
2019	September	We entered into cooperation agreements with Dongfeng Liuzhou Motor. We provided a complete set of vehicle-road coordination systems with holographic perception capabilities for Changsha's "Double 100" 100 kilometres of smart highways and urban open roads.

Year	Month	Milestone
2020	June	We completed the deployment of China's first and largest-scale "Active Bus Priority" system.
	September	We released a mass production solution for a intelligent driving commercial vehicles, achieving "high computing power, high safety, high reliability and unified standards".
2021	January	We established a national-level V2X pilot zones for Liangjiang New Area, Chongqing through the creation of vehicle-road coordination systems for six different application scenarios.
	April	We launched a new generation of pure electric unmanned mining trucks and unmanned mining solutions through our autonomous driving software systems.
	June	We jointly launched two driverless commercial vehicles together with DFLZ.
2022	November	The H5 Chenglong intelligent vehicle developed with DFLZ officially entered the stage of regular operations in urban areas.
	December	We delivered China (including Hong Kong, Macau and Taiwan)'s first autonomous electric mining project with full mining area coverage in Jiangsu.
2023	May	We launched the first batch of unmanned electric mining trucks with a load capacity of 70 tons each.
	June	We launched the commercial operation of autonomous driving within a logistics park (without safety personnel).
2024	May	Our fleet comprised 56 autonomous mining trucks and nearly 500 manned mining trucks operating in mixed traffic, entering into regular production operations (without safety personnel), forming the world's largest mixed-operation mining fleet.

Year	Month	Milestone
	August	We entered into an agreement for a zero-waste initiative in Ha'il, Saudi Arabia utilizing our V2X products and solutions to upgrade the city's entire fleet of heavy-duty trucks for intelligent operation and management of the full lifecycle of waste processing.
	September	We passed the stringent SIL4 safety certifications for our TAPS system, as one of the few companies in China to obtain such certification.
2025	August	We were listed as one of the "Fortune China Tech 50", being the only company in the field of intelligent driving for commercial vehicles.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding	Principal business activities
NovoDriv Chongqing	PRC	May 29, 2020	100%	Research and development, sales and operation of products and services for autonomous driving and vehicle-road collaboration
Tianjin CiDi	PRC	December 14, 2020	100%	Sales and operation of products and services for vehicle-road collaboration
Changsha CiDi Construction	PRC	July 29, 2019	67%[(1)]	Management of the operation of autonomous driving industrial area
CiDi Chengdu	PRC	April 1, 2022	100%	Research and development, sales and operation of autonomous driving and vehicle-road collaboration products and services

Note:

(1) The remaining 33% equity interest in Changsha CiDi Construction is held by Changsha Zhigu High-tech Industry Investment Co., Ltd. (長沙智谷高新產業投資有限公司) ("**Changsha Zhigu**"), an Independent Third Party. Changsha Zhigu does not hold any voting rights in Changsha CiDi Construction and, upon completion of the **[REDACTED]**, Changsha Zhigu's equity interest in Changsha CiDi Construction will be transferred to the Company and Changsha CiDi Construction will become a wholly-owned subsidiary of the Company.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We have not conducted any acquisitions, disposals or mergers since our inception that we consider to be material to us.

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

Establishment of our Company

Our Company was established under its former name, Changsha Intelligent Driving Institute Company Limited (長沙智能駕駛研究院有限公司), as a limited liability company under the laws of the PRC on October 16, 2017 with an initial registered capital of RMB6,511,000. Upon establishment, NovoDriv HK and Changsha Gangwan held RMB4,557,700 and RMB1,953,300 of the registered capital of the Company, respectively.

NovoDriv HK is a limited partnership established as a shareholding platform for the Group, and is ultimately controlled by Prof. Li. The sole general partner of NovoDriv HK since the Group's establishment and up to the Latest Practicable Date has been NovoDriv Limited, which in turn is wholly-owned by Prof. Li. From the date of the Group's establishment until January 2018, the limited partner of NovoDriv HK was Dr. Ma as to 100%. Since January 2018 and up to the Latest Practicable Date, NovoDriv HK was held as to 68.67% by NovoDriv Limited, 25.66% by Dr. Ma, 2.63% by Yang Xi, 1.62% by Hu Jishan (胡繼善), the father of Hu Albert Sibo, our executive Director and chief executive officer, and 1.42% by CWB Startup HK as limited partners. Changsha Gangwan was established as the Company's share incentive platform and is ultimately controlled by Prof. Li.

Conversion into a Joint Stock Company with Limited Liability

Pursuant to the shareholders' resolutions of our Company dated May 28, 2024, our Company was converted from a limited liability company into a joint stock company on July 2, 2024. Upon completion of the conversion, the registered capital of our Company was RMB38,381,330 divided into 38,381,330 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective interests in our Company before the conversion.

PRE-[REDACTED] INVESTMENTS

Series A Financing

On March 20, 2018, we completed our Series A Financing, resulting in the increase of our registered capital from RMB6,511,000 to RMB10,000,000 at an aggregate consideration of USD30,000,000. Details of our Series A Financing is set out below:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series A Financing	Consideration
Beijing HongShan	RMB1,628,200	16.28%	USD14,000,000
Guangkong Zhongying	RMB348,900	3.49%	USD3,000,000
Guangkong Capital(1)	RMB348,900	3.49%	USD3,000,000
Lianke Investment(2)	RMB232,600	2.33%	USD2,000,000
Xinghao VC	RMB232,600	2.33%	USD2,000,000
Baidu Venture	RMB348,900	3.49%	USD3,000,000
CWB Startup HK	RMB116,300	1.16%	USD1,000,000
Lens Technology	RMB116,300	1.16%	USD1,000,000
Hangsheng Investment(3)	RMB116,300	1.16%	USD1,000,000
Total	**RMB3,489,000**	**34.89%**	**USD30,000,000**

Notes:

(1) On December 24, 2019, Guangkong Zhongying No. 3 Industrial Investment Center (Limited Partnership) (光控眾盈第三號產業投資中心(有限合夥)) ("**Guangkong Capital**") completed the transfer of its entire equity interest in the Company to Beta Garden at a consideration of USD3,000,000.

(2) On October 12, 2018, Tibet Dazi Lianke Investment Co., Ltd. (西藏達孜聯科投資有限公司) ("**Lianke Investment**") completed the transfer of its entire equity interest in the Company to Lianpan VC at a consideration of RMB12,614,400.

(3) On February 2, 2021, Shenzhen Hangsheng Investment Co., Ltd. (深圳市航盛投資有限責任公司) ("**Hangsheng Investment**") completed the transfer of its entire equity interest in the Company to Ningbo Jiusheng at a consideration of RMB12,000,000.

Capital Increase in November 2018

On November 28, 2018, our registered capital was increased from RMB10,000,000 to RMB25,000,000, representing an additional RMB15,000,000 in the registered capital of our Company converted from our Company's capital reserves. Each of our then existing Shareholders received a proportion of the increased registered capital on a pro-rata basis based on their shareholding in our Company, as detailed below.

Shareholders	Registered capital received	Registered capital held upon completion of capital increase	Shareholding percentage in the Company at the time upon completion of capital increase
NovoDriv HK	RMB6,836,550	RMB11,394,250	45.58%
Changsha Gangwan	RMB2,929,950	RMB4,883,250	19.53%
Beijing HongShan	RMB2,442,300	RMB4,070,500	16.28%
Guangkong Zhongying	RMB523,350	RMB872,250	3.49%
Guangkong Capital	RMB523,350	RMB872,250	3.49%
Lianpan VC	RMB348,900	RMB581,500	2.33%
Xinghao VC	RMB348,900	RMB581,500	2.33%
Baidu Venture	RMB523,350	RMB872,250	3.49%
CWB Startup HK	RMB174,450	RMB290,750	1.16%
Lens Technology	RMB174,450	RMB290,750	1.16%
Hangsheng Investment	RMB174,450	RMB290,750	1.16%
Total	**RMB15,000,000**	**RMB25,000,000**	**100.00%**

Series A-1 Financing

On December 9, 2019, we completed our Series A-1 Financing, resulting in the increase of our registered capital from RMB25,000,000 to RMB26,595,745, at an aggregate consideration of USD12,000,000. Details of our Series A-1 Financing is set out below:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series A-1 Financing	Consideration
Changsha Hesheng	RMB664,894	2.50%	USD5,000,000
Tibet Fangchuang	RMB132,979	0.50%	USD1,000,000
Xiangjiang Investment	RMB398,936	1.50%	USD3,000,000
Changsha Shengyu	RMB132,979	0.50%	USD1,000,000
Xinjun Electronics	RMB199,468	0.75%	USD1,500,000
Lakeside VC	RMB66,489	0.25%	USD500,000
Total	**RMB1,595,745**	**6.00%**	**USD12,000,000**

Series A-2 Financing

Between July and September 2020, we completed our Series A-2 Financing, resulting in the increase of our registered capital from RMB26,595,745 to RMB28,228,054, at an aggregate consideration of approximately RMB100,139,000. Details of the Series A-2 Financing is set out below:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series A-2 Financing	Consideration
Stage 1 (completed on July 8, 2020)			
Liangjiang Chengwei	RMB578,169	2.05%	RMB35,469,500
Nanjing Bestway	RMB81,502	0.29%	RMB5,000,000
Tibet Fangchuang[(1)]	RMB32,601	0.12%	RMB2,000,000
Stage 2 (completed on July 31, 2020)			
Liangjiang Chengwei	RMB578,168	2.05%	RMB35,469,500
NovoDriv HK	RMB48,901	0.17%	RMB3,000,000
Stage 3 (completed on September 21, 2020)			
Xiangsanze Capital	RMB195,605	0.69%	RMB12,000,000
Sanze Investment	RMB117,363	0.42%	RMB7,200,000
Total	**RMB1,632,309**	**5.78%**	**RMB100,139,000**

Note:

(1) On February 1, 2024, Tibet Fangchuang completed the transfer of RMB38,279 in the registered capital of the Company to Ceyuan Guangyi Digital Fund at a consideration of RMB6,000,000.

Series A-3 Financing

On February 2, 2021, we completed our Series A-3 Financing, resulting in the increase of our registered capital from RMB28,228,054 to RMB32,391,323, at an aggregate consideration of approximately RMB281,700,000. Details of our Series A-3 Financing are as follows:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series A-3 Financing	Consideration
Xiangjiang Intelligent Innovation[(1)]	RMB1,330,118	4.11%	RMB90,000,000
Xinding No. 1	RMB1,041,926	3.22%	RMB70,500,000
Qinghao Yuanmao	RMB295,582	0.91%	RMB20,000,000
Xinding No. 6	RMB786,247	2.43%	RMB53,200,000
Hunan Yunfa[(2)]	RMB147,791	0.46%	RMB10,000,000
Ningbo Jiusheng	RMB561,605	1.73%	RMB38,000,000
Total	**RMB4,163,269**	**12.85%**	**RMB281,700,000**

Notes:

(1) On November 2, 2021, Xiangjiang Intelligent Innovation completed the transfer of RMB665,059 in the registered capital in the Company to Qingdao Zhenghan No. 2 at a consideration of RMB47,958,900.

(2) On June 1, 2021, Hunan Yunfa Industry Fund Partnership (Limited Partnership) (湖南雲發產業基金合夥企業(有限合夥)) ("**Hunan Yunfa**") completed the transfer of its entire interest in the registered capital of the Company to Yunfa Ruichi at a consideration of RMB10,000,000.

Series B Financing

On June 1, 2021, we completed our Series B Financing, resulting in the increase of our registered capital from RMB32,391,323 to RMB35,469,571, at an aggregate consideration of approximately RMB280,347,776. Details of our Series B Financing are as follows:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series B Financing	Consideration
Xinding No. 20	RMB1,010,170	2.85%	RMB92,000,000
Xinding No. 19	RMB384,304	1.08%	RMB35,000,000
Xinding No. 36	RMB340,383	0.96%	RMB31,000,000
Zibo Xuanshi	RMB109,801	0.31%	RMB10,000,000
Tianjin Shengde	RMB109,801	0.31%	RMB10,000,000
Baodechang	RMB109,801	0.31%	RMB10,000,000
Qiandao Ronghui	RMB329,403	0.93%	RMB30,000,000
Chuanghe Huimao	RMB219,602	0.62%	RMB20,000,000
Baidu Venture	RMB44,352	0.13%	RMB4,039,276
Xingxiang Fangzheng	RMB219,602	0.62%	RMB20,000,000
Xindiyuan	RMB109,801	0.31%	RMB10,000,000
Qingdao Zhenghan No. 1	RMB91,228	0.26%	RMB8,308,500
Total	**RMB3,078,248**	**8.68%**	**RMB280,347,776**

Series B+ Financing

Between October and November 2021, we completed our Series B+ Financing, resulting in the increase of our registered capital from RMB35,469,571 to RMB37,028,163, at an aggregate consideration of approximately RMB263,650,000. Details of our Series B+ Financing are as follows:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series B+ Financing	Consideration
Stage 1 (completed on October 9, 2021)			
Qinghao Deruo	RMB598,845	1.62%	RMB101,300,000
Jingkai Qitao	RMB112,320	0.30%	RMB19,000,000
Zhibo Deruo	RMB75,668	0.20%	RMB12,800,000
Juncheng Hongxin	RMB236,464	0.64%	RMB40,000,000
Xingfan VC	RMB177,348	0.48%	RMB30,000,000
Xinding No. 18	RMB147,790	0.40%	RMB25,000,000
Xindiyuan[(1)]	RMB29,558	0.08%	RMB5,000,000
Zhitu No. 1	RMB129,464	0.35%	RMB21,900,000
Baodechang	RMB10,936	0.03%	RMB1,850,000
Stage 2 (completed on November 2, 2021)			
Zibo Hongshi	RMB40,199	0.11%	RMB6,800,000
Total	**RMB1,558,592**	**4.21%**	**RMB263,650,000**

Notes:

(1) On July 5, 2024, Xindiyuan completed the transfer of its entire interest held in the registered capital of Company to Chen Junying (陳君英), Zhou Hanzhong (周漢忠), Ren Xiaopei (任小培), Yang Xiaoni (陽小妮) and Zhou Pingyong (周平勇) as to RMB58,195, RMB30,656, RMB26,352, RMB13,176 and RMB10,980, respectively, for an aggregate consideration of RMB15,000,000.

Series C Financing

Between April and June 2022, we completed our Series C Financing, resulting in the increase in our registered capital from RMB37,028,163 to RMB38,279,252, at an aggregate consideration of approximately RMB270,300,000. Details of the Series C Financing are as follows:

Subscribers	Registered capital subscribed for	Shareholding percentage subscribed for at the time under the Series C Financing	Consideration
Stage 1 (completed on April 14, 2022)			
Ruichuang Zhitu	RMB927,093	2.42%	RMB200,300,000
Chengdu Technology VC	RMB231,426	0.60%	RMB50,000,000
Stage 2 (completed on June 28, 2022)			
Jiangxia Xintuo	RMB92,570	0.24%	RMB20,000,000
Total	**RMB1,251,089**	**3.27%**	**RMB270,300,000**

Series C+ Financing

On February 1, 2024, we completed our Series C+ Financing, pursuant to which Ceyuan Guangyi Digital Fund subscribed for RMB102,078 in the registered capital of our Company at a consideration of RMB24,000,000, representing approximately 0.27% in the total registered capital of the Company, resulting in the increase of our registered capital from RMB38,279,252 to RMB38,381,330.

For details of the shareholding of our Company upon completion of the Pre-**[REDACTED]** Investments, please refer to "— Capitalization of our Company" below.

The following table summarizes the key terms of the Pre-**[REDACTED]** Investments to the Company made by the Pre-**[REDACTED]** Investors:

	Series A	Series A-1	Series A-2	Series A-3	Series B	Series B+	Series C	Series C+
Date of relevant resolutions of the Company	March 16, 2018	December 5, 2019	July 8, 2020, July 30, 2020, and September 16, 2020	February 1, 2021	May 31, 2021	September 30, 2021, and November 1, 2021	January 28, 2022 and June 28, 2022	January 31, 2024
Amount of consideration paid to the Company	USD30,000,000	USD12,000,000	RMB100,139,000	RMB281,700,000	RMB280,347,776	RMB263,650,000	RMB270,300,000	RMB24,000,000
Date of last settlement of consideration	March 20, 2018	December 9, 2019	September 21, 2020	February 2, 2021	June 1, 2021	November 2, 2021	June 28, 2022	February 1, 2024
Cost per Share	USD3.44[4]	USD7.52	RMB61.35	RMB67.66	RMB91.07	RMB169.16	RMB216.05	RMB235.11
Implied pre-money valuations[1]	USD55,984,523	USD188,000,000	RMB1,631,597,000	RMB1,910,000,000	RMB2,950,000,000	RMB6,000,000,000	RMB8,000,000,000	RMB9,000,000,000
Implied post-money valuations[2]	USD85,984,523	US$200,000,000	RMB1,731,736,000	RMB2,191,700,000	RMB3,230,347,776	RMB6,263,650,000	RMB8,270,300,000	RMB9,024,000,000
[REDACTED] to the **[REDACTED]**[3]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Lock-up period	Pursuant to the applicable PRC laws, each of the existing Shareholders of the Company (including the Pre-**[REDACTED]** Investors) are not permitted to dispose of any of the Shares held by them within the 12 months immediately following the **[REDACTED]**. In addition, our Pathfinder SIIs will also be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules. See "— Lock-up Periods" in this section for further details.
Basis of determination of the valuation and consideration	The consideration for the Pre-**[REDACTED]** Investments was determined based on arm's length negotiations between the Company and the Pre-**[REDACTED]** Investors after taking into consideration various factors, including but not limited to (i) status of milestones and prospects of commercialization of our specialist technology products; (ii) our expansion capacity and R&D management systems; (iii) strategic layout, execution efficiency and other factors of our Company and (iv) the timing of the investments, market value and business prospects.
Use of proceeds from the Pre-**[REDACTED]** Investments	As of the Latest Practicable Date, approximately 90% of the funds raised from the Pre-**[REDACTED]** Investments had been utilized. All of such proceeds were utilized for the research and development, capital expenditures and general working capital needs of our Group in accordance with the annual consolidated budget of the Company approved by the Pre-**[REDACTED]** Investors.

	Series A	Series A-1	Series A-2	Series A-3	Series B	Series B+	Series C	Series C+
Strategic benefits the Pre-[**REDACTED**] Investments brought to our Company	At the time of the Pre-[**REDACTED**] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[**REDACTED**] Investors' investments in our Company and their knowledge and experience.							
Reasons for fluctuations in valuation as compared to the immediate previous round of Pre-[**REDACTED**] investment	We continued our research and development of our Specialist Technology Products, and achieved various business milestones in 2018 and 2019, including entering into cooperation agreements with Dongfeng Liuzhou Motor.		We achieved mass production and commercialization of our V2X products and solutions in 2020.		We launched our closed-environment autonomous logistics truck solutions in February 2021.	We established the national-level V2X pilot zones for Liangjiang New Area, and released a new generation of pure electric unmanned mining trucks and unmanned mining solutions in 2021.	We released two driverless autonomous driving commercial vehicles with Dongfeng Liuzhou Motor in 2021.	We continued to commercialize and expand the scale of our operations. We achieved mass production of TAPS and launched the first batch of unmanned electric mining vehicles with a load capacity of 70 tons each.

	Series A	Series A-1	Series A-2	Series A-3	Series B	Series B+	Series C	Series C+
Reasons for fluctuations in valuation as compared with the **[REDACTED]** and the valuation in Series C+, being the latest round of Pre-**[REDACTED]** investment. . . .	In 2024, we continued to achieve further mass commercialization of our products.							

Notes:

(1) The implied pre-money valuation is calculated based on (i) the cost per Share paid to the Company for the corresponding round of Pre-**[REDACTED]** Investment and (ii) the total registered share capital of the Company immediately prior to the corresponding round of Pre-**[REDACTED]** Investment.

(2) The implied post-money valuation is the sum of (i) the pre-money valuation for the corresponding round of Pre-**[REDACTED]** Investment and (ii) the total funds received by the Company from the corresponding round of Pre-**[REDACTED]** Investment.

(3) Calculated based on the currency translation of HK$1.00 to RMB0.9136 and HK$7.7695 to US$1.00 (as applicable) and on the **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]**.

(4) Taking into account (i) the initial subscription amounts under the Series A Financing and (ii) the subsequent capital increase of the Company on a pro-rata basis to its then existing Shareholders in November 2018.

PRC Legal Advisor's confirmation

Our PRC Legal Adviser has confirmed that we have legally and properly completed, settled, and obtained the requisite legal approvals and completed requisite governmental registrations with relevant governmental authorities in the PRC with respect to all the aforesaid Pre-**[REDACTED]** Investments, capital increases and equity transfers in all material respects.

Special rights of the Pre-[REDACTED] Investors

Pursuant to the relevant agreements entered in connection with the Pre-**[REDACTED]** Investments between the Company and the Pre-**[REDACTED]** Investors (the "**Shareholders' Agreements**"), the Pre-**[REDACTED]** Investors had been granted certain special rights in relation to the Company.

The divestment rights granted to the Pre-**[REDACTED]** Investors under the Shareholders' Agreements have been terminated prior to the first submission of the **[REDACTED]** to the Stock Exchange for the purpose of the **[REDACTED]**, and will only be exercisable if (i) the Company withdraws its **[REDACTED]** from the CSRC, SFC or the Stock Exchange; (ii) if the CSRC, SFC or the Stock Exchange does not accept, rejects or terminates the **[REDACTED]** of the Company; (iii) the **[REDACTED]** does not take place prior to **[REDACTED]**, (iv) the **[REDACTED]** does not take place within 18 months of the first submission of the **[REDACTED]** to the Stock Exchange or (v) the CSRC, SFC or Stock Exchange does not approve the Company's **[REDACTED]**. All other special rights under the Pre-**[REDACTED]** Investments shall cease to be effective and be discontinued upon the **[REDACTED]** in accordance with Chapter 4.2 of the Guide, including, among others, anti-dilution rights, director appointment rights, information rights, pre-emptive rights, tag-along rights and divestment rights.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the consideration for the last Pre-**[REDACTED]** Investment was irrevocably settled more than 28 clear days before the date of our first submission of the **[REDACTED]** to the Stock Exchange for the purpose of the **[REDACTED]**, and (ii) the special rights granted to the Pre-**[REDACTED]** Investors will be suspended upon filing of a **[REDACTED]** and/or shall cease to be effective and be discontinued upon **[REDACTED]**, the Joint Sponsors confirm that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 under the Guide.

Information relating to our key Pre-[REDACTED] Investors

Set out below is a description of our Sophisticated Independent Investors (as defined in Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange). We have four Sophisticated Independent Shareholders, three of which respectively holds more than 3% of the total issued shares of the Company as of the Latest Practicable Date and are our Pathfinder SIIs. Save for being a shareholder of our Company and as disclosed otherwise, each of our Sophisticated Independent Investors is independent from each other and is not connected with any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of their respective associates (within the meaning of the Listing Rules). To the best knowledge of our Directors, save for their respective shareholding interests in the Company of the Company, each of our Pre-**[REDACTED]** Investors and their respective ultimate beneficial owners is an Independent Third Party aside from CWB Startup HK and Changsha Shengyu.

Our Pathfinder Sophisticated Independent Investors ("Pathfinder SIIs")

(a) HongShan SII (being Beijing HongShan)

Beijing HongShan Mingde Equity Investment Centre (Limited Partnership) (北京紅杉銘德股權投資中心(有限合夥)) ("**Beijing HongShan**") is a limited liability partnership established under the laws of the PRC. The general partner of Beijing HongShan is Beijing HongShan Kunde Investment Management Center (Limited Partnership) (北京紅杉坤德投資管理中心(有限合夥)) ("**HongShan Kunde**"), holding approximately 0.0002% partnership interest in Beijing HongShan, and has full discretion to exercise the investment decisions in respect of the assets managed under Beijing HongShan. HongShan Kunde is held as to 58.8% and 41.2% by Xiamen HongShan Xingrui Innovation Technology Co., Ltd. (廈門紅杉興瑞創新科技有限公司) ("**Xiamen HongShan**") and Shanghai Huanyuan Investment Management Co., Ltd. (上海桓遠投資管理有限公司) ("**Shanghai Huanyuan**"), respectively, both entities being ultimately controlled by Mr. Kui Zhou (周逵), a partner of HongShan Capital Group ("**HongShan**"). The general partner of HongShan Kunde is Shanghai Huanyuan. Beijing HongShan has two limited partners, Beijing HongShan Shengde Equity Investment Center (Limited Partnership) (北京紅杉盛德股權投資中心(有限合夥)) ("**HongShan Shengde**") and Beijing HongShan Kangde Equity Investment Center (Limited Partnership) (北京紅杉漮德股權投資中心(有限合夥) ("**HongShan Kangde**") (with no limited partner holding 30% or more interests in Hongshan Kangde), holding approximately 60.74% and 39.26% of partnership interest in Beijing HongShan, respectively. The general partner of HongShan Shengde and HongShan Kangde is Ningbo Meishan Bonded Port Area HongShan Huide Investment Management Partnership (Limited Partnership) (寧波梅山保税港區紅杉薈德投資管理合夥(有限合夥)) ("**Meishan HongShan**"), its general partner being Shanghai Huanyuan. Meishan HongShan is ultimately controlled by Mr. Kui Zhou. The limited partnership interest of HongShan Shengde is held as to 40.89% and 38.30% by Beijing HongShan Yade Equity Investment Centre (Limited Partnership) (北京紅杉亞德股權投資中心(有限合夥)) ("**HongShan Yade**") and Hangzhou HongShan Peide Zhihui Equity Investment Centre (Limited Partnership) (杭州紅杉珮德智薈股權投資合夥企業(有限合夥)) ("**Hangzhou HongShan**"), respectively. The limited partnership interest of HongShan Yade is held as to 36.95% by Wuhu Juncheng Investment Centre (Limited Partnership) (蕪湖俊成投資中心(有限合夥)) ("**Wuhu Juncheng**"), with no other limited partners holding 30% or more interests in HongShan Yade. The limited partnership interest of Hangzhou HongShan is held as to 92.37% by Beijing HongShan Haoxin Management Consulting Center (Limited Partnership) (北京紅杉皓信管理諮詢中心(有限合夥)) (**"HongShan Haoxin**"), the limited partnership interest of which is held by Wuhu Juncheng. In addition to being the general partner of HongShan Shengde and HongShan Kangde, Meishan HongShan is also the general partner of HongShan Yade, Hangzhou HongShan and HongShan Haoxin.

HongShan is a leading venture capital and private equity firm investing across technology, healthcare and consumer sectors. In addition to our Company, investment funds affiliated with HongShan have also invested in other specialist technology companies (including QuantumPharm Inc. (2228.HK)) and listed autonomous driving and artificial intelligence companies (including Horizon Robotics (9660.HK) and Beijing Fourth Paradigm Technology Co., Ltd. (6682.HK)).

As of December 31, 2017(1), HongShan's assets under management was over HK$15 billion across different products and affiliate funds. As of June 30, 2025, HongShan's assets under management was approximately US$55 billion across different products and affiliate funds.

Beijing HongShan held approximately 10.61% and 10.63% of the total issued share capital of the Company, as of the date of submission of the Company's first **[REDACTED]** and the commencement date of the pre-application 12-month period, respectively(2).

(b) Xinding Capital SIIs (being Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36)

Each of Suqian Xinding Kenge No. 1 Equity Investment Partnership (Limited Partnership) (宿遷新鼎啃哥壹號股權投資合夥企業(有限合夥)) ("**Xinding No. 1**"), Suqian Xinding Kenge No. 6 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥陸號股權投資合夥企業(有限合夥)) ("**Xinding No. 6**"), Suqian Xinding Kenge No. 18 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥拾捌股權投資合夥企業(有限合夥)) ("**Xinding No. 18**"), Suqian Xinding Kenge No. 19 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥拾玖股權投資合夥企業(有限合夥)) ("**Xinding No. 19**"), Suqian Xinding Kenge No. 20 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥貳拾股權投資合夥企業(有限合夥)) ("**Xinding No. 20**") and Suqian Xinding Kenge No. 36 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥三陸股權投資合夥企業(有限合夥)) ("**Xinding No. 36**", together with Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19 and Xinding No. 20, the "**Xinding Capital SIIs**") are limited partnerships established under the laws of the PRC, with the same general partner, Xinding Rongsheng Capital Management Co., Ltd. (北京新鼎榮盛資本管理有限公司) ("**Xinding Capital**"), and has full discretion to exercise investment decisions in respect of assets managed by the Xinding Capital SIIs. Xinding Capital holds approximately 0.01%, 0.02%,

Notes:

(1) being a date not more than six months prior to the date on which the relevant investor signed the first relevant definitive agreement for their investment in the Company.

(2) Such change in the shareholding percentage during the relevant period was only due to the dilution effect as a result of the increase in the registered capital of the Company under the Series C+ Financing completed in February 2024, with the relevant Pathfinder SII not having acquired or disposed of any Shares during such period.

0.04%, 0.03%, 0.01% and 0.03% partnership interests in Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36, respectively. As of the Latest Practicable Date, Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36 had 47, 31, 11, 26, 49 and 25 limited partners, with no limited partner holding 20% partnership interests or above in any of these partnerships (except for Gongqingcheng Mingwei Investment Partnership (Limited Partnership) (共青城明威投資合夥企業(有限合夥)) holding approximately 37.37% partnership interest in Xinding No. 18). Xinding Capital is a limited liability company established under the laws of the PRC and is wholly owned by Xinding Ronghui Capital Management Co, Ltd. (北京新鼎榮輝資本管理有限公司) ("**Xinding Ronghui**"), which is ultimately controlled by Mr. Zhang Chi (張馳), an Independent Third Party. Xinding Capital is a venture capital based in the PRC, investing primarily in cutting-edge companies, with a focus in the fields of next generation information technology, new energy, automobiles, semi-conductor chips, artificial intelligence commercial aerospace and high-end equipment manufacturing. The investment portfolio of Xinding Capital includes companies listed on the Stock Exchange and Shanghai Stock Exchange, including Hygon Information Technology Co., Ltd. (688041.SH), Horizon Robotics (9660.HK), Black Sesame International Holding Limited (2533.HK), Beijing Fourth Paradigm Technology Co., Ltd. (6682.HK), XPeng Inc. (XPEV.NYSE; 9868.HK), Transwarp Technology (Shanghai) Co., Ltd. (688031.SH) and Cambricon Technologies (688256.SH). The AUM of Xinding Capital comprising of specialist technology investments was approximately RMB5.6 billion as of December 31, 2020[(1)], and approximately RMB11.7 billion as of June 30, 2025, respectively.

As each of the Xinding Capital SIIs is ultimately controlled by the same general partner, Xinding Capital, the different shareholding entities are purely different funds managed by the same fund manager and should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Guide.

The Xinding Capital SII held approximately 9.67% and 9.69% of the total issued share capital of the Company, as of the date of submission of the Company's first **[REDACTED]** and the commencement date of the pre-application 12-month period, respectively[(2)].

(c) Legend Holdings SIIs (being Lianpan VC, Xinghao VC and Xingfan VC)

Horgos Lianpan Frontier Venture Capital Co., Ltd. (霍爾果斯聯磐前沿創業投資有限公司) ("**Lianpan VC**") is a limited liability company established under the laws of the PRC and is principally engaged in equity investment. It is ultimately wholly owned by Legend Holdings Corporation (聯想控股股份有限公司), a company listed on the Stock Exchange (stock code: 3396) ("**Legend Holdings**"). Beijing Xinghao Entrepreneurship Enterprise Management Center (Limited Partnership) (北京星浩創業企業管理中心(有限合夥)) ("**Xinghao VC**") and Beijing Xingfan Venture Capital Partnership (Limited Partnership) (北京星梵創業投資合夥企業(有限合夥))

("**Xingfan VC**") are limited partnerships established under the laws of the PRC and are principally engaged in equity investment. The general partner of Xinghao VC and Xingfan VC is Qushui County Xinghuan Venture Capital Management Center (Limited Partnership) (曲水縣星環創業投資管理中心(有限合夥)) ("**Qushui Xinghuan**"), with full discretion to exercise investment decisions in respect of assets managed by Xinghao VC and Xingfan VC. The limited partners of Xinghao VC include Tibet Dongfang Qihui Investment Co., Ltd. (西藏東方企慧投資有限公司) holding 48.80% of the interests therein and eight other limited partners, none of which holds one-third or more of the interest in Xinghao VC. Qushui Xinghuan and Tibet Dongfang Qihui Investment Co., Ltd. is ultimately controlled by Legend Holdings. The limited partners of Xingfan VC include Ningbo Meishan Bonded Port Area Chenhai Linghui Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區辰海靈慧創業投資合夥企業(有限合夥)) and Zibo Haihe Shengshi Equity Investment Fund Partnership (Limited Partnership) (淄博海合盛世股權投資基金合夥企業(有限合夥)), holding 48.25% and 46.32% of the interests therein, respectively. As of the Latest Practicable Date, Legend Holdings has established two major business segments, being industrial operations and industrial incubations and investment, and is committed to expanding and strengthening pillar industries, incubating or investing in start-ups and growth-stage companies. In particular, Beijing Legend Star Investment Management Co., Ltd. (北京聯想之星投資管理有限公司) ("**Legend Star**") of which the Legend Holdings SIIs are held under, is an angel investment fund under Legend Holdings, with expertise in investing in fields such as TMT, healthcare and cutting-edge technology. The asset allocation of Legend Holdings under its financial investments business segment was approximately RMB65.2 billion as of December 31, 2017[(1)], and the asset allocation under the industrial incubations and investment business segment of Legend Holdings was approximately RMB98.3 billion as of June 30, 2025.

The Legend Holdings SIIs held approximately 3.49% and 3.50% of the total issued share capital of the Company, as of the date of submission of the Company's first **[REDACTED]** and the commencement date of the pre-application 12-month period, respectively[(2)].

Our Pathfinder SIIs, in aggregate, held approximately 23.77% and 23.83% of the total issued share capital of the Company, as of the date of submission of the Company's first **[REDACTED]** and the commencement date of the pre-application 12-month period, respectively[(2)].

Our Other Sophisticated Independent Investor ("SII")

(d) CEL SII (being Beta Garden)

Beta Garden Limited ("**Beta Garden**") is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in equity investment. Beta Garden is directly and wholly owned by Alpha Garden Limited, a company established under the laws of the British Virgin Islands, which is directly and wholly owned by CEL New Economy Fund, L.P., an

exempted limited partnership established under the laws of the Cayman Islands, and also a private fund registered with Cayman Islands Monetary Authority. CEL New Economy Partners is the general partner of CEL New Economy Fund, L.P., with full control over the conduct of the business, assets and affairs of CEL New Economy Fund, L.P., and is a company incorporated in the Cayman Islands with limited liability and is directly and wholly owned by China Everbright Limited, a company listed on the Stock Exchange (stock code: 165) ("**CEL**"). The limited partnership interest of CEL New Economy Fund, L.P. is held as to 64.84% indirectly by CEL and as to 34.80% by Investcorp, a global manager of alternative investments investing on behalf of individual and institutional investors. CEL is a leading cross-border asset management and private equity investment company in China, and a listed company in Hong Kong with management and investment of private funds as the core business. With more than 26 years of experience in cross-border asset management and equity investment, CEL has been assessed as one of the top private equity firms in China several times. Under its fund management business, CEL has formed a rich asset management product line covering primary market funds, secondary market funds, FoFs, S Funds etc., and has nurtured many promising enterprises with high growth potential alongside with investors. As of the Latest Practicable Date, CEL held approximately 2.27% of the total issued share capital of the Company. The AUM of CEL was approximately HK$143.5 billion as of December 31, 2018[(1)], and approximately HK$119.4 billion as of June 30, 2025.

Other key Pre-*[REDACTED] *Investors

Set out below is a description of each of our other key Pre-**[REDACTED]** Investors. These Pre-**[REDACTED]** Investors, together with the Controlling Shareholders Group and the SIIs, held more than 90% of our total issued share capital as of the date of this document:

(a) CWB Startup HK and Changsha Shengyu

CWB Startup HK, an investment company ultimately controlled by Prof. Li, is wholly-owned by Clear Water Bay Startup Fund LP, which in turn is held as to approximately 57%, 23% and 20% by Prof. Li, Ping Keung Ko (高秉強) and Gan Jie (甘潔) as limited partners, respectively. The general partner of Clear Water Bay Startup Fund LP is Clear Water Bay Startup Fund GP, with 0.00001% interest in Clear Water Bay Startup Fund LP. Clear Water Bay Startup Fund GP is in turn held as to 57%, 23% and 20% by Prof. Li, Ping Keung Ko and Gan Jie, respectively, and has full discretion to exercise investment decisions in respect of assets managed by CWB Startup HK. Each of Ping Keung Ko and Gan Jie are Independent Third Parties. As of the Latest Practicable Date, CWB Startup HK held approximately 0.76% of the total issued share capital of our Company.

Changsha Shengyu is a limited partnership established under the laws of the PRC and is principally engaged in equity investment. Its general partner is Changsha Luzhi Equity Investment Management Co., Ltd (長沙麓智股權投資管理有限公司) ("**Changsha Luzhi**"), holding 13.33% interest therein with full discretion to exercise investment decisions in respect of assets managed by Changsha Shengyu under the terms of its partnership agreement. Changsha Luzhi is wholly owned by Changsha Intelligent Robot Research Institute Co., Ltd (長沙智能機器人研究院有限公司) ("**Changsha Intelligent Robot**"), which is in turn owned as to 25% by Dongguan Songshan Lake Robot Industry Development Co., Ltd (東莞松山湖機器人產業發展有限公司) ("**Dongguan Songshan Robot**"), and as to 75% by four other shareholders with none of them holding more than 20% equity interest in Changsha Intelligent Robot. Dongguan Songshan Robot is wholly owned by Clear Water Bay Robotic Technology Investment (HK) Limited, which in turn is indirectly held as to 67.67%, 12.33% and 20.00% by Prof. Li, Ping Keung Ko and Gan Jie, respectively. As of the Latest Practicable Date, Changsha Shengyu had two limited partners with Dongguan Yunhe being the largest one, holding 66.68% of the partnership interest in Changsha Shengyu. Dongguan Yunhe is wholly owned by CWB Startup HK and is accordingly deemed to be interested in by Prof. Li. The other limited partner of Changsha Shengyu, Hunan Xiangjiang Shengshi Equity Investment Fund Partnership (Limited Partnership) (湖南湘江盛世股權投資基金合夥企業(有限合夥)), holds 19.99% of the partnership interest in Changsha Shengyu and is an Independent Third Party. As of the Latest Practicable Date, Changsha Shengyu held approximately 0.35% of the total issued share capital of our Company.

Considering CWB Startup HK is controlled by Prof. Li, and the majority of the partnership interest in Changsha Shengyu is held by CWB Startup HK, CWB Startup HK and Changsha Shengyu are considered to be Controlling Shareholders of our Company.

(b) Founder Hesheng Investment (being Changsha Hesheng, Tibet Fangchuang and Ningbo Jiusheng)

Changsha High-Tech Development Zone Hesheng Equity Investment Partnership (Limited Partnership) (長沙高新開發區和生股權投資合夥企業(有限合夥)) ("**Changsha Hesheng**") is a limited partnership established in the PRC. It is principally engaged in equity investment. Its general partner is Changsha Lugu Venture Capital Management Co., Ltd. (長沙麓穀創業投資管理有限公司) holding 0.05% interest therein, who is primarily responsible for administering the business activities of Changsha Hesheng. Changsha Lugu Venture Capital Management Co., Ltd. is a limited liability company established under the laws of the PRC and is ultimately controlled by an independent third-party, Mr. Xiao Jianxin (肖建新). Mr. Xiao Jianxin is a director of Changsha Lugu Venture Capital Management Co., Ltd, with over 17 years of experience in the investment of small-to-mid sized enterprises in the PRC. The limited partners of Changsha Hesheng include Shenzhen Hesheng Huiying Equity Investment Center (Limited Partnership) (深圳和生匯盈股權投資中心(有限合夥)) which holds 94.95% of the interests therein, and one other limited partner

which holds less than one-third of the interest therein. Shenzhen Hesheng Huiying Equity Investment Center (Limited Partnership) is held by Founder H Fund Co., Ltd. (方正和生投資有限責任公司) ("**Founder H Fund**") as to 71.41% as its general partner. The investment decisions of Changsha Hesheng are made by its investment committee, of which Founder H Fund has a three-fifths majority seat representation therein, with each of Changsha Lugu Venture Capital Management Co., Ltd. (as general partner) and the other limited partner of Changsha Hesheng having only one-fifths seat representation therein. Founder H Fund is wholly owned by Founder Securities Co., Ltd. (方正證券股份有限公司) ("**Founder Securities**"), a company listed on the Shanghai Stock Exchange (stock code: 601901).

Tibet Fangchuang Zhengding Venture Capital Partnership (Limited Partnership) (西藏方創正鼎創業投資合夥企業(有限合夥)) ("**Tibet Fangchuang**") is a limited partnership established in the PRC. It is principally engaged in equity investment. Its general partner is Founder H Fund, holding 20.00% of the interests therein, and seven limited partners, none of which holds one-third or more of the interest therein. The investment decisions of Tibet Fangchuang are made by its investment committee, of which Founder H Fund has the largest seat representation therein (three out of seven), with each of the remaining four seats held separately by other limited partners of Tibet Fangchuang. As the general partner of Tibet Fangchuang, Founder H Fund is responsible for carrying out the business decisions of Tibet Fangchuang, and each of the limited partners shall not carry out any business on behalf of Tibet Fangchuang pursuant to the terms of the relevant partnership agreement. Considering the limited inputs from each of the other limited partners into the decisions of Tibet Fangchuang, Tibet Fangchuang is effectively under the control of Founder H Fund.

Ningbo Meishan Port Jiusheng Investment Partnership (Limited Partnership) (寧波梅山保稅港區久生投資合夥企業(有限合夥)) ("**Ningbo Jiusheng**") is a limited partnership established in the PRC. It is principally engaged in investments in the equity investment. Its main general partner is Founder H Fund, holding 50.00% of the interests therein, which is in turn wholly owned by Founder Securities. The investment decisions of Ningbo Jiusheng are made by its investment committee, of which Founder H Fund has a majority seat representation therein. The limited partners of Ningbo Jiusheng include Beijing Ruifeng Investment Co., Ltd. (北京瑞豐投資管理有限公司) and one other limited partner which holds less than one-third of the interest therein. Beijing Ruifeng Investment Co., Ltd. is a limited liability company established under the laws of the PRC and wholly owned by an independent third party, Huaxin Century Investment Group Co., Ltd. (華新世紀投資集團有限公司).

As of the Latest Practicable Date, Founder Hesheng Investment holds approximately 4.28% of the total issued share capital of the Company.

(c) Liangjiang Fund (being Liangjiang Chengwei)

Chongqing Liangjiang New Area Chengwei Equity Investment Fund Partnership (Limited Partnership) (重慶兩江新區承為股權投資基金合夥企業(有限合夥)) ("**Liangjiang Chengwei**") is a limited partnership established in the PRC. The general partner of Liangjiang Chengwei is Chongqing Chengyun No. 2 Enterprise Management Co., Ltd. (重慶承運貳號企業管理有限公司) holding 0.02% interest therein, which in turn is held by Chongqing Liangjiang Equity Investment Fund Management Co., Ltd. (重慶兩江股權投資基金管理股份有限公司) ("**Liangjiang Fund**"), which is held by Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. (重慶兩江新區產業發展集團有限公司) ("**Liangjiang Development Group**"). Chongqing Chengyun No. 2 Enterprise Management Co., Ltd., as the general partner of Liangjiang Chengwei, is responsible for the daily operations and investment of Liangjiang Chengwei, with the core authority to execute fund affairs. The limited partners of Liangjiang Chengwei are Liangjiang Development Group as to 79.88%, and five other limited partners as to the remaining 20.12% interest. Liangjiang Development Group is wholly-owned by Chongqing Liangjiang New Area Management Committee (重慶兩江新區管理委員會).

As of the Latest Practicable Date, Liangjiang Fund held approximately 3.01% of the total issued share capital of our Company.

(d) Baidu Venture

Beijing Baidu Biwei Enterprise Management Center (Limited Partnership) (北京百度畢威企業管理中心(有限合夥)) ("**Baidu Venture**") is a limited partnership established in the PRC and is principally engaged in equity investment. Its general partner is Beijing Bai'an Innovation Enterprise Management Center (Limited Partnership) (北京百安創新企業管理中心(有限合夥)) ("**Bai'an Innovation**"), holding 0.36% interest therein with exclusive rights to manage and control the operations, investment business and other affairs of Baidu Venture. Bai'an Innovation is in turn held as to 50% by its general partner Dazi Bai'an Venture Capital Management Co., Ltd. (with no limited partner holding over 30% partnership interest in Bai'an Innovation), which in turn is wholly-owned by Beijing Baidu Investment Management Co., Ltd. (北京百度投資管理有限公司). Beijing Baidu Investment Management Co., Ltd. is a consolidated group entity of and controlled by Baidu Inc. ("**Baidu**") (NASDAQ.BIDU; 9888.HK). The limited partner of Baidu Venture is Dazi County Bairuixiang Venture Capital Management Co., Ltd. (達孜縣百瑞翔創業投資管理有限責任公司), which in turn is wholly-owned by Beijing Baidu Netcom Science Technology Co., Ltd. (北京百度網訊科技有限公司). Beijing Baidu Netcom Science Technology Co., Ltd. is a limited liability company established under the laws of the PRC and controlled by Baidu. Baidu is a leading artificial intelligence company with strong foundations in the internet. As of the Latest Practicable Date, Baidu Venture held approximately 2.39% of the total issued share capital of the Company.

(e) Guangkong Zhongying

Guangkong Zhongying Industrial Investment Fund Partnership (珠海光控眾盈產業投資基金合夥(有限合夥)) ("**Guangkong Zhongying**") is a limited partnership established under the laws of the PRC and is principally engaged in equity investment. Its general partner is Zhuhai Guangkong Zhongheng Investment Management Co., Ltd. (珠海光控眾恒投資管理有限公司) ("**Zhuhai Guangkong**"), which has full discretion to exercise investment decisions in respect of assets managed by Guangkong Zhongying. Zhuhai Guangkong is owned as to 50% by Beijing Guangkong Puyi Private Equity Fund Management Co., Ltd (北京光控浦益私募基金管理有限公司) ("**Beijing Guangkong**") and as to 50% by Zhuhai Zhongheng Management Consulting Partnership Enterprise (Limited Partnership) (珠海眾衡管理諮詢合夥企業(有限合夥)) ("**Zhongheng Consulting**"). Beijing Guangkong is wholly owned by Chongqing CEL Equity Investment Management Co., Ltd. (重慶光控股權投資管理有限公司), which is indirectly wholly owned by CEL, an Independent Third Party. The general partner of Zhongheng Consulting is Zhu Ying (朱瑩), with 0.01% partnership interest, and the limited partner of Zhongheng Consulting as to 79.99% is Zhou Lei (周磊), each of whom is an Independent Third Party. Zhongheng Consulting is principally engaged in equity investment. The largest limited partner of Guangkong Zhongying is Yixing Guangkong Investment Co., Ltd. (宜興光控投資有限公司) ("**Yixing Guangkong**"), holding 49.08% of the partnership interests therein. Yixing Guangkong is indirectly wholly owned by CEL. As of the Latest Practicable Date, Guangkong Zhongying held approximately 2.27% of the total issued share capital of our Company.

(f) Xiangjiang State Investment (being Xiangjiang Investment and Xiangjiang Intelligent Innovation)

Hunan Xiangjiang New Area State-owned Capital Investment Co., Ltd. (湖南湘江新區國有資本投資有限公司) ("**Xiangjiang Investment**") is a limited liability company established under the laws of the PRC and is principally engaged in venture capital investment. It is wholly owned by State-owned Assets Supervision and Administration Commission of Changsha Municipal People's Government (長沙市人民政府國有資產監督管理委員會), which is an independent third party.

Hunan Xiangjiang Intelligent Innovation Fund Partnership (Limited Partnership) (湖南湘江智創基金合夥企業(有限合夥)) ("**Xiangjiang Intelligent Innovation**") is a limited partnership established in the PRC. It is principally engaged in the equity investment. Its general partner is Hunan Guochuang Industry Investment Co., Ltd. (湖南國創產業投資有限公司) holding 0.22% of the interest therein, and has a majority seat representation in the investment committee of Xiangjiang Intelligent Innovation, pursuant to which the investment decisions of Xiangjiang Intelligent Innovation are made. Hunan Guochuang Industry Investment Co., Ltd. is a wholly-owned subsidiary of Xiangjiang Investment. The limited partner of Xiangjiang Intelligent Innovation as to 99.78% interest is Changsha Zhigu, a substantial shareholder of Changsha CiDi

Construction as to 33% as of the date of the document. Changsha Zhigu does not hold any voting rights in Changsha CiDi Construction and, upon completion of the **[REDACTED]**, Changsha Zhigu will cease to hold any equity interest in Changsha CiDi Construction.

As of the Latest Practicable Date, Xiangjiang State Investment held approximately 2.77% of the total issued share capital of our Company.

(g) Qingdao Zhenghan (being Qingdao Zhenghan No. 1 and Qingdao Zhenghan No. 2)

Qingdao Zhenghan Jiuyuan No. 1 Investment Management Center (青島正瀚久遠壹號投資管理中心(有限合夥)) ("**Qingdao Zhenghan No. 1**") and Qingdao Zhenghan Jiuyuan No. 2 Investment Center (Limited Partnership) (青島正瀚久遠貳號投資中心(有限合夥)) ("**Qingdao Zhenghan No. 2**") are limited partnerships established under the laws of the PRC and are of the same general partner Beijing Zhenghan Hengyuan Venture Capital Co., Ltd. (北京正瀚恒遠創業投資有限公司) holding 14.85% and 5.71% of the interests therein respectively, with full discretion to exercise investment decisions in respect of assets managed by Qingdao Zhenghan No. 1 and Qingdao Zhenghan No. 2 respectively. Beijing Zhenghan Hengyuan Venture Capital Co., Ltd. is ultimately controlled and beneficially owned by an independent third party Duan Huimin (段慧敏). There are five limited partners of Qingdao Zhenghan No. 1, each of whom holds less than one-third interest therein and is an independent third party. The limited partners of Qingdao Zhenghan No. 2 are Xiao Yanhui (肖艷暉) as to 50% and Yang Chaofan (楊超帆) as to 44.29%, each of whom is an independent third party. As of the Latest Practicable Date, Qingdao Zhenghan held approximately 1.97% of the total issued share capital of our Company.

(h) Qinghao Capital (being Qinghao Yuanmao and Qinghao Deruo)

Hunan Qinghao Yuanmao Private Equity Fund Partnership (Limited Partnership) (湖南青蒿元茂私募股權基金合夥企業(有限合夥)) ("**Qinghao Yuanmao**") is a limited partnership established in the PRC and is principally engaged in equity investment. Its general partner is Jiaxing Qinghao Investment Co., Ltd. (嘉興青蒿投資有限公司) ("**Jiaxing Qinghao**") holding 0.05% of the interest therein, with full discretion to exercise investment decisions in respect of assets managed by Qinghao Yuanmao. Jiaxing Qinghao is ultimately controlled and beneficially owned by an independent third-party Chen Yun (陳贇). Qinghao Yuanmao has 15 limited partners, none of which holds one-third or more of the interest therein.

Hunan Qinghao Deruo Private Equity Investment Partnership (Limited Partnership) (湖南青蒿德若私募股權投資合夥企業(有限合夥)) ("**Qinghao Deruo**") is a limited partnership established in the PRC and is principally engaged in equity investment. Its general partners are Jiaxing Qinghao holding 0.0099% of the interest therein and Chen Yun holding 0.9856% of the interest therein, who together have full discretion to exercise investment decisions in respect of assets

managed by Qinghao Deruo. Jiaxing Qinghao is in turn ultimately controlled and beneficially owned by Chen Yun. Qinghao Deruo has 43 limited partners, none of which holds one-third or more of the interest therein.

As of the Latest Practicable Date, Qinghao Capital held approximately 2.33% of the total issued share capital of our Company.

(i) Qiandao Capital (being Qiandao Ronghui and Jiangxia Xintuo)

Qingdao Qiandao Ronghui Investment Management Center (Limited Partnership) (青島乾道榮輝投資管理中心(有限合夥)) ("**Qiandao Ronghui**") is a limited partnership established under the laws of the PRC and is principally engaged in equity investment. The general partner is Qiandao Investment Fund Management (Beijing) Ltd. Co., (乾道投資基金管理有限公司) ("**Qiandao Investment**"), holding 2.32% of the interests therein with full discretion to exercise investment decisions in respect of assets managed by Qiandao Ronghui. Qiandao Investment is wholly-owned by Qiandao Investment Holding Group Co., Ltd (乾道投資控股集團有限公司), which is in turn owned as to 60.78% by Yan Zurong (鄢祖容) and as to 39.22% by two other shareholders with none of them holding more than 30.00% equity interest of Qiandao Investment. As of the Latest Practicable Date, Qiandao Ronghui has 21 limited partners with Qingdao Qiandao Honor Investment Management Center (Limited Partnership) (青島乾道榮耀投資管理中心(有限合夥)) ("**Qiandao Honor**") being the largest one, holding 26.19% partnership interest in Qiandao Ronghui, and none of the remaining 20 limited partners holding more than 22.82% partnership interest in Qiandao Ronghui. Qiandao Honor is managed by Qiandao Investment with 49 limited partners, and none of them holding more than 5% partnership interest in Qiandao Honor.

Wuhan Jiangxia Xintuo Equity Investment Fund Management Partnership (Limited Partnership) (武漢江夏新拓股權投資基金管理合夥企業(有限合夥)) ("**Jiangxia Xintuo**"), is a limited partnership established under the laws of the PRC and is principally engaged in equity investment. The general partner is Xinxing Private Equity Fund Management Co., Ltd. (新興私募基金管理有限公司) ("**Xinxing Fund**"), holding 1% of the interests therein with full discretion to exercise investment decisions in respect of assets managed by Jiangxia Xintuo. Xinxing Fund is wholly owned by China Xinxing Asset Management Co., Ltd (中國新興資產管理有限責任公司) ("**Xinxing Asset**"). Xinxing Asset is owned (i) as to 40% by General Technology Group Asset Management Co., Ltd. (通用技術集團資產管理有限公司), a subsidiary of China General Technology Group (中國通用技術集團), (ii) as to 38% by Qiandao Technology Group Co., Ltd (乾道科技集團有限公司), which is in turn owned as to 99% by Yan Zurong (鄢祖容), and (iii) as to 22% by Beijing Shihua Hengyi Technology Co., Ltd (北京世華恆熠科技有限公司), which is in turn indirectly owned as to 80% by Teng Yunpeng (滕雲鵬). As of the Latest Practicable Date, Jiangxia Xintuo has four limited partners with Qingdao Qiandao Yunian Investment Management Center (Limited Partnership) (青島乾道鈺年投資管理中心(有限合夥)) ("**Qiandao Yunian**") being

the largest one, holding 45% partnership interest in Jiangxia Xintuo, and none of the remaining three limited partners holding more than 24% partnership interest in Jiangxia Xintuo. Qiandao Yunian is managed by Qiandao Investment with 43 limited partners, and none of them holding more than 4.16% partnership interest in Qiandao Yunian. To the best knowledge of the Directors, each of Qiandao Capital and its ultimate beneficial owner is an independent third party.

As of the Latest Practicable Date, Qiandao Capital held approximately 1.10% of the total issued share capital of our Company.

(j) Ruishi Capital (being Zhitu No. 1 and Ruichuang Zhitu)

Hainan Zhitu No. 1 Venture Capital Partnership (Limited Partnership) (海南智途一號創業投資合夥企業(有限合夥)) ("**Zhitu No. 1**") is a limited partnership established in the PRC and is principally engaged in equity investment. Its general partner is Hunan Ruishi Private Equity Fund Management Co., Ltd. (湖南瑞世私募股權基金管理有限公司) ("**Hunan Ruishi**") holding 0.22% of the interests therein, with full discretion to exercise investment decisions in respect of assets managed by Zhitu No. 1, and its largest limited partners are Dai Jun (戴軍) and Zhang Guan (張冠), holding 30.78% and 23.25% interest therein respectively. Hunan Ruishi is ultimately controlled and beneficially owned by an independent third-party Dai Bin (戴斌).

Chengdu Ruichuang Zhitu Venture Capital Partnership (Limited Partnership) (成都瑞創智途創業投資合夥企業(有限合夥)) ("**Ruichuang Zhitu**") is a limited partnership established in the PRC and is principally engaged in equity investment. Its general partners are Hunan Ruishi (holding 1.62% of the interests therein) and Chengdu Technology Transfer Venture Capital Co., Ltd. (成都技轉創業投資有限公司) (holding 0.48% of the interests therein), who together have full discretion to exercise investment decisions in respect of assets managed by Ruichuang Zhitu, and the largest limited partner as to 94.76% is Chengdu Science and Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司), an independent third party. Chengdu Technology Transfer Venture Capital Co., Ltd. is wholly owned by Chengdu Science and Technology Innovation Investment Group Co., Ltd., which is ultimately controlled and beneficially owned by Chengdu Municipal State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會).

As of the Latest Practicable Date, Ruishi Capital held approximately 2.75% of the total issued share capital of our Company.

Meaningful investment from Sophisticated Independent Investors

We have received investments from three Pathfinder SIIs, namely HongShan, Xinding Capital and Legend Holdings, each having invested in the Group for at least 12 months prior to the first submission of our **[REDACTED]** to the Stock Exchange for the purpose of the **[REDACTED]**. In accordance with Chapter 2.5 of the Guide, each of HongShan, Xinding Capital and Legend Holdings holds more than 3%, and in aggregate more than 10%, of the issued share capital of the Company as of the date of our **[REDACTED]** and throughout the pre-application 12-month period. For details of the ownership percentage of shareholding in our Company's share capital of each of the Sophisticated Independent Investors, see "— Capitalization of Our Company".

As of the Latest Practicable Date, our Sophisticated Independent Investors (as identified above) held, in aggregate, approximately 26.04% in the total issued share capital of our Company. At **[REDACTED]**, such Sophisticated Independent Investors will hold, in aggregate, no less than **[REDACTED]**% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of **[REDACTED]** will exceed HK$**[REDACTED]**.

PUBLIC FLOAT

Immediately upon completion of the **[REDACTED]** (assuming the Full Circulation Application of the Company is completed and the **[REDACTED]** is not exercised), the Company will have **[REDACTED]** Domestic Unlisted Shares and **[REDACTED]** H Shares, among which:

(i) the **[REDACTED]** Domestic Unlisted Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) will not be considered as part of the public float as such Domestic Unlisted Shares will not be converted into H Shares; and

(ii) among the **[REDACTED]** H Shares,

a. the **[REDACTED]** H Shares held by NovoDriv HK, Changsha Gangwan, CWB Startup HK and Changsha Shengyu to be converted from Domestic Unlisted Shares pursuant to the Full Circulation Application of the Company and **[REDACTED]** on the Stock Exchange (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the **[REDACTED]** as such Shares are held by our Controlling Shareholders and therefore constitute Shares held by core connected persons of our Company;

b. the **[REDACTED]** H Shares to be converted from Domestic Unlisted Shares pursuant to the Full Circulation Application of the Company and **[REDACTED]** on the Stock Exchange (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**). These H Shares are held by our Pre-**[REDACTED]** Investors (excluding the Shares held by CWB Startup HK, Changsha Shengyu, Chengdu Technology VC, Ruichuang Zhitu, Ceyuan Guangyi Digital Fund, and part of the Shares held by Lakeside VC which were not converted to H Shares pursuant to the Full Circulation Application of the Company, as further detailed in "Capitalization of Our Company" below), will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the **[REDACTED]** as these entities will not be core connected persons of our Company upon Listing nor are they accustomed to take instructions from the Company's core **[REDACTED]** persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons; and

c. **[REDACTED]** H Shares will be issued pursuant to the **[REDACTED]**.

Details of the Conversion of Domestic Unlisted Shares into H Shares pursuant to the Full Circulation Application are set out below:

		Number of Shares upon [REDACTED] (assuming completion of the Full Circulation Application)	
Name of Shareholder	**Number of Domestic Unlisted Shares as of the Latest Practicable Date**	**Domestic Unlisted Shares**	**H Shares converted from Domestic Unlisted Shares**
NovoDriv HK	11,443,151	—	**[REDACTED]**
Changsha Gangwan	4,883,250	—	**[REDACTED]**
CWB Startup HK	290,750	—	**[REDACTED]**
Changsha Shengyu	132,979	—	**[REDACTED]**
Sub-total	**16,750,130**	**—**	**[REDACTED]**
Pre-**[REDACTED]** Investors	21,631,200	**[REDACTED]**(1)	**[REDACTED]**
Total	**38,381,330**	**[REDACTED]**	**[REDACTED]**

Note:

(1) Includes **[REDACTED]** Domestic Unlisted Shares held by **[REDACTED]** respectively, which were not converted to H Shares pursuant to the Full Circulation and the above shares held by these four Pre-**[REDACTED]** Investors will remain as Domestic Unlisted Shares upon the **[REDACTED]**.

In light of the above, the public float of the Company will be **[REDACTED]**% upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are 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 **[REDACTED]**, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of **[REDACTED]** (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$50,000,000; or (b) have an expected market value at the time of **[REDACTED]** of not less than HK$600,000,000.

It is expected that immediately following completion of the **[REDACTED]**, a market capitalization of approximately HK$[•] million of the H Shares listed on the Stock Exchange are not subject to any disposal restrictions at the time of **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the low-end of the indicative **[REDACTED]**). Therefore, our Company will be able to meet the requirement under Rule 19A.13C of the Listing Rules.

LOCK-UP PERIODS

The table below sets out the list of persons who are, together with their respective close associates, subject to the lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Person(s)	Capacity	Number of Shares subject to disposal restrictions immediately following the completion of the [REDACTED][(1)]	Shareholding subject to disposal restrictions immediately following completion of the [REDACTED][(1)]	Lock-up period for a Commercial Company[(2)]
Key Persons				
Prof. Li[(3)]	Founder, chairman of the Board and non-executive Director	16,750,130[(4)]	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 12 months from the **[REDACTED]** (i.e. **[REDACTED]**)
Dr. Ma[(3)]	Co-founder, executive Director and vice chairman	11,443,151[(5)]	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 12 months from the **[REDACTED]** (i.e. **[REDACTED]**)
Dr. Hu Albert Sibo[(3)] . .	Executive Director and chief executive officer	138,270[(6)]	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 12 months from the **[REDACTED]** (i.e. **[REDACTED]**)
Pathfinder SIIs				
HongShan SII[(7)]	Pathfinder SII	4,070,500	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 6 months from the **[REDACTED]** (i.e. **[REDACTED]**)
Xinding Capital SIIs[(8)] . .	Pathfinder SII	3,710,820	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 6 months from the **[REDACTED]** (i.e. **[REDACTED]**)

Person(s)	Capacity	Number of Shares subject to disposal restrictions immediately following the completion of the [REDACTED][1]	Shareholding subject to disposal restrictions immediately following completion of the [REDACTED][1]	Lock-up period for a Commercial Company[2]
Legend Holdings SII[9]. .	Pathfinder SII	1,340,348	**[REDACTED]**%	Commencing on the date of this document and ending on the date which is 6 months from the **[REDACTED]** (i.e. **[REDACTED]**)

Notes:

(1) Assuming that the **[REDACTED]** is not exercised.

(2) Pursuant to the PRC Company Law, each of the existing Shareholders of the Company (including the Key Persons and Pathfinder SIIs) are not permitted to dispose of any of the Shares held by them within the 12 months immediately following the **[REDACTED]**.

(3) Prof. Li, Dr. Ma and Dr. Hu Albert Sibo are key persons responsible for our technical operations and/or the research and development of our Specialist Technology Products, and the Shares he is deemed to be interested in shall be subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules.

(4) As of the date of this document, Prof. Li is deemed to be interested in (i) the 11,443,151 H Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li; (ii) the 4,883,250 H Shares held by Changsha Gangwan, which (a) is directly held as to 99% by Prof. Li as the limited partner, and (b) is held as to 1% by Dongguan Intelligence as the general partner, which in turn is controlled by Prof. Li; (iii) the 290,750 H Shares held by CWB Startup HK, which is controlled by Prof. Li; and (iv) the 132,979 H Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by CWB Startup HK.

(5) As of the date of this document, Dr. Ma is indirectly interested in 25.66% the 11,443,151 H Shares held by NovoDriv HK given 25.66% partnership interest in NovoDriv HK.

(6) As of the Latest Practicable Date, Dr. Hu Albert Sibo was granted Options under the Share Incentive Scheme for up to 138,270 Shares, entitling him to receive dividends and other economic rights attributable to such Shares. Please refer to "Appendix VII — Statutory and General Information — D. Share Incentive Scheme" for further information.

(7) Representing the 4,070,500 H Shares to be held by Beijing HongShan upon completion of the **[REDACTED]**.

(8) Representing the 1,041,926 H Shares, 786,247 H Shares, 147,790 H Shares, 384,304 H Shares, 1,010,170 H Shares and 340,383 H Shares held by Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36 respectively, upon completion of the **[REDACTED]**.

(9) Representing the 581,500 H Shares, 581,500 H Shares and 177,348 H Shares held by Lianpan VC, Xinghao VC and Xingfan VC respectively, upon completion of the **[REDACTED]**.

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure (a) as of the date of this document and (b) immediately upon the completion of the **[REDACTED]** and the Full Circulation Application (assuming that the **[REDACTED]** is not exercised):

	As of the date of this document		Immediately following the completion of the [REDACTED] and the Full Circulation Application (assuming the [REDACTED] is not exercised)					
Shareholder	Number of Domestic Unlisted Shares	Shareholding in the Domestic Unlisted Shares	Number of Domestic Unlisted Shares	Shareholding in the Domestic Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the total issued share capital
NovoDriv HK	11,443,151	29.81%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Changsha Gangwan	4,883,250	12.72%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CWB Startup HK	290,750	0.76%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Changsha Shengyu	132,979	0.35%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	***16,750,130***	***43.64%***	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
HongShan	4,070,500	10.61%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xinding Capital	3,710,820	9.67%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Founder Hesheng Investment	1,644,550	4.28%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legend Holdings	1,340,348	3.49%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Liangjiang Fund	1,156,337	3.01%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xiangjiang State Investment	1,063,995	2.77%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ruishi Capital	1,056,557	2.75%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Baidu	916,602	2.39%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Qinghao Capital	894,427	2.33%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CEL	872,250	2.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guangkong Zhongying	872,250	2.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Qingdao Zhenghan	756,287	1.97%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Qiandao Capital	421,973	1.10%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sanze Capital[(1)]	312,968	0.82%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Shareholder	As of the date of this document		Immediately following the completion of the [REDACTED] and the Full Circulation Application (assuming the [REDACTED] is not exercised)					
	Number of Domestic Unlisted Shares	Shareholding in the Domestic Unlisted Shares	Number of Domestic Unlisted Shares	Shareholding in the Domestic Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the total issued share capital
Lens Technology[2]	290,750	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Juncheng Hongxin[3]	236,464	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Chengdu Technology VC[4]	231,426	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Chuanghe Huimao[5]	219,602	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xingxiang Fangzheng[6]	219,602	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xinjun Electronics[7]	199,468	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guotou Chuangying[8]	150,000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Yunfa Ruichi[9]	147,791	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ceyuan Guangyi Digital Fund[10]	140,357	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xindiyuan Investors[11]	139,359	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Baodechang[12]	120,737	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jingkai Qitao[13]	112,320	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Shengde[14]	109,801	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Nanjing Bestway[15]	81,502	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hunan Zhibo[16]	75,668	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Lakeside VC[17]	66,489	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Investors taking part in the [REDACTED]	—	—	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	***38,381,330***	***100%***	[REDACTED]	***100%***	[REDACTED]	***100%***	[REDACTED]	***100%***

Notes:

(1) Represents interests held by Guangdong Xiangsanze Pharmaceutical Venture Capital Enterprise (Limited Partnership) (廣東湘三澤醫藥創業投資企業(有限合夥)) ("**Xiangsanze Capital**") and Hunan Sanze Investment Management Center (Limited Partnership) (湖南三澤投資管理中心(有限合夥)) ("**Sanze Investment**").

(2) Represents interests held by Lens Technology Co., Ltd (藍思科技股份有限公司) ("**Lens Technology**").

(3) Represents interests held by Shenzhen Juncheng Hongxin Investment Partnership (Limited Partnership) (深圳市君誠弘信投資合夥企業(有限合夥)) ("**Juncheng Hongxin**").

(4) Represents interests held by Chengdu Science and Technology Innovation Investment Group Co., Ltd (成都科技創新投資集團有限公司) ("**Chengdu Technology VC**").

(5) Represents interests held by Jiaxing Chuanghe Huimao Equity Investment Partnership (Limited Partnership) (嘉興創合匯茂股權投資合夥企業(有限合夥)) ("**Chuanghe Huimao**").

(6) Represents interests held by Hunan Xingxiang Fangzheng Equity Investment Fund Enterprise (Limited Partnership) (湖南興湘方正股權投資基金企業(有限合夥)) ("**Xingxiang Fangzheng**").

(7) Represents interests held by Huzhou Xinjun Electronic Technology Partnership (Limited Partnership) (湖州昕峻電子科技合夥企業(有限合夥)) ("**Xinjun Electronics**").

(8) Represents interests held by Zibo Xuanshi Chuangying Equity Investment Partnership (Limited Partnership) (淄博煊時創盈股權投資合夥企業(有限合夥)) ("**Zibo Xuanshi**") and Zibo Hongshi Chuangying Equity Investment Partnership (Limited Partnership) (淄博宏時創盈股權投資合夥企業(有限合夥)) ("**Zibo Hongshi**").

(9) Represents interests held by Hunan Yunfa Ruichi Venture Capital Partnership (Limited Partnership) (湖南雲發銳馳創業投資合夥企業(有限合夥)) ("**Yunfa Ruichi**").

(10) Represents interests held by Chengdu Ceyuan Guangyi Digital Economy Equity Investment Fund Partnership (Limited Partnership) (成都策源廣益數字經濟股權投資基金合夥企業(有限合夥)) ("**Ceyuan Guangyi Digital Fund**").

(11) Represents interests held by Chen Junying, Zhou Hanzhong, Ren Xiaopei, Yang Xiaoni and Zhou Pingyong.

(12) Represents interests held by Shenzhen Baodechang Investment Co., Ltd. (深圳市寶德昌投資有限公司) ("**Baodechang**").

(13) Represents interests held by Jiaxing Jingkai Qitao Equity Investment Partnership (Limited Partnership) (嘉興晶凱齊滔股權投資合夥企業(有限合夥)) ("**Jingkai Qitao**").

(14) Represents interests held by Tianjin Shengde Jiaye Enterprise Management Center (Limited Partnership) (天津盛德嘉業企業管理中心(有限合夥)) ("**Tianjin Shengde**").

(15) Represents interests held by Nanjing Bestway Intelligent Control Technology Co., Ltd. (南京北路智控科技股份有限公司) ("**Nanjing Bestway**"), a joint stock limited company established under the laws of the PRC and listed on the Shenzhen Stock Exchange (stock code: 301195).

(16) Represents interests held by Hunan Zhibo Deruo Venture Capital Partnership (Limited Partnership) (湖南致博德若創業投資合夥企業(有限合夥)) ("**Zhibo Deruo**").

(17) Represents interests held by Yuewan Lakeside Venture Capital (Dongguan) Enterprise (Limited Partnership) (粵灣湖畔創業投資(東莞)企業(有限合夥)) ("**Lakeside VC**").

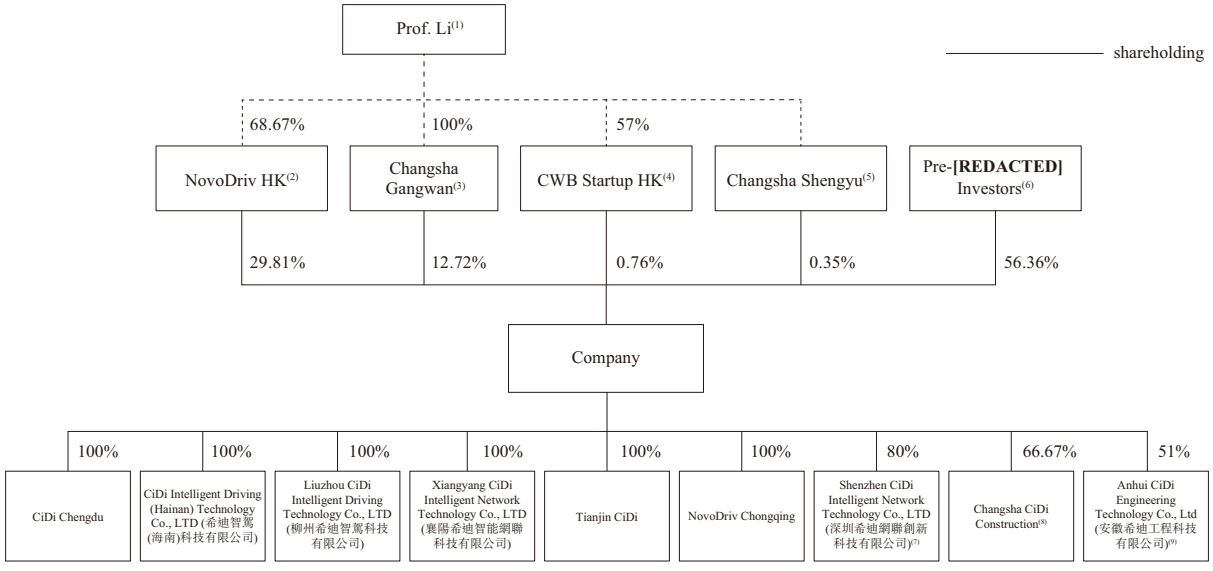
Share Incentive Scheme

We have established Changsha Gangwan as the Company's share incentive platform, to further bolster the corporate governance structure, improve the incentive mechanism, encourage outstanding employees and consultants (the "**Scheme Participants**") to be more proactive, and foster the sense of responsibility among the Scheme Participants to promote the stable, continuous and rapid growth of the Company. We adopted the Share Incentive Scheme on September 23, 2024 pursuant to which the Company will grant option(s) ("**Option(s)**") to the Scheme Participants to acquire unit(s) ("**Unit(s)**") in the 4,305,280 Shares held by Changsha Gangwan in the Company (out of the 4,883,250 Shares in total held by Changsha Gangwan). For details of the Share Incentive Scheme, see "Appendix VII — Statutory and General Information — D. Share Incentive Scheme"

CORPORATE STRUCTURE

Corporate Structure immediately prior to the completion of the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the **[REDACTED]**:



Notes:

(1) Prof. Li's beneficial interest in the Company include (i) 29.81% of the equity interest in the Company held through NovoDriv HK, of which Prof. Li holds 68.67% partnership interest in through NovoDriv Limited; (ii) 0.76% of the equity interest in the Company held through CWB Startup HK, of which Prof. Li holds approximately 57% partnership interest in; and (iii) 0.35% of the equity interest in the Company held through Changsha Shengyu, of which Prof. Li holds 66.68% partnership interest in through Dongguan Yunhe, and 13.33% through Changsha Luzhi.

(2) The general partner of NovoDriv HK is NovoDriv Limited, which in turn is wholly-owned by Prof. Li. As of the Latest Practicable Date, NovoDriv HK was held as to 68.67% by NovoDriv Limited, 25.66% by Dr. Ma, 2.63% by Yang Xi, 1.62% by Hu Jishan (胡繼善) the father of Hu Albert Sibo, our executive Director and chief executive officer, and 1.42% by CWB Startup HK.

(3) As of the Latest Practicable Date, Changsha Gangwan was held as to 99% by Prof. Li as limited partner, and as to 1% by Dongguan Intelligence (which is owned by Prof. Li as to 99.9%) as general partner. At the time of establishment of Changsha Gangwan, Prof. Li and Yang Xi, our non-executive Director, entered into a nominee arrangement (the "**Nominee Arrangement**") pursuant to which Prof. Li had originally entrusted Ms. Yang to hold 99% limited partnership interest in Changsha Gangwan on his behalf for administration convenience, as Prof. Li also had many other commitments outside of Changsha Gangwan, which ensured that the day-to-day functions of Changsha Gangwan were carried out in a timely manner. The Nominee Arrangement was subsequently terminated on October 23, 2024. As advised by our PRC Legal Adviser, the arrangements under the Nominee Arrangement and subsequent termination of such arrangements are in compliance with the relevant PRC laws and regulations.

(4) CWB Startup HK is wholly-owned by Clear Water Bay Startup Fund LP, which in turn is held as to approximately 57%, 23% and 20% by Prof. Li, Ping Keung Ko (高秉強) and Gan Jie (甘潔) as limited partners, respectively. The general partner of Clear Water Bay Startup Fund LP is Clear Water Bay Startup Fund GP, with 0.00001% interest in Clear Water Bay Startup Fund LP. Clear Water Bay Startup Fund GP is in turn held as to 57%, 23% and 20% by Prof. Li, Ping Keung Ko and Gan Jie, respectively. Each of Ping Keung Ko and Gan Jie are Independent Third Parties. CWB Startup HK indirectly holds approximately 66.68% of the partnership interest of Changsha Shengyu.

(5) Please refer to "— Pre-**[REDACTED]** Investments — Information relating to our key Pre-**[REDACTED]** Investors — Other key Pre-**[REDACTED]** Investors — (a) CWB Startup HK and Changsha Shengyu" for further background information on Changsha Shengyu, the general partner of which is controlled by Prof. Li.

(6) Please refer to the chart under "— Capitalization of our Company" in this section for a list of the Pre-**[REDACTED]** Investors (excluding CWB Startup HK and Changsha Shengyu) and their shareholding percentage in the Company.

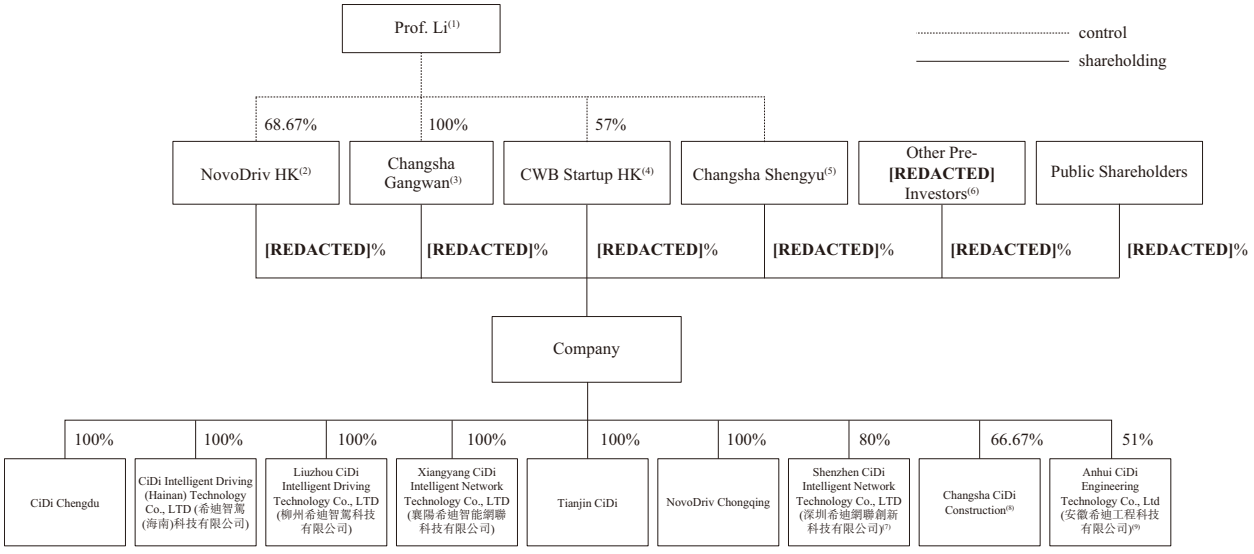
(7) The remaining 20% equity interest in Shenzhen CiDi Intelligent Network Technology Co., Ltd. is held by Shenzhen Shenkechuang Industrial Development Co., Ltd. (深圳市深科創產業發展有限公司), an Independent Third Party.

(8) The remaining 33.33% equity interest in Changsha CiDi Construction is held by Changsha Zhigu, an Independent Third Party and a state-owned enterprise. To demonstrate the government's support for our industrial park development, Changsha Zhigu subscribed to a 33.33% equity stake in Changsha Cidi Construction, but has not made any capital contribution. According to the Shareholders' Agreement of Changsha Cidi Construction, both shareholders of Changsha Cidi Construction agree that Changsha Zhigu does not hold any voting rights in Changsha CiDi Construction and, upon completion of the **[REDACTED]**, Changsha Zhigu will transfer its equity interest in Changsha CiDi Construction to the Company and Changsha CiDi Construction will be a wholly-owned subsidiary of the Company. The Company is not expected to record any gain for the acquisition of the equity interests in Changsha Cidi Construction from Changsha Zhigu upon **[REDACTED]**.

(9) The remaining 49% equity interest in Anhui CiDi Engineering Technology Co., Ltd. is held by Anhui Zhilian Interconnect Engineering Technology Co., Ltd. (安徽智聯互通工程科技有限公司), an Independent Third Party.

Corporate Structure immediately following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):



Please refer to Notes (1) to (9) in the preceding structure chart.

OVERVIEW

Who We Are

We are an innovative product-driven provider of intelligent driving products and solutions for commercial vehicles in China. We focus on the research and development of closed-environment autonomous driving trucks for mining and logistics, V2X (vehicle-to-everything) technologies and intelligent perception solutions, and offer products and solutions underpinned by proprietary technologies, with a primary focus on intelligent driving in closed environments during the Track Record Period. According to CIC:

- We ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%.

- We delivered 56 autonomous mining trucks for a mining site in China (including Hong Kong, Macau and Taiwan) in mixed traffic with ~500 manned trucks, the world's largest mixed-operation mining fleet[(1)] as of the Latest Practicable Date.

- We delivered the first fully driverless electric mining fleet in China (including Hong Kong, Macau and Taiwan).

- We ranked third in China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution market in terms of revenue in 2024.

- We are among the first intelligent driving companies in China (including Hong Kong, Macau and Taiwan) to launch commercial V2X products.

- Our train autonomous perception system (TAPS) is the only product in China (including Hong Kong, Macau and Taiwan) capable of independent safety perception[(2)] for trains.

Notes:

(1) "Autonomous mining trucks" refers to autonomous driving trucks designed for mining operations. "Mixed-operation" refers to scenarios involving both manned and unmanned mining trucks.

(2) Without relying on existing railway signaling systems or additional track-side devices.

Inherent challenges persist in mining, transportation and rail transit, where safety is a primary concern. Harsh conditions in mining operations lead to frequent accidents. Although the global mining sector only employs 1% of the total workforce, it is responsible for approximately 8% of fatal occupational accidents, according to CIC. Additionally, traffic accidents significantly impact the safety and efficiency of public commuting.

To address these safety issues, we offer solutions underpinned by innovative algorithms and reliable engineering designs. Our approach exemplifies "new quality productive forces" emphasizing safety, efficiency, comfort and environmental consciousness, while tackling persistent industry challenges. We achieved 24/7 continuous operations in various business use cases, where our products and solutions have remained accident-free since their launch.

Drawing upon innovative methodology technology capabilities, we developed products and solutions encompassing (i) autonomous driving technologies, delivering closed-environment autonomous mining trucks and offering closed-environment autonomous logistics truck solutions; (ii) V2X products and solutions for intelligent transportation and smart cities; and (iii) intelligent perception solutions for rail transit and commercial vehicles.

Our pioneering closed-environment autonomous mining truck solution, METAMINE, automates labor-intensive mining operations by integrating our proprietary algorithms with widely-used intelligent driving hardware for commercial vehicles, enabling autonomous operation and remote monitoring of driverless mining trucks. A challenging but critical process in autonomous mining is deploying driverless mining trucks alongside existing human-driven vehicles at mining sites, as it is costly and often impractical to transition to fully autonomous mining operations within a short timeframe. Leveraging proprietary fleet management and coordination technology, we delivered the world's largest driverless mining fleet operating with manned vehicles, according to CIC. Our autonomous mining trucks also significantly boosted mining efficiency to 104% of that of human-driven mining trucks[(1)], as certified by the National Institute of Metrology of China (NIM)[(2)] in 2022.

Our business strategy and innovative technological prowess made us a market innovator in mass commercialization. Our initial focus on core intelligent driving functions for commercial vehicles fortified our competitive edge. Subsequently, we expanded and tailored our offerings to

Notes:

(1) The efficiency test compared nine of our driverless mining trucks to nine human-driven trucks (with drivers working 8-hour shifts), all operating for 16 hours daily under otherwise the same conditions.

(2) The National Institute of Metrology, affiliated with the State Administration for Market Regulation, is China's highest-level research institute in measurement science and the national statutory authority in the field of metrology.

cater to more diverse and sophisticated demands, delivering unique value to customers across sectors and forming close collaborations with strategic partners, such as leading automotive OEMs, machinery manufacturers and energy companies. Our loyal customer base further solidifies our technological leadership and brand influence. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. As of June 30, 2025, our total order backlog value reached approximately RMB583.9 million. As of the same date, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers, and received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems.

Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. Our gross profit increased from RMB26.8 million in 2023 to RMB101.4 million in 2024. Our gross profit increased by 57.1% from RMB44.4 million in the six months ended June 30, 2024 to RMB69.7 million in the six months ended June 30, 2025.

The below sets forth our operating highlights:



Market Overview

Market Opportunities

The rapid development of driving automation technology is reshaping global transportation, leading mobility into a new era with enhanced safety, efficiency and comfort. According to CIC, the markets we operate in present enormous opportunities for growth.

The market size of global commercial vehicle intelligent driving reached RMB10.0 billion in 2024 and is expected to grow significantly, reaching RMB1,614.4 billion by 2030, with a CAGR of 133.3% from 2024 to 2030. China (including Hong Kong, Macau and Taiwan)'s commercial vehicle intelligent driving market, which stood at RMB4.8 billion in 2024, is expected to grow rapidly due to favorable policies and technological advancements in intelligent driving, with a projected market size of RMB774.3 billion by 2030.

China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution industry is rapidly expanding, with market size reaching RMB1.9 billion in 2024, representing approximately 75.6% of the intelligent driving market within closed environments. By 2030, the market is expected to grow significantly to RMB39.6 billion, at a CAGR of 65.3% from 2024 to 2030. The total addressable market size[(1)] of China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution industry in 2024 was approximately RMB550 billion.

In 2024, China (including Hong Kong, Macau and Taiwan)'s vehicle-road-cloud integrated systems market size reached RMB2.0 billion. It is expected to grow rapidly over the next few years and reach RMB23.8 billion by 2030, at a CAGR of 50.9% from 2024 to 2030. Such growth is fueled by technological advancements and favorable government policies for the development of V2X technology and construction of V2X pilot zones.

The market size of China (including Hong Kong, Macau and Taiwan)'s intelligent perception solutions for rail transit and commercial vehicles reached RMB1.3 billion in 2024 and is projected to grow to RMB10.2 billion by 2030, at a CAGR of 41.4% from 2024 to 2030. The potential market size for these solutions in China (including Hong Kong, Macau and Taiwan) is also substantial, with a total addressable market size[(2)] of approximately RMB530.0 billion in 2024.

Notes:

(1) The total addressable market size includes product sales and fleet operation, calculated based on the installed base of mining trucks and assuming the penetration rate of intelligent driving is 100%.

(2) The total addressable market is calculated based on the installed base of rail transit and commercial vehicles, assuming the penetration rate is 100%.

Industry Challenges

Mining and industrial vehicles face challenges of frequent accidents, harsh working conditions, labor shortages and low production efficiency. To automate mining operations, companies must tackle issues related to navigating complex mining environments, precise vehicle control, fleet management, scheduling, safety and reliability, demanding strong R&D capabilities.

Road traffic faces challenges of congestion and emissions impacting the public's quality of life. Unregulated conflict among vehicles, pedestrians and infrastructure, along with increasing density, causes inefficiencies and accidents due to blind spots and inadequate real-time data exchange, contributing to traffic problems and accidents.

Rail transit faces challenges of low operational efficiency, high costs, inadequate intelligent monitoring systems and safety. Communication systems and track-side devices for smart railways often require mass deployment and incur high hardware costs.

Tackling Challenges through Innovation

Drawing on our expertise and industry insights, we devised a product innovation strategy that addresses market challenges, solves evolving industry demands, rapidly iterates our technology and targets product-market fit head on. Our innovation approach enables rapid iteration cycles, realizing quick product turnovers that outpace competitors. Our ability to decouple complex systems and functionality enables us to offer complex and highly useable products while enhancing scalability. We are dedicated to discovering true latent customer requirements and capitalizing on customer-driven opportunities, leading to high customer satisfaction, robust strategic partnerships and consistent revenue growth.

Our innovation methodology is underpinned by a comprehensive proprietary technological framework, including but not limited to:

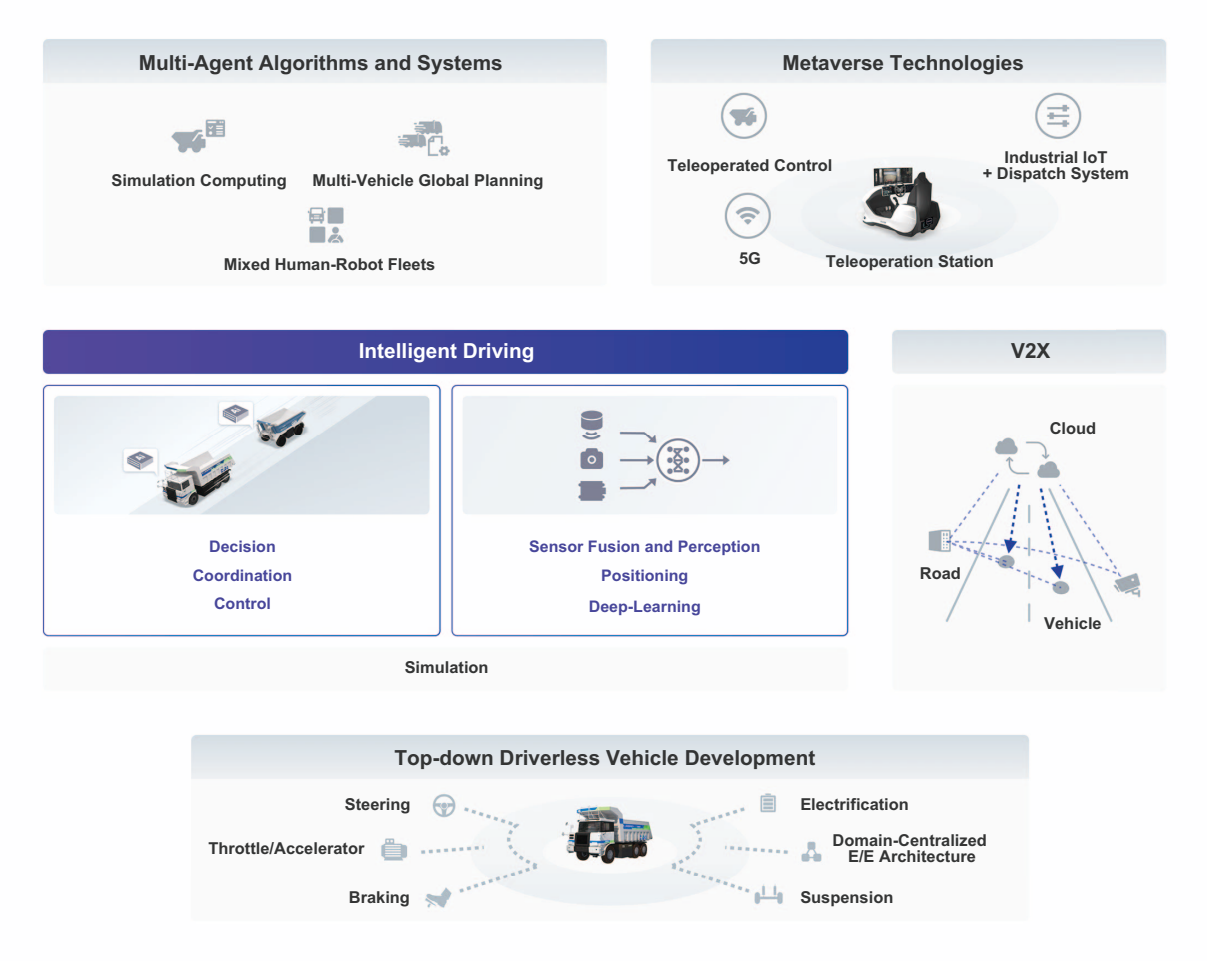
- Stable, high-speed and high-precision intelligent driving technology enabling single-vehicle intelligent driving.

- Multi-agent system algorithms facilitating convoy control of multiple autonomous vehicles.

- V2X technology enabling information exchange between vehicles and infrastructure to achieve beyond visual range (BVR) sensing and active sensing.

- Mixed fleet of manned and unmanned vehicles, 5G remote control and intelligent scheduling empowered by metaverse interfaces for enhanced efficiency and human-robot interactions.

- Jointly developed electrification and drive-by-wire system with automotive OEMs, advancing the safety and efficiency of autonomous vehicles.



Our Offerings

- ***Autonomous Driving***

  - *METAMINE — closed-environment autonomous mining truck solution.* Our comprehensive solution for autonomous mining, METAMINE, comprises (i) autonomous mining trucks to enable driverless loading, haulage and unloading processes for enhanced operational efficiency; (ii) fleet coordination module, facilitating efficient scheduling and collaboration among vehicles; (iii) central dispatch platform, enabling

monitoring and coordination of the entire mining operation; and (iv) teleoperation station, enabling remote operation of excavators and other high-skill maneuvers. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems for various cases, including quarries and coal mines in Henan, Jiangsu, Hubei, Hunan and western China, transporting over 98 million tons of coal and ores and accumulating over 9.3 million kilometers and up to 1,000 days of uninterrupted operation since their deployment as of the Latest Practicable Date. Leveraging comprehensive technological prowess, our innovative METAMINE solution harmonizes driverless and human-driven operational scenarios. By enabling humans to interact with hazardous and challenging physical spaces in the metaverse through gamified remote-control terminals, we create safe and engaging work opportunities, solving labor shortage problems in the mining industry.

- *Closed-environment Autonomous Logistics Truck Solution*. Our autonomous logistics truck solution is designed to enable safe, reliable, stable and efficient driverless heavy-duty logistics in closed environments such as industrial and logistics parks. Our solution effectively integrates (i) driverless heavy-duty logistics trucks to achieve end-to-end intelligent driving from one loading point to another for increased efficiency and safety; (ii) V2X system for increased safety and efficiency through real-time traffic information exchange between roadside systems and autonomous trucks, which is critical to add BVR sensing and active sensing capabilities to single vehicle intelligence; (iii) central dispatch platform to streamline tasking processes while simplifying and visualizing logistics data; and (iv) emergency takeover system to provide additional safety redundancy.

- ***V2X***

In line with national policies propelling the broader adoption of V2X technology and the construction of intelligent infrastructure, we developed industry-leading V2X devices and solutions integrating vehicles, roadside infrastructures and cloud platforms to facilitate the advancement of intelligent transportation systems and smart cities. We successfully implemented V2X projects in five out of seven national-level V2X pilot zones in China, supporting diverse and complex vehicular networking scenarios. Our patented *V2X + Transit Signal Priority* technology has been implemented in multiple cities and facilitated Changsha city to win the 2021 Mobility Award at the Smart City Expo World Congress, contributing to congestion reduction, energy conservation, emission reduction and carbon neutrality efforts.

- ***Intelligent Perception***

  - Leveraging expertise in intelligent driving technology for heavy-duty commercial vehicles, we developed the Train Autonomous Perception System (TAPS), an active safety system for trains to address the need for trains to possess active perception capabilities.

  - We also provide in-vehicle intelligent perception and safety management solution for commercial vehicles, delivering a comprehensive suite of functionalities including 360-degree adaptive surround view and environment information perception, omnidirectional warning system and vehicle recording, among others. These functions are realized through a single computing device, complemented by sensors and cameras installed on the vehicle.

Our Value Propositions

- ***Safety***. Autonomous driving and V2X technologies significantly reduce accident rates, especially in complex and harsh mining environments.

- ***Efficiency***. Our METAMINE solution supports 24/7 continuous operation, saving fuel costs, releasing manpower from dangerous working environments while enhancing productivity and efficiency. V2X products improve road intelligence and transportation efficiency.

- ***Comfort***. Our teleoperation station is connected with an immersive cloud platform and offers a comfortable and intelligent operating experience, especially attracting young workers.

- ***ESG***. Our intelligent driving solutions prioritize safety, environmental protection and low carbon emissions, contributing to sustainable development. Our autonomous electric mining trucks excel in productivity, safety and cost-effectiveness compared to traditional human-driven fuel trucks. Our V2X products reduce accidents and congestion, optimize traffic flow, and enable a more economically efficient and lower carbon emission transportation system.

OUR STRENGTHS

Innovative Product-driven Provider of Autonomous Commercial Vehicle Technology

We are an innovative product-driven provider of intelligent driving products and solutions for commercial vehicles in China. We focus on the research and development of closed-environment autonomous driving trucks for mining and logistics, V2X (vehicle-to-everything) technologies and

intelligent perception solutions, and offer products and solutions underpinned by proprietary technologies, with a primary focus on intelligent driving in closed environments during the Track Record Period.

According to CIC:

- We ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%.

- We delivered 56 autonomous mining trucks for a mining site in China (including Hong Kong, Macau and Taiwan) in mixed traffic with ~500 manned trucks, the world's largest mixed-operation mining fleet[(1)] as of the Latest Practicable Date.

- We delivered the first fully driverless electric mining fleet in China (including Hong Kong, Macau and Taiwan).

- We ranked third in China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution market in terms of revenue in 2024.

- We are among the first intelligent driving companies in China (including Hong Kong, Macau and Taiwan) to launch commercial V2X products.

- Our train autonomous perception system (TAPS) is the only product in China (including Hong Kong, Macau and Taiwan) capable of independent safety perception[(2)] for trains.

Our market position is the result of our relentless efforts in identifying latent customer needs and pain points and leveraging our technological capabilities to develop high-value products for the optimal product-market fit. This enabled us to adopt a pure product sales model, distinguishing us from most competitors who also engage in fleet operations. However, under our product sales model, we may also be required to provide various financial assistance (e.g., offering guarantees for financial leases, granting extended payment terms) to obtain orders from customers. Our strong market power and validated product performance, reliability and user-friendliness allow us to deliver products on a one-off basis to customers without the need to provide ongoing operational services. We translated our industry-leading technology into commercial success within a short

Notes:

(1) "Autonomous mining trucks" refers to autonomous driving trucks designed for mining operations. "Mixed-operation" refers to scenarios involving both manned and unmanned mining trucks.

(2) Without relying on existing railway signaling systems or additional track-side devices.

period of time. For example, we began mass production of our autonomous mining trucks in 2022, and delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers as of June 30, 2025. Our position in the industry enable us to achieve commercialization ahead of competitors, strengthen competitive edges and build a loyal customer base and position us to swiftly capture future growth opportunities and rapidly expand our business.

Pioneering R&D and Comprehensive Technological Prowess

Our R&D team's expertise spans across AI, computer science, robotics and vehicle engineering, among others, enabling interdisciplinary development and application. As of June 30, 2025, we had a total of 249 R&D personnel, constituting 54.1% of our workforce. We strategically deployed R&D teams in Changsha, Chongqing and Chengdu to collaborate closely with customers in different regions while also attracting top talents across various regions. We also engage in collaborative R&D projects with renowned institutions around the world, such as the King Abdulaziz City for Science and Technology (KACST) in Saudi Arabia to enhance our R&D and commercialization capabilities and drive industry advancements.

Leveraging comprehensive technological prowess, we developed proprietary algorithms, software, subsystems and modules encompassing all aspects of intelligent driving, enabling us to develop industry-leading products and solutions to boost driverless mining efficiency to 104% of that of human-driven mining trucks certified by the NIM. This was made possible by our state-of-the-art autonomous vehicle planning and control system enabling high-precision and adaptive trajectory planning and decision-making in complex and constantly changing environments; dust, fog and vibration-proof vehicle perception system ensuring reliable performance even in harsh conditions while enabling automated 3D driving space construction and real-time updates without human intervention; and advanced multi-agent decision and optimization algorithms and systems for coordinating, scheduling and dispatching heavy-duty vehicle fleets that maximizes operational efficiency, preemptively resolves traffic conflicts and enables collaboration with human-driven vehicles. These systems are repeatedly tested, validated and iterated through our extensive simulation platform to maximize performance and efficiency, while significantly reducing on-site testing needs. Moreover, our ability to embed proprietary algorithms into high-performance computing devices and novel components such as LiDAR on autonomous vehicles enables timely adaptation and upgrades as well as the development of proprietary software-defined functionalities.

As a testament to our R&D capabilities, we had an extensive intellectual property portfolio with 513 patent applications and 356 registered patents in the PRC, consisting of 164 invention patents, 107 utility patents and 85 design patents as of the Latest Practicable Date. As of the same date, we participated in the formulation of over 50 industry standards, including contributing to the

T/CSAE 53-2017 standard for intelligent transportation and vehicular communication and leading the drafting of C-ITS group standards for implementing cooperative public transit systems. Our strong, replicable R&D methodologies enhance R&D efficiency and accelerate the path to commercialization. Our R&D processes prioritize automotive safety, with more than 10 automotive-grade quality and safety management system certifications.

Proven Commercial Success in Domestic Markets with Global Outlook

Establishing a solid foothold in the Chinese market while keeping our sights set on global expansion, we led a series of flagship projects domestically and effectively extended our domestic success to overseas markets, marking a significant step in our global outreach.

We successfully rolled out a series of benchmark projects across China, earning the trust of strategic partners. For autonomous mining, we delivered the first fully driverless electric mining fleet in China for TCC in Jurong, Jiangsu, which is also the first nationwide autonomous mining project certified by the NIM to exceed the efficiency of manual mining operations; our project in Northwest China represents China (including Hong Kong, Macau and Taiwan)'s largest mixed fleet of manned and unmanned mining vehicles; our autonomous mining project in Zhengzhou, Henan represents China (including Hong Kong, Macau and Taiwan)'s first fully driverless quarry with excavator collaboration, according to CIC. For V2X, since the initial commercialization of our in-house developed V2X devices in 2018, we consistently achieved groundbreaking endeavors including launching the innovative *V2X + Active Transit Signal Priority* system and playing a key role in establishing one of the largest national-level V2X pilot zones for Liangjiang New Area, Chongqing, according to CIC. For intelligent perception, we were one of the first in the industry to deliver mass-produced, factory-installed autonomous perception system for trains, according to CIC.

Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. As of June 30, 2025, our total order backlog value reached approximately RMB583.9 million. As of the same date, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers, and received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems.

Our products and solutions are designed for standardized deployment, enabling us to replicate R&D results and reduce development costs. Drawing on the experience gained from landmark projects in China, we replicated our proven business models overseas, forging strong customer relationships and establishing a solid foothold in various overseas regions. This led to the signing

of multiple overseas projects, with indicative order value reaching RMB64.8 million as of June 30, 2025. Key projects include partnership with a Mongolian corporation for a green mining pilot project utilizing our new energy autonomous mining trucks; a zero-waste initiative in Ha'il, Saudi Arabia utilizing our V2X products and solutions to upgrade the city's intelligent sanitation heavy-duty trucks for intelligent operation and management of the full lifecycle of waste processing; and an intelligent driving project for transportation in complex cave environment without GNSS signal in Shatin, Hong Kong, among others.

Evolving Ecosystem Built with Trusted Partners along Industry Value Chain

Through close collaboration with partners along the entire industry value chain, we collectively built a mutually empowering and evolving product ecosystem. We strategically positioned ourselves within the industry chain to leverage the expertise and insights of our partners and facilitate knowledge exchange and innovation in the industry. We fostered synergistic partnerships with leading automotive OEMs to deliver factory-installed intelligent driving vehicles to customers, combining the OEMs' mass production capabilities and technical experience in diverse vehicle types with our expertise in intelligent driving technology. This enables seamless and optimal integration of our intelligent driving algorithms, software and subsystems with the vehicles and fosters long-lasting relationships that mutually empower and drive our innovation and commercialization.

We engage closely with downstream players to foster customer loyalty and uncover latent customer needs, with an aim to continually optimize product-market fit. By incorporating customer feedback into our product development processes, we make timely and informed decisions based on first-hand user experience. Catering to specialized sectors such as mining and rail transit, we invest substantially in observing customer operations and environmental conditions as well as understanding their needs and risks. This enables us to deliver high-value products that seamlessly integrate with customers' operational flow and drive user satisfaction. This customer-centric process reinforces our products' value and solidifies long-term customer relationships, enabling us to build a loyal customer base.

Our clientele is highly diverse, which enriched our experience across different application scenarios and vehicle types, allowing us to expedite the implementation of new projects and quickly grow our business. Additionally, our extensive partner network and loyal customer base also enable us to leverage cross-selling opportunities and word-of-mouth marketing by satisfied customers, positioning us for rapid growth without significant investments in sales and marketing.

Our key ecosystem partners include prominent companies across various sectors, such as Sinotruk and Dongfeng Liuzhou Motor from the automotive industry; Sany Heavy Industry, Lingong Heavy Machinery and Shaanxi Tonly Heavy Industries from the machinery industry; TCC from the construction industry; and NavInfo from the V2X industry.

Esteemed Management Fostering Homegrown Talent Pool with Product-Oriented Culture

We are led by a team with expertise in the international automation industry and developed a unique training culture designed to cultivate engineers focused on creating application value for customers and driving our continued growth.

Our founder and chairman, Prof. Li, is an internationally renowned research scientist in AI, robotics and automation and a recipient of the 2019 IEEE Robotics and Automation Award. He is a serial academic entrepreneur dedicated to incubating talent and has co-founded some of China's most prominent tech companies. He also served as a research scientist in the AI Laboratory of MIT and was the originator of nonholonomic motion planning, a critical field in robotics. Combining academic and entrepreneurial expertise, Prof. Li leads our talent training and cultivation efforts with a product-oriented culture.

Our co-founder, vice chairman and chief architect, Dr. Ma, is a Silicon Valley veteran with over 30 years of expertise in robotics, signal processing and automotive industries. He previously held key research positions at National Semiconductor Inc and Texas Instrument Inc in the United States, specializing in intelligent driving applications. Our executive Director and chief executive officer, Dr. Hu, is our homegrown talent who joined us in 2018 with a Ph.D. from the University of California, Berkeley. With educational and professional expertise in both technological research and business management, Dr. Hu spent the last seven years in key engineering roles at our Company, including principal scientist, head of the control systems team and research director of CiDiLabs. Dr. Hu also serves as graduate advisors at first-class institutions in China, which in turn facilitates our talent acquisition efforts.

Our core team, formed under the guidance of our founding team and training culture, come from esteemed institutions such as the University of California, Berkeley, the University of Michigan Ann Arbor and the Hong Kong University of Science and Technology, among others, and has an average of more than 15 years of industry experience, many of whom have been with our Company since the start. Under the leadership of Prof. Li, we developed a unique and effective training culture to systematically cultivate engineers specialized in intelligent driving and intelligent hardware. Promoting the "New Engineering Education Transformation" philosophy, we identify and nurture young engineers with innovative spirits and cross-disciplinary expertise, fostering a culture of product-oriented innovation and practical problem-solving aimed at delivering unique value to customers.

OUR STRATEGIES

We aim to embrace a better life with intelligent driving by revolutionizing work safety, efficiency and comfort through continuous innovation in this technology. To achieve our objectives, we formulated the following key strategies:

Continually Invest in Intelligent Driving Technology and Enhance Product Competitiveness

We plan to continually iterate our autonomous commercial vehicle products and technologies, specifically:

- Identify high value applications and build an innovative product matrix resilient against market uncertainties.

- Enhance algorithm precision, robustness and adaptability to resolve corner cases through more refined extreme scenario data analysis.

- Integrate software, hardware and algorithms to further optimize autonomous operations for customers, such as combining intelligent fleet scheduling with digitalized industrial management to achieve fully intelligent driving in mining sites.

- Diversify the application scenarios of our intelligent driving technology across various commercial vehicle driving scenarios, including autonomous heavy-duty trucks for container or cargo transportation in ports, autonomous heavy-duty trucks for steel plates transportation in steel plants, autonomous heavy-duty trucks operating within chemical industrial parks, as well as in railway freight stations, underground mines, and airport logistics.

- Collaborate with leading OEMs to standardize hardware installation and deployment for intelligent driving systems.

We plan to further upgrade, optimize and expand deployment of our software, hardware and algorithms, while increasing their cost-effectiveness, specifically:

- Enhance performance of sensor suite, including LiDAR, vision sensors and mmWave radar, to improve stability, safety and calibration accuracy.

- Optimize intelligent processing units, V2X roadside units, V2X onboard units and edge computing units to offer competitive domestic V2X solutions.

- Enhance intelligent scheduling systems for autonomous mining trucks, remote control systems, intelligent perception solutions for rail transit, V2X cloud control platform and intelligent transportation systems by optimizing software functionality and user experience.

Expand Sales and Form Lasting Strategic Partnerships

We plan to expand our sales through the following measures: (i) enhance the size and expertise of our sales team with structured talent development to enhance rapid customer response, demand identification, and customer acquisition, including cultivating sales team leaders with regional management expertise, presales experts to continuously evaluate customer demand and technical experts to assess project feasibility and product delivery experts to ensure customer demands are met; (ii) develop a more diverse range of marketing tools and channels to increase our market presence; and (iii) establish a reliable and efficient distribution system to reach a broader customer base. By leveraging our leading technological advantages, we aim to address specific pain points of our customers, improving the efficiency and safety of their operations. We expect our rapidly scalable delivery capabilities to reduce unit costs, thereby increasing our competitiveness in the market, boosting market share and building strong brand value through consistent and high-quality service.

We plan to strengthen existing customer relationships through the following:

- Expand the integration of our products onto additional vehicle models of existing customers.

- Enhance the single-vehicle commercial value with existing customers. For example, we aim to transition from offering single sensors or software algorithms to intelligent driving systems and expanding from intelligent driving solutions to provide a broader range of V2X products.

We plan to collaborate closely with our customers in various aspects to form lasting partnerships. We plan to employ a key account sales management approach, focusing on the development and definition of customer needs. Through deep customization and collaboration with automotive OEMs, integration with their sales systems and leveraging the sales support of our partners, we strive to establish stable supply chain and a comprehensive after-sales service system. By actively engaging with our OEM customers in the formulation of industry standards, we aim to enhance our industry influence while gaining a deeper understanding of customer needs. The joint efforts with OEM customers in the R&D, validation and sales of vehicle products facilitate us to seamlessly integrate our intelligent driving technology and systems with their traditional vehicle chassis, creating a new brand of intelligent commercial vehicles. As of the Latest Practicable Date,

we were developing CiDiTruck under our own brand with a leading Chinese automotive OEM. Furthermore, we are dedicated to developing comprehensive solutions and intelligent management systems that align with customers' operational habits. Through continual technological updates and iterations, we strive to enhance customers' operational and production efficiency and improve the overall working environment at operation sites, achieving long-term mutual benefits with our customers.

We plan to further broaden our customer base to supply intelligent driving systems for mass-produced vehicles of more customers, offer V2X solutions to a wider range of intelligent transportation systems and provide intelligent perception solutions for more rail transit applications.

Expand Overseas Presence and Market Share

We plan to evaluate resources, costs and policies before entering overseas markets to capitalize on the significant growth potential in the commercial vehicle intelligent driving industry. One of our key initiatives is driving the overseas commercialization of autonomous mining trucks to Australia, Europe and South America. According to CIC, as the world's largest country in iron ore reserves, Australia's iron ore reserves are estimated to reach nearly 58 billion tons in 2023, accounting for approximately 30% of the global total. Meanwhile, Europe and South America also rank among the leading global suppliers of essential resources like coal, copper, and lithium, presenting significant opportunities for the deployment of METAMINE solution.

During the Track Record Period, we did not derive revenue from any overseas customers outside Mainland China. We are actively engaged in building relationships with overseas partners and have established initial collaboration with multiple overseas customers to commence projects. Through collaborations with Saudi Arabia's NEOM new city and other similar projects, we aim to gradually extend our overseas presence through the launch of CiDiTruck, our flagship product designed to elevate user experiences to the maximum, catering to legitimate societal needs. In open roadways and complex environments, CiDiTruck serves as an intelligent driving solution for professional operators, minimizing risks of accidents. In more contained settings, it transitions into an autonomous vehicle, serving service operators by enhancing operational efficiency and reducing accident rates.

Leveraging experience from our overseas expansion endeavors, we are well-equipped to venture further into international markets, strategically positioning ourselves to meet the global demand for autonomous mining trucks.

Attract and Retain Top Talent Globally

We are dedicated to further attracting renowned R&D experts worldwide to bolster our capabilities in software and algorithm development. We also plan to expand and reinforce our sales and marketing teams to better seize global market opportunities.

We developed a unique and effective training culture to systematically cultivate engineers specialized in intelligent driving and intelligent hardware. Through this system, we aim to provide long-term nurturing and empowerment to exceptional talents within our organization and identify young engineers with innovative spirits and cross-disciplinary expertise, fostering a culture of product-oriented innovation and practical problem-solving aimed at creating unique value for customers.

Selectively Engage in Investments, Mergers and Strategic Partnerships

We plan to further consolidate resources along the upstream and downstream industry chain through strategic investments or mergers and acquisitions. Potential targets include suppliers with strong research and delivery capabilities in intelligent driving software, hardware systems and key components, as well as end customers and operators with significant competitive advantages in the intelligent driving industry. We believe such strategic investments or mergers and acquisitions will enable us to extend our reach upstream and downstream, effectively integrate business resources, ensure supply chain stability and better cater to the demands of downstream application scenarios. We have not identified or entered into any letter of intention to acquire any potential target.

OUR OFFERINGS

We are an innovative product-driven provider of intelligent driving products and solutions for commercial vehicles in China. We focus on the research and development of closed-environment autonomous driving trucks for mining and logistics, V2X (vehicle-to-everything) technologies and intelligent perception solutions, and offer products and solutions underpinned by proprietary technologies, with a primary focus on intelligent driving in closed environments during the Track Record Period. Our autonomous driving trucks are generally designed with a typical product life cycle of approximately five years.

The below table sets forth our major products and solutions:

Category	Products and solutions	Revenue contribution in the six months ended June 30, 2025	
		Amount (RMB in thousands)	*%*
Autonomous driving	• METAMINE solution • Closed-environment autonomous logistics truck solution	378,364	92.7
V2X	• V2X products and solutions	9,179	2.3
Intelligent perception	• Train autonomous perception system (TAPS) • In-vehicle intelligent perception and safety management solution	20,493	5.0

Autonomous Driving

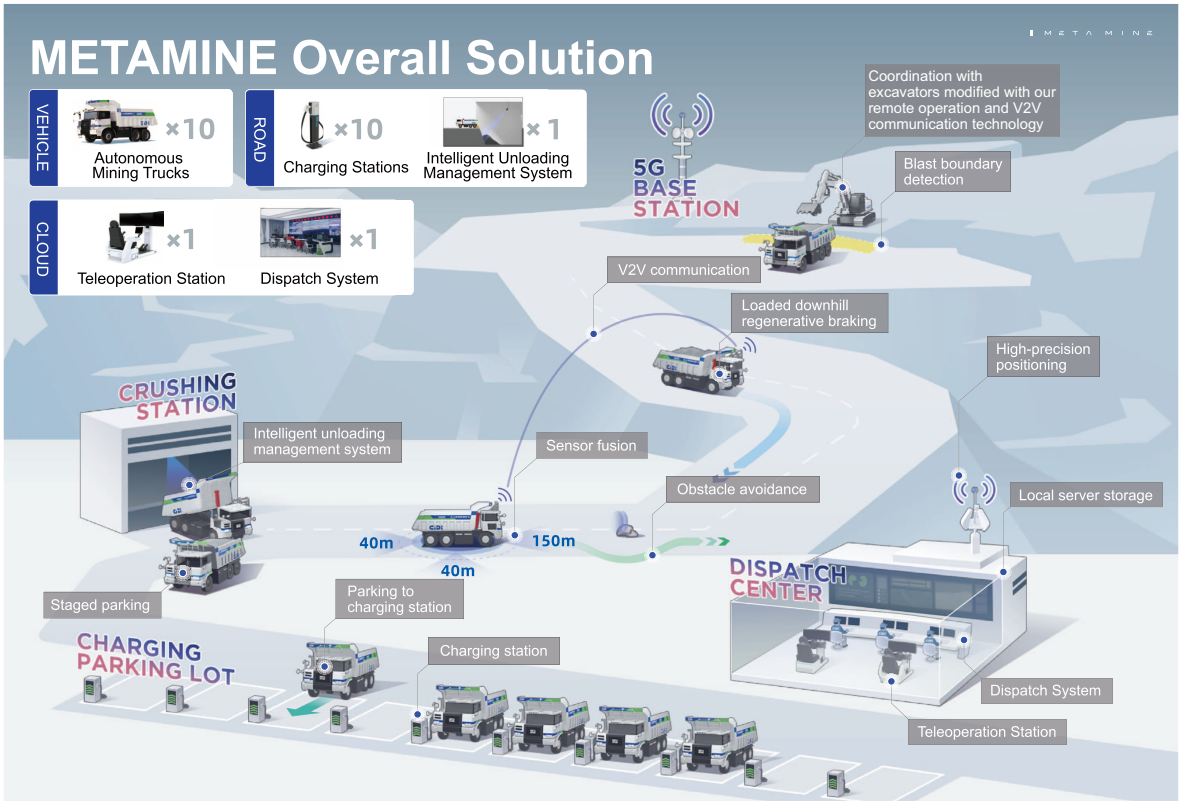
Our autonomous driving solutions include (i) METAMINE solution and (ii) closed-environment autonomous logistics truck solution. Our revenue from autonomous driving increased from RMB28.0 million in 2022 to RMB254.9 million in 2024. Our revenue from autonomous driving solutions significantly increased from RMB156.0 million in the six months ended June 30, 2024 to RMB378.4 million in the six months ended June 30, 2025.

METAMINE — Closed-environment Autonomous Mining Truck Solution

Our closed-environment autonomous mining truck solution, METAMINE, enables autonomous haulage and logistics and remote controlled excavation in mining sites and aims to enable the remote operation of other mining processes such as drilling and blasting in the future.

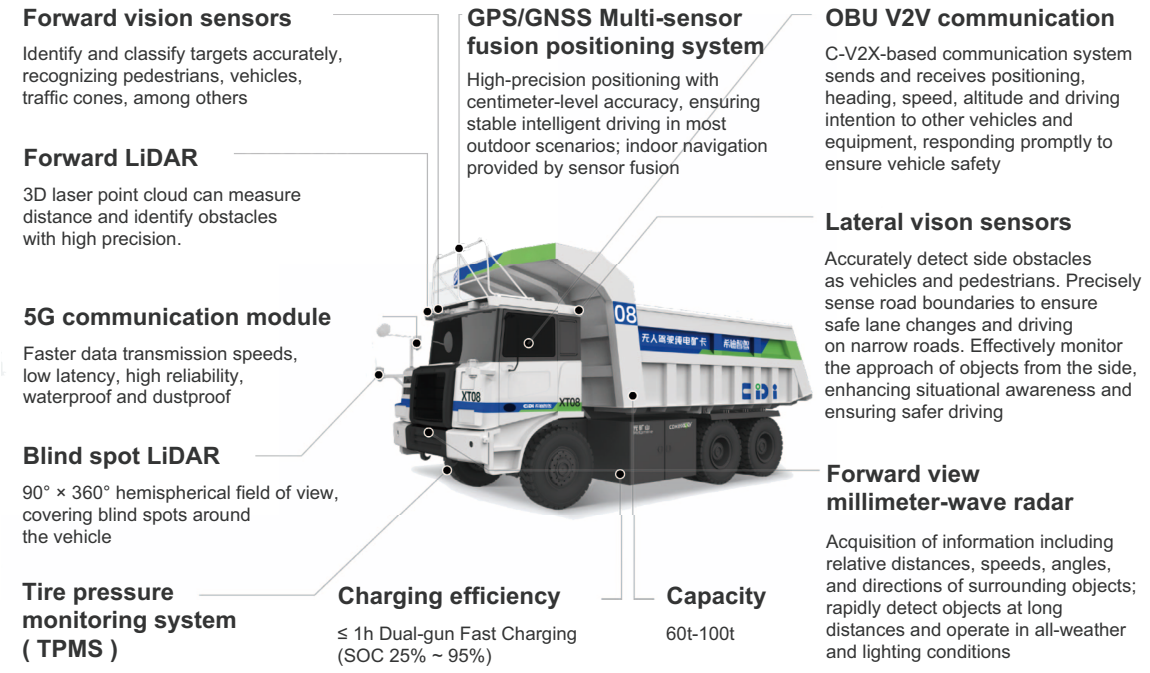
Our METAMINE solution comprises (i) driverless mining trucks equipped with our proprietary autonomous truck system, realizing driverless loading, haulage and unloading processes for enhanced operational efficiency; (ii) fleet coordination module, managing loading, haulage and unloading processes in the mining area and facilitating efficient scheduling and

collaboration among vehicles; (iii) central dispatch platform, enabling monitoring and coordination of the entire mining operation; and (iv) teleoperation station, enabling remote operation of excavators and other high-skill maneuvers.



Autonomous Mining Trucks

We collaborate closely with automotive OEMs to design autonomous mining trucks equipped with advanced intelligent driving technology designed to address the challenges of complex mining environments and heavy haul operations.



We jointly developed different types of autonomous mining vehicles with automotive OEMs, primarily including the below:

Suitable for Heavy Loaded Downhill Scenarios

Pure Electric Drive



Cement, Sand and Gravel, Aggregate Mines, etc.

Regenerative braking for heavy loaded downhill, green and energy-saving

Suitable for Heavy Loaded Uphill Scenarios

Range-Extended Drive



Coal Mines, Copper Mines, Iron Mines, etc.

High-torque electric motor provides sufficient power for heavy loaded uphill

We offer both pure electric and extended-range hybrid mining vehicles, with a product life cycle of five years and estimated battery life of up to five years or 200 thousand kilometers, whichever occurs first.

We categorize the key functionalities of our autonomous mining trucks into three groups, namely: (i) perception and positioning, (ii) decision, coordination and control, and (iii) diagnostics and redundancy:

- **Perception and Positioning**

  - ***Sensor fusion and processing:*** Combining sensor fusion, BEV perception and deep learning technologies, integrates heterogeneous automotive-grade sensors including mmWave radar, automotive-grade LiDAR and vision systems to enable 360-degree perception around the vehicle body with zero blind spots and reliable detection and differentiation of pedestrians, different types of vehicles, rocks and obstacles within a 100-meter range. Our fine-grained object detection model is trained with real mining data with strong generalization capabilities, requiring minimal fine-tuning for complex conditions. It is able to detect obstacles as small as 10*10cm from 40 meters away, outperforming industry standards, where most competitors typically achieve detection range of 30*30cm objects from 30 meters away, according to CIC.

  - ***Enhancement filtering:*** Employs intelligent noise filtering algorithms to precisely filter out dust, rain, snow and fog and utilizes motion compensation technology to minimize interference from vehicle vibrations. The system evaluates sensor noise in real time and dynamically adjusts the fusion strategy to ensure safe intelligent driving 24/7 in all lighting and weather conditions, such as extreme brightness or darkness, sandstorms (impacting visibility) and heavy snow (impacting positioning capabilities).

  - ***V2V (Vehicle-to-Vehicle) cooperative perception and active sensing:*** Integrates On-Board Units (OBUs) installed on mining trucks and C-V2X software with a communication range of up to 800 meters and a latency of less than 30ms, ensuring real-time data exchange and active sensing against fog and rainy conditions. This technology enables real-time acquisition of the precise location and perception information of other vehicles, enhancing BVR perception capabilities and improving safety redundancy, thereby enhancing the overall decision-making and planning process, and in turn improving operational efficiency.

- **Decision, Coordination and Control**

  - ***Intelligent obstacle avoidance:*** Determines whether to runover, evade, or navigate around obstacles based on their characteristics.

- ***High-speed navigation:*** Enables autonomous navigation at speeds up to around 40km/h, even in mixed operation scenarios, the highest in the industry, according to CIC.

- ***Collaboration between driverless and human-driven vehicles:*** Utilizes our proprietary mixed operation technology to enable collaboration between human-driven and driverless vehicles in mining operations. Our driverless mining trucks can operate seamlessly with human-driven vehicles that are not equipped with any intelligent devices, facilitating mixed traffic flow on transport routes and complex scenarios such as intersections and lane changes. This eliminates the need to designate a separate operating area for the driverless trucks or modify any human-driven vehicles, significantly reducing adoption costs for mine operators in terms of both environmental modification and initial commitment. Such mixed operation differs significantly from purely driverless vehicle operations, necessitating additional functionalities such as recognition of human-driven vehicles without any intelligent devices or trajectory prediction, as well as smart evasion and overtaking.

- ***Adaptive parking:*** Achieves precise parking based on vehicle perception and boundary information, adapting to constantly changing site conditions, with lateral parking accuracy <15cm and longitudinal parking accuracy <20cm.

- **Diagnostics and Redundancy**

  - ***Fault diagnosis system:*** Performs over 100 self-diagnostics per second for more than 1,600 fault detection items.

Fleet Coordination Module

Our proprietary fleet coordination module aims to optimize mining activities through facilitating efficient scheduling and coordination among vehicles. It consists of (i) algorithms for multi-vehicle global path planning, optimized efficiency scheduling and mix-traffic flow facilitation; and (ii) software for distributed fleet management across multiple locations and simulation. The system enables the following key functions:

- ***Intelligent scheduling of loading and unloading:*** Utilizes deep learning and optimization algorithms to compute optimal vehicle destinations for loading/unloading, enhancing overall production efficiency by 13%.

- ***Multi-vehicle planning and coordination:*** Enables: (i) orderly and obstacle-free queuing for autonomous vehicle fleet; (ii) intelligent route selection adapting to complex mining conditions such as extremely narrow, steep or rocky road conditions; and (iii) preemptive traffic jam avoidance and deadlock prevention and resolution, reducing fleet total travel time by 15%; supports deployment of over 1,000 vehicles; and reduces the need for extensive real-world testing in the mines by testing complex traffic scenarios using our proprietary AI simulation platform, speeding up project timelines.

- ***Prediction of human-driven vehicle behavior and trajectory:*** Facilitates mixed traffic flow of driverless and human-driven vehicles. Leveraging multi-vehicle sensor fusion and neural networks, achieving prediction accuracy of over 95%, outperforming industry average of approximately 90%, according to CIC.

- ***Charging optimization:*** Opting for vehicle recharging during periods of low electricity prices and optimizing charging times enhances vehicle utilization by over 10% and reduces charging costs by over 20%.

- ***Dispatch optimization:*** Optimizes vehicle dispatch to maximize efficiency and allocates vehicles, excavators and other equipment and resources for optimal coordination and increased operational efficiency.

Central Dispatch Platform

The central dispatch platform aims to monitor the entire mining operation and collect data for statistical analysis. It features the below key functions:

- ***Intelligent Scheduling:*** Automatically schedules and dispatches mining trucks for loading and unloading operations based on real-time workload assessments to optimize vehicle allocation, reducing vehicle queueing time and idle time at loading or unloading points, thereby boosting fleet productivity.

- ***Equipment Monitoring and Management:*** Enables real-time monitoring and tracking of the positions, queuing and task completion statuses or any malfunctioning of mining trucks, drill rigs, excavators, crushing stations and other equipment in the mine. Allows remote access to vehicle cameras for monitoring of the surroundings to facilitate efficient mine management. Supports concurrent monitoring of over 1,000 devices.

- ***Statistical Analysis:*** Automatically calculates and records production volume, fuel/electric consumption and maintenance logs, and analyzes the efficiency of vehicle dispatch, refueling, maintenance and production using big data technology to facilitate cost reduction, efficiency improvement and management enhancement in mining operations.

While our fleet coordination module specializes in the precise management of mining vehicles, intelligently scheduling tasks such as loading, haulage and refueling to optimize efficiency and energy consumption while ensuring fleet safety, our central dispatch platform offers a comprehensive platform for managing the entirety of mining operations, from production planning and equipment monitoring to safety alerts, data analysis and maintenance activities, aiming to digitize and streamline the entire mining operation efficiently and intelligently. Our fleet coordination module is a subsystem of our central dispatch platform, and is offered to customers as a standalone function of the central dispatch platform or together with other subsystems of our central dispatch platform.

Teleoperation Station

Our teleoperation station is a supplementary tool that enables remote operation for excavation and other high-skill maneuvers such as drilling and blasting. Consisting of teleoperation station hardware, 5G connectivity modules and remote control software including control algorithms and perception suite with user-friendly interfaces that enhance the overall experience for operators, enabling highly immersive remote operation of excavators and cranes to complete intricate and high-risk tasks such as excavation, drilling, blasting and other operations, greatly improving the safety of operators and the working environment. It also enables remote operation of vehicles in corner cases where intelligent driving may not be suitable. Connected with an immersive cloud platform, it offers a comfortable and intelligent driving experience, creating appealing job opportunities which especially attract young workers.

Our teleoperation station can control operations more than 1,000 km away, continuously and reliably operate for over 120 hours and features a lightweight and compact design (< two square meters; ≤120kg).



The key functionalities of our teleoperation station are summarized below:

- Ultra-low latency remote control over long distances (emergency stop command latency ≤20ms; signal latency≤20ms; image latency≤160ms) and comprehensive network compatibility.

- Multi-vehicle control from a single station.

- Two-way voice communication.

- Live visual, audio and sensor-assisted feedback.

- Comprehensive safety measures including lane departure warning, vehicle collision avoidance system and 360° coverage with zero blind spots.

- Serves as an emergency takeover system for driverless vehicles during rare occurrences of emergency system failures. The rate of such emergency takeover during the operation of our driverless vehicles was approximately 0.07% in the six months ended June 30, 2025.

- Modular design enabling flexible customization for different scenarios and vehicles.

Use Cases

Autonomous Mining Project in Jurong, Jiangsu for TCC

In March 2022, we delivered 14 driverless electric mining trucks for an intelligent mining project in Jurong, Jiangsu. This project enabled the mine operator, TCC, to perform autonomous loading, haulage, unloading and recharging operations without the need for safety personnel running 24/7. it marked a significant milestone as China (including Hong Kong, Macau and Taiwan)'s first autonomous electric mining project with full mining area coverage, with the following achievements:

- certified by NIM to surpass the efficiency of manual mining operations.
- Annual reduction of over 1,800 tons of carbon emissions.
- Cost reduction of RMB1.75 per ton compared to fuel vehicles.

Large Coal Mine in Northwest China

In December 2023, we delivered 56 driverless mining trucks to the mine operator of a large coal mine in northwest China. The coal mine was located at an altitude of 2,600 meters. The driverless truck loading area was located at altitudes ranging from 2,310 to 2,460 meters, with unfixed and constantly changing mining areas, requiring a mixed fleet of manned and unmanned mining trucks with high safety and functionality standards. According to CIC, this project set the record for (i) the world's largest driverless mining fleet operating with manned vehicles, and (ii) the world's largest mixed-operation mining fleet, as of the Latest Practicable Date.

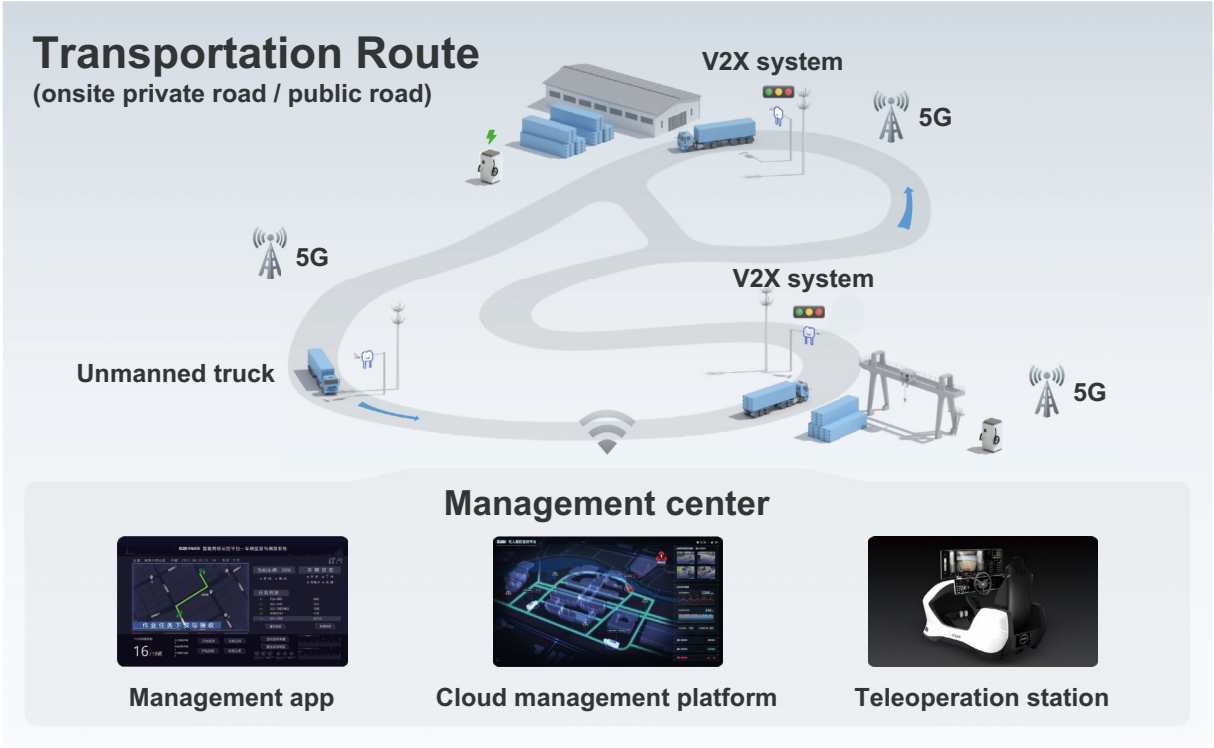
Integrated with an intelligent planning system, remote driving system, high-precision positioning system and intelligent excavator terminal, our driverless mining trucks enabled the safe, low-carbon and productive autonomous operation. We addressed the following technical challenges in the project:

- In response to the operation suspension caused by temporary network outages, we upgraded the hybrid positioning system and optimized the algorithms to enable the driverless trucks' continued operation without network connection.
- In response to the safety hazards and traffic congestions caused by the merging and diverging of driverless vehicles at the intersections, we developed a route prediction function that facilitated driverless trucks to detect other vehicles' location and speed information and predict other vehicles' intended routes.

Closed-environment Autonomous Logistics Truck Solution

Our closed-environment autonomous logistics truck solution is designed to enable safe, reliable, stable and efficient driverless heavy-duty logistics in closed environments such as factories and logistics parks. It aims to promote the development of autonomous logistics and accelerate the formation of "new quality productive forces" in the logistics industry.

Our closed-environment autonomous logistics truck solution offers similar fundamental functionalities to our METAMINE solution such as autonomous vehicle control and decision-making as well as coordination and planning, while adapting to specific demands of logistics scenarios such as cargo handling requirements, navigating challenging conditions of industrial parks and adapting to mixed traffic scenarios with pedestrians and other vehicles. The solution effectively integrates (i) autonomous heavy-duty logistic trucks, enabling end-to-end autonomous driving from one loading point (e.g. cargo platform) to another within the enclosed operating area, precise parking and docking at loading points and automated coordination with existing third-party AGVs (automated guided vehicles) and other equipment at the industrial park to realize unmanned loading and unloading; (ii) central dispatch platform, streamlining tasking processes while simplifying and visualizing the logistic data; and (iii) emergency takeover system, acting as a contingency system for emergency intervention to provide even more safety redundancy.



Application Scenarios

Our closed-environment autonomous logistics truck solution is designed to address pain points and challenges of various application scenarios, such as the below:

- *Chemical industrial parks.* Chemical industrial parks typically involve the transportation of heavy metal products, hazardous liquids, raw materials and energy materials, while the working environment is often filled with potentially explosive dust, high heat and radiation. Our autonomous trucks can liberate human drivers from these harsh conditions by offering specialized handling capabilities to address the unique challenges of transporting heavy loads and navigating dangerous conditions. Moreover, our solution can operate even when satellite and 5G network is restricted.

- *Logistics and manufacturing hubs.* Our solution can significantly improve operational efficiency. The typical transportation routes of logistics and manufacturing hubs include transfers of goods between different warehouses in a closed environment, where other vehicles and pedestrians may be present. Our solution enables reliable and full-process automation, including precise docking, while recognizing complex traffic scenarios such as mixed traffic and pedestrians jaywalking to ensure safety.

Autonomous heavy-duty logistics truck

During the Track Record Period, we provided intelligent driving systems for heavy-duty logistics trucks to customers comprising intelligent driving hardware and software that enable logistics trucks to reliably carry out driverless heavy-duty logistics tasks in industrial plants, manufacturing hubs and logistic parks. We are also partnering closely with industry-leading OEMs to develop high-quality, driverless, efficient logistics trucks equipped with our intelligent driving systems for different working conditions, including tractor-trailer trucks, box trucks and dump trucks and have secured customer orders for our trucks.

These driverless heavy-duty logistics trucks integrate a series of advanced AI technologies, featuring all-scenario positioning, all-weather and condition fusion perception, comprehensive intelligent planning, high-precision control and V2V communication. We aim to facilitate safe, reliable and efficient heavy-duty logistics operations in any closed industrial scenarios.

- ***All-weather and condition fusion perception:*** We leverage BEV fusion network to accurately understand the surrounding environment for real-time, 360-degree surround perception that accurately detects the drivable area and various obstacles, while

maintaining an effective perception range exceeding 1,000 meters. Our algorithms operate reliably in adverse weather conditions and are vibration-proof to ensure all-time effectiveness of our trucks.

- ***Comprehensive intelligent planning:*** We integrate AI and expert systems to dynamically plan vehicle trajectories based on real-time environmental assessments, enabling adaptive handling of complex environments of the industrial parks, where the driverless logistics task completion efficiency exceeds 99% of that of human-driven operations in certain conditions. In addition, the truck is able to recognize metropolis-like complex traffic scenarios including mixed traffic and pedestrian jaywalking for accident prevention.

- ***High-precision control:*** We utilize proprietary technology combining dedicated neural network and optimal control techniques to precisely manage vehicle dynamics and motion states, ensuring accurate truck movement even during challenging maneuvers such as platform docking, under-crane parking and tunnel or narrow road navigation, achieving driverless parking and docking accuracy of under 5cm. Our vehicle control technology also enables coordination with existing third party AGVs and cranes to realize efficient cargo loading and unloading, and automated customs inspections.

- ***V2X system:*** We integrate V2X technology with our autonomous trucks. Although V2X systems are not indispensable for autonomous logistics trucks, they significantly improve reliability and enhance the intelligence and safety of our autonomous logistics trucks. For example, we deploy V2V technology to every driverless truck, allowing them to take coordinated driving actions at locations prone to traffic congestion, thereby improving overall efficiency of the industrial park. For details of our V2X technology, see "— V2X Products and Solutions."

We have obtained automotive-grade ISO certifications including ISO 9001, IATF 16949 and CCC, and the software architecture of our intelligent driving systems for heavy-duty logistics trucks complies with the AUTOSAR standard. Combining fault diagnosis, proactive safety with Automatic Emergency Braking (AEB) and multiple system redundancy via backup units, driverless logistics trucks equipped with our system experienced zero accidents over 100,000 km.

Central Dispatch Platform

Our central dispatch platform offers similar functionalities as the central dispatch platform for our METAMINE solution while adapting to the specific conditions and tasks for logistics operations in industrial parks.

Emergency Takeover System

Our emergency takeover system utilizes teleoperation station specialized for heavy-duty logistics trucks to provide an additional layer of safety redundancy, where up to ten trucks can be remotely controlled from one teleoperation station. It is designed to ensure seamless transfer of vehicle control from autonomous mode to remote driving mode in the face of complex or unforeseen situations.

Use Cases

Our closed-environment autonomous logistics truck solution has been utilized in a broad range of scenarios, with the following achievements:

- Reduced energy costs by approximately 50% compared to traditional gasoline-powered trucks.
- Improved production efficiency by approximately 30%.
- Increased operating time by 700 hours per truck per year.
- Reduced accident rate by more than 90%.
- Achieved close to 0% latency rate.
- Realized 24/7 continuous autonomous operation.

Liuzhou Automotive Industrial Park Project

In June 2023, we designed and developed intelligent driving systems for Dongfeng Liuzhou Motor Co., Ltd to enable their logistics trucks to perform driverless logistics tasks such as cargo transportation at its main manufacturing hub, with the following achievements:

- Operated for over 7,000 hours and completed over 15,000 logistics tasks as of the Latest Practicable Date.
- Effectively reduced operational costs and improved production efficiency by 15%.
- Recognized by the PRC Ministry of Transportation as one of the earliest pilot intelligent transportation projects in China.

V2X

Our V2X products and solutions for intelligent transportation integrate advanced perception technologies, sensor fusion algorithms, V2X communication capabilities and traffic optimization algorithms to exchange information between traffic participants (including pedestrians, non-motorized vehicles and connected vehicles) and roadside infrastructure at urban intersections or roads. Our products and solutions not only monitor vehicle speeds, trajectories and traffic conditions but also detect different kinds of traffic events, such as traffic accidents, illegal parking, wrong-way driving, slow-moving vehicles and traffic congestion.

By linking infrastructures within cities, our V2X solutions make intelligent predictions and decisions for both urban and highway traffic. They integrate vehicles, roadside infrastructures and cloud platforms to build robust network computing capabilities, thereby facilitating the advancement of intelligent transportation systems and smart cities. Our solutions enhance road safety and enable coordinated traffic perception, dynamic traffic light timing, traffic flow analysis and congestion alerts.

On-board devices

- *Hardware:* Connected vehicles equipped with OBUs can communicate with RSUs and the other connected vehicles. The communication range of V2I (vehicle-to-infrastructure) and V2V (vehicle-to-vehicle) is over 800 meters with a latency of less than 30ms. The life cycle of our OBU products is five years.

- *Software:* The V2X software utilizes advanced communication technology and decision-making algorithms to promote interactions between connected vehicles and infrastructures, as well as between drivers and vehicles, to improve road safety, traffic efficiency and reduce environmental pollution.

- *Algorithms:* In addition to standard V2X scenarios, our algorithms can also collaborate with roadside systems to realize customized vehicle-infrastructure coordination in various application scenarios such as smart cities, smart highways and smart mining zones.

Roadside devices

- *Hardware:*

    - *RSUs (Roadside Units):* Equipped with C-V2X (cellular vehicle-to-everything) wireless technology, RSUs can communicate with OBUs or the cloud platform. RSUs can process data, communicate with vehicles and integrate sensors, making it useful in various

scenarios such as intelligent transportation, mining, ports and logistics, among others. Our RSU products have an MTBF (Mean Time Between Failures), which indicates the duration of proper functioning, of over 50,000 hours.

- *MEC (Multi-access edge computing):* In an MEC, multi-sensor fusion technology can be utilized to enable obstacle detection, traffic event detection, traffic information detection, traffic flow monitoring and other related tasks.

- *Algorithms:* Algorithms are deployed in MEC devices to collect data from RSUs and shared in real-time to connected vehicles with OBUs or our V2X APP to enable real-time traffic participant detection, traffic flow monitoring, incident detection and weather monitoring, among others, enhancing overall traffic system safety and efficiency. These algorithms can assist in scenarios such as hazardous location warning (HLW), vulnerable road user collision warning (VRUCW), wrong-way driving warning (WDW), cooperative intersection passing (CIP) and cooperative vehicle merging (CVM).

Cloud platform

Our cloud control platform integrates diverse traffic management systems to offer real-time decision-making support for autonomous vehicles and traffic management authorities. It facilitates digitalized infrastructure management, enhancing safety, maintenance and operational efficiency while supporting detailed traffic analysis for optimized decision-making in traffic planning and law enforcement.

Application Scenarios

V2X + Smart City

Our V2X + Smart City solution aims to create intelligent infrastructure for smart cities, integrating advanced technologies to enable real-time, accurate and efficient monitoring of road traffic conditions, especially at complex intersections. This system enhances urban intelligence by providing expanded perception capabilities for intelligent connected vehicles in sensing, planning, decision-making and control processes. It also offers precise data support for cloud-based regional coordination, thereby elevating city management intelligence and improving traffic safety and efficiency.

Our solution aims to reduce traffic violations and improve driving efficiency by providing drivers with comprehensive traffic information that enables them to adjust driving behavior and make proper driving decisions. In addition, our driving assistance system sends warnings to drivers before accidents occur, reducing accident rate and asset loss. This solution supports over 20

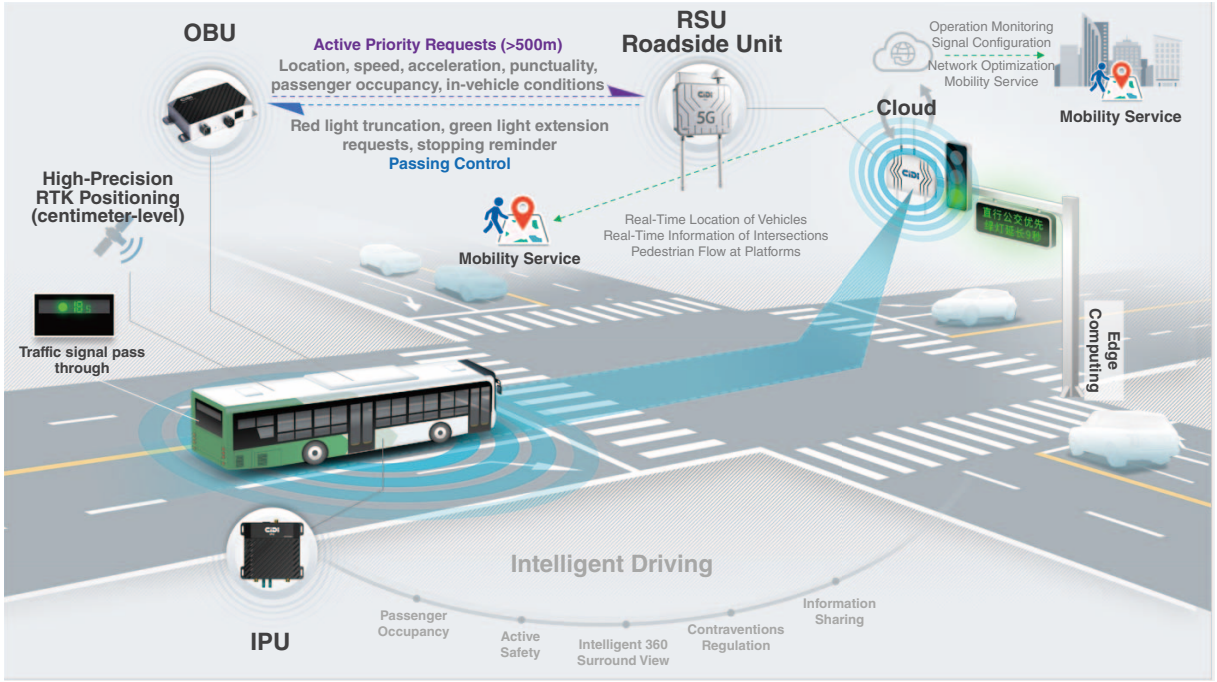
application scenarios, including holographic intersections, leveraging radar, traffic cameras, AI algorithms, powerful chips and edge computing to generate precise, real-time metadata such as vehicle violation captures, vehicle trajectories and signal statuses. These data foundations enable refined intersection management, aiding traffic authorities in comprehensively understanding intersection operations for scientific traffic organization and optimization.

Use Cases

V2X + Active Transit Signal Priority (TSP)

We developed the V2X + Active TSP system to increase bus punctuality, reduce passenger commute times, alleviate peak-hour congestion, promote public transit usage, reduce reliance on private vehicles and promote energy conservation and emissions reduction.

Addressing issues of inefficiency and delays at urban crossroads for buses, the solution utilizes traffic light information, bus locations and traffic conditions to predict vehicle path conflicts, deploy deep learning strategies in C-V2X intelligent roadside systems, assess risks and calculate optimal passage windows for priority buses while maintaining normal traffic flow. Real-time adjustments are made to signal control systems to extend green light times and reduce red light times, enhancing commuter bus efficiency and punctuality.



Our V2X + Active TSP solution has been deployed in numerous scenarios, with the following achievements:

- Improved public transport efficiency by about 10% and increased public transport ridership; estimated to reduce millions of private car usage annually, reducing energy consumptions and emissions.

- Improved the punctuality of buses by approximately 50%.

- Increased average speed of buses by approximately 13%.

- Reduced travel time; it is estimated that public transport companies can generate millions of RMB in revenue annually by encouraging passengers to choose public transportation.

For example, in 2020, we implemented our proprietary "Active Bus Priority" system based on 5G and V2X technology in Changsha, encompassing 139 intersections, 72 public transport lines and 2,072 buses, the world's largest TSP system at the time, according to CIC. This system was promoted nationwide and can significantly reduce bus delay and enhance passengers' travel experience. Our "Active Bus Priority" system won the first prize of the China Highway & Transportation Society's Science & Technology Award in 2023.

National-level V2X pilot zones

We facilitated the establishment of one of the largest national-level V2X pilot zones for Liangjing New Area, Chongqing (the "**Chongqing V2X Project**"), featuring holographic intersections. Our V2X technology enabled vehicle-road coordination, smart city management, city patrol and security and remote driving, constructing the fourth national-level V2X pilot zone in China and the first carbon-neutral V2X pilot zone in western China with 3D intelligent transportation scenarios, according to CIC.

Moreover, we participated in the intelligent reformation and networking of almost 100 city intersections in a national-level V2X pilot zone in Tianjin by providing equipment encompassing V2X communication, roadside perception and edge computing, as well as enabling holographic intersection perception.

V2X + Smart Highway

Our V2X + Smart Highway solution aims to upgrade traditional highways into intelligent, digitalized and interconnected systems to intelligently perceive and manage highway operations using multi-dimensional sensing and data fusion. It aims to enhance traffic management capabilities for highways and provide the public with smart, safe, efficient and eco-friendly travel experiences.

Based on multi-source data from roadside sensing, connected vehicles and cloud platforms, the V2X + Smart Highway system enables comprehensive real-time traffic perception on highways including traffic event recognition, environmental perception, participant identification and lane-level navigation with beyond-line-of-sight information enhancing the transportation authority's capabilities of real-time monitoring and managing highways and improving driving experience. For hazardous highway sections such as entrance/exit ramps and tunnels, our roadside devices enable 20 scenarios such as guiding vehicles at ramps, speed planning and lane-level navigation, empowering operators with intelligent monitoring, emergency response, maintenance, operations and decision-making capabilities.

Use Case

In 2019, we engaged in the intelligent transformation of a 113km section of a highway in Changsha. Installing sensors, networking and intelligent computing devices at key locations on the highway, we enabled regional holographic perception, sending warnings for over 15 active safety or traffic efficiency related scenarios to connected vehicles or non-connected vehicles and facilitated the transportation authority's real-time monitoring of the highway operation.

Intelligent Perception

Our intelligent perception solutions include (i) the train autonomous perception system and (ii) in-vehicle intelligent perception and safety management solution for commercial vehicles.

Train autonomous perception system (TAPS)

The rail transit industry has a need for trains to possess active perception capabilities. TAPS is a new generation of active safety system for trains, leveraging fusion perception technology to fully utilize the detection capabilities of LiDAR, cameras and mmWave radars.



TAPS serves as an important supplement to the traditional railway signaling system by providing independent safety redundancy, significantly improving the safety of train operation, especially for driverless train operations. According to CIC, TAPS is the only product in China (including Hong Kong, Macau and Taiwan) capable of independent safety perception, realizing autonomous speed measurement, positioning and active obstacle detection capabilities without relying on existing railway signaling systems or additional track-side devices, which significantly reduce overall costs, especially in scenarios with high signaling system costs such as subways. Such independent safety perception and redundancy also enables more efficient fault recovery when traditional railway signaling systems encounter system problems or failure as it allows trains to maintain safe and efficient movement without waiting for the primary signaling system to fully recover. The product life cycle of TAPS is five years.

Technological advantages

- ***Industry-leading ultra-long-distance obstacle detection:*** Utilizes advanced time-space synchronization and heterogeneous multi-sensor fusion technology to enable accurate and stable detection of any type of obstacles within a range of 500 meters, the longest detection ranges among all competing products with SIL4 certifications in the industry according to CIC.

- ***High-precision positioning technology:*** Operates effectively even in scenarios such as tunnels without GNSS signals. The system achieves sub-second initial positioning, platform positioning error below 0.1 meters and comprehensive track positioning error below 0.3 meters, all of which are industry-leading according to CIC.

- ***Accurate train speed measuring technology:*** Continuously monitors the train's operating speed in real-time with an error margin below 0.1 km/h, making it one of the most precise measurement systems in the industry according to CIC.

Obstacle Detection

Obstacle size (M)	Maximum perceived distance (M)	
	Any obstacle Centimeter perception	Specific obstacle
3.25 × 2.6 (such as trains)	500	1000
1.5 × 0.4 (pedestrians)	200	500
0.3 × 0.3 (box / falling rocks)	100	250

Train speed measurement: Error < 0.1km/h

Train positioning: Sub-second initial positioning; Platform positioning error < 0.1m; Comprehensive track positioning error < 0.3m

- ***Robust environmental adaptation:*** With strong anti-interference capabilities and perception technology adaptable to deteriorated conditions, TAPS effectively handles various lighting conditions and most rain, snow and fog scenarios.

- ***Rich product matrix:*** TAPS can meet diverse customer needs. (i) high-performance products with stringent SIL4 functional safety certifications or applications demanding extreme performance and safety, (ii) products that meet SIL2 functional safety certifications for applications with rigorous safety and reliability requirements, and (iii) cost-effective warning systems and assisted driving products for less sophisticated scenarios with a wide market reach.

- ***Industry-leading deployment speed and adaptability:*** Leveraging our high-fidelity rail-specific simulation system and an overall technology architecture that does not rely upon statistical learning methods, eliminates the continuous need for specific scene data. As a result, it only takes two weeks for trains installed with TAPS to achieve full operational readiness since initial launch, the shortest deployment time among comparable products in

China (including Hong Kong, Macau and Taiwan), according to CIC. Moreover, TAPS employs a unified technology architecture with high replicability, efficiently adapting to diverse types of train types and scenarios.

- ***One of a few in China with SIL4 certification with comprehensive function and scenario coverage:*** The subsystems and functions of TAPS, including positioning, autonomous speed measurement, obstacle detection, information push, self-diagnostics and fault alarm, emergency brake control and obstacle alarm all meet stringent SIL4 certification requirements of EN50126:2017, EN50128:2011 and EN50129:2018, covering an exceptionally diverse range of lighting, weather and road conditions.

Use Cases

TAPS has been deployed in Shenzhen, Chongqing, Hefei, Changsha, Xi'an, Wuhan and Zhuzhou, covering a variety of railway scenarios such as subways, medium and low-capacity trains and freight trains. Moreover, we were one of the first in the industry to deliver mass-produced, factory-installed autonomous perception products for trains in collaboration with OEMs, according to CIC. The entire process from design to implementation strictly follows industry standards, setting benchmarks in terms of both product performance and quality. TAPS has accumulated millions of kilometers of safe operation, and has proven to meet the stringent requirements of intelligent driving in rail transit.

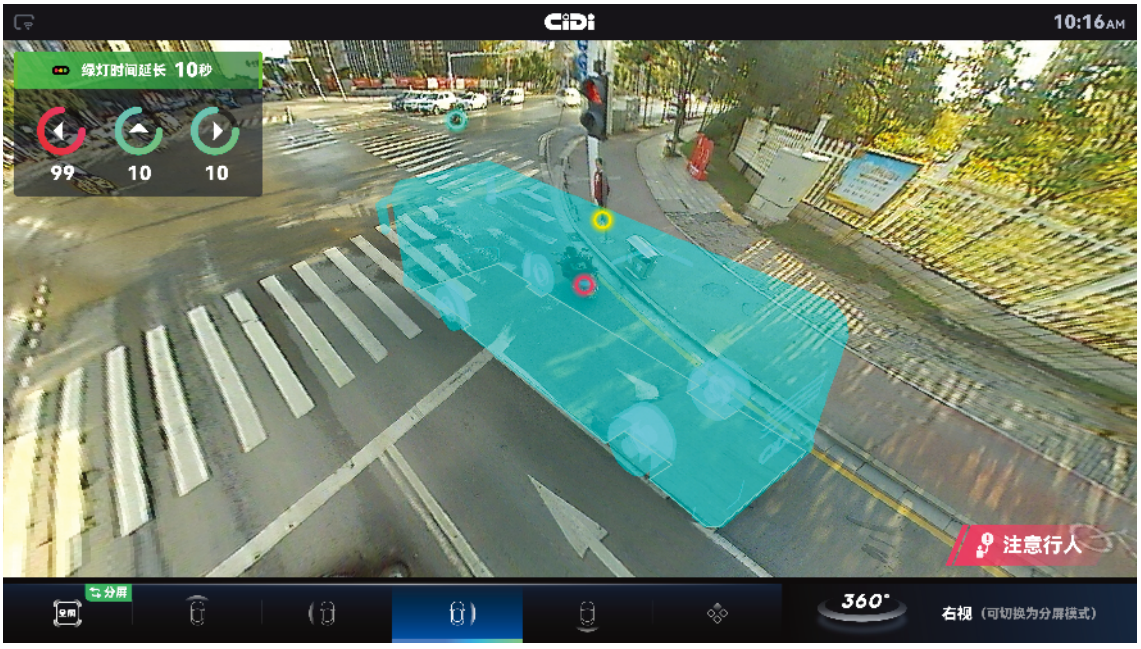
For example, TAPS, which incorporates emergency braking functionality for enhanced safety, operates on the Bishan-Tongliang Line in Chongqing, spanning a total length of 37.5 km, comprising 10.5 km of underground railway track, 16 km of bridges and 11 km of at-grade rail crossing, with nine train stations.

In-vehicle intelligent perception and safety management solution

Leveraging high-performance intelligent connected devices, our in-vehicle intelligent perception and safety management solution for commercial vehicles reduces driving risks by delivering multi-dimensional visual data through a data analysis platform. Additionally, it offers oversight from pre-incident risk avoidance to post-incident response to enhance safety management standards by enabling data-driven fleet and risk management in commercial fleet operation scenarios.

Our in-vehicle intelligent perception and safety management solution delivers a comprehensive suite of functionalities, including 360-degree surround view, omnidirectional warning system and vehicle recording with automatic desensitization, among others. These functions are realized through a single computing device, complemented by sensors and cameras

installed on the vehicle. The system offers 10-100 TOPS of versatile computing power to meet customizable functional requirements. Adapted for a wide range of vehicle types, including passenger vehicles, freight trucks, dump trucks, sanitation vehicles and trains, our solution enhances driver safety and improves security with timely warnings. The life cycle of our intelligent in-vehicle products is five years.



Our solution features the following technological advantages:

- ***Comprehensive perception:*** Compared to TAPS used in rail transit, which focuses on perception in the forward and backward directions of train movement, our in-vehicle intelligent perception and safety management solution utilizes deep learning and AI algorithms to interpret and analyze information from sensors to provide drivers with 360° surround view around the vehicle body as well as beneath and inside the vehicle through the creation of a visually transparent chassis and aerial photography-like effects. Tailored for semi-trailer trucks and other articulated vehicles, utilizes AI visual algorithms to manage dynamic angle changes between the tractor head and the semi-trailer and enable the dynamic stitching of articulated vehicle surroundings.

- ***Accurate and stable warning system:*** Using motion behavior analysis and false alarm avoidance technologies to track surroundings, traffic participants and it accurately assesses potential threats to driving safety, reduces driver distractions and enhances overall driving experience.

- ***High adaptability:*** Leveraging massive data accumulation and generalization technology guided by large models, it adapts to a variety of vehicle models in diverse scenarios such as urban transportation, logistics transportation, airports, and port and mining areas, and can effectively cope with climatic conditions such as rain, snow, fog and haze.

- ***Data desensitization and transmission:*** By adopting leading data security protection technology and efficient data desensitization algorithms, it enables secure and reliable data transmission, ensuring user privacy and data security.

Our solution is supported by comprehensive data analysis technology which integrates, analyzes and visualizes multidimensional data in real-time, providing differentiated operation and maintenance reports on a regular basis, achieving comprehensive utilization and precise analysis of in-vehicle data. It also facilitates efficient and intelligent full-process operation management and oversight from pre-incident risk avoidance to post-incident response.

Moreover, the rise of new energy vehicles has exacerbated challenges in commercial vehicle safety and related costs. Our products have been selected for mass production by leading commercial vehicle OEMs such as Sinotruk and FAW Jiefang. Leveraging our solution, OEMs can introduce more competitive and differentiated products with enhanced driver visibility, reduced labor intensity and improved vehicle safety, consequently bolstering the OEM's brand influence.

Commercialization

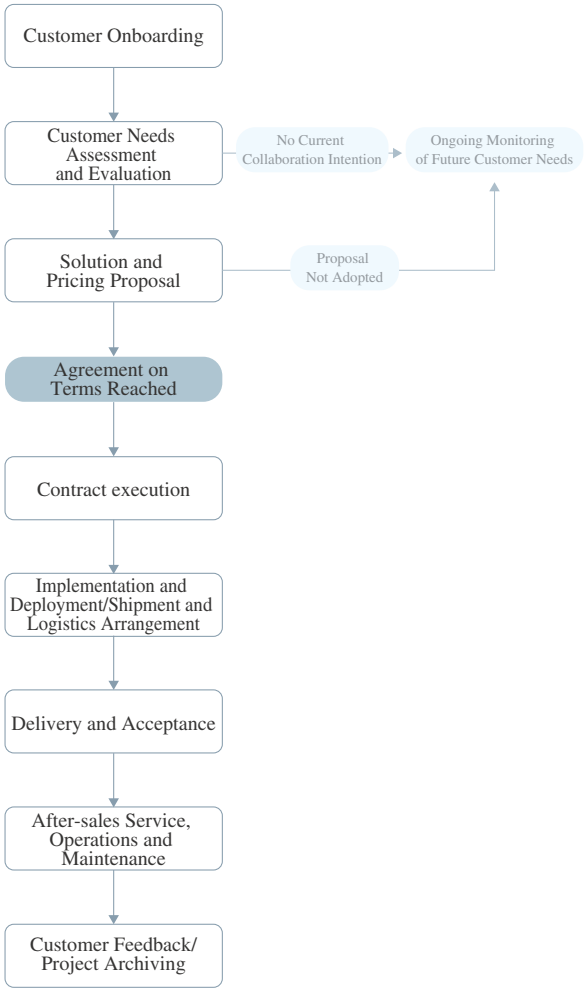
We have strategically adopted a product sales model over a fleet operation or management model, and we may sometimes be required to provide various financial assistance in relation to such sales to obtain orders from customers. Since many mine operators choose to operate the mining fleets themselves, according to CIC, a product sales model avoids the exclusion of such customers. By prioritizing product sales, we can effectively serve any fleet operator without engaging in direct competition. Moreover, our core competency lies in robotics technology development and innovation, making the product sales model more aligned with our strengths. The product sales model also shields us against income fluctuations linked to daily output prices, weather patterns and supply chain disruptions. By emphasizing the value-add of our proprietary technology in our product sales, we can focus on iterating and developing innovative products and swiftly gathering customer feedback to assess product-market fit. This strategic direction not only validates our technological readiness and product quality but is also a preferred trajectory for our growth and market positioning.

We adopted a transaction-based model for our products and solutions. We started to commercialize intelligent driving technology for commercial vehicles in 2018, and were one of the earliest among industry peers in China (including Hong Kong, Macau and Taiwan) to do so, according to CIC. We began mass production of our V2X products and solutions in 2019 and implemented V2X projects in five out of seven national-level V2X pilot zones in China. We began mass production of our METAMINE and closed-environment autonomous logistics truck solutions in 2022. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers. We began mass production of our TAPS and in-vehicle intelligent perception and safety management solution in 2023 and delivered 80 units and 11,105 units, respectively, to customers as of June 30, 2025.

The following table illustrates the key commercialization timeline of our major products, reflecting our continuous application of advanced technologies:

Specialist Technology Products	Launch	Start of Revenue Generation	Mass Production
V2X products and solutions	March 2018	December 2018	2019
METAMINE	June 2020	September 2021	2022
Closed-environment logistics truck solution	February 2021	September 2021	2022
TAPS	March 2022	February 2023	2023
In-vehicle intelligent perception and safety management solution	October 2022	June 2023	2023

The chart below illustrates our transaction flow from initial customer engagement, procurement to product delivery and warranty and maintenance.



Our pre-sales, project implementation and post-sales processes are outlined below.

- ***Pre-Sales Stage.*** We conduct comprehensive market research to understand market trends, the competitive landscape and the needs of potential customers prior to initiating the customer acquisition process. Once a business opportunity is identified, we typically conduct frequent customer visits to formulate a preliminary pre-sales solution tailored to the specific requirements of the customer. The initial proposal, encompassing specific aspects such as target functions, product performance and cost, is then optimized and further customized according to customer feedback.

- ***Project Implementation Stage.*** Production plans, quality control and logistics are arranged in accordance with the sales agreements we enter into with our customers. We conduct on-site installation and testing of the products and solutions, followed by

functionality verification. We provide technical training services to our customers on the use and operation of our products and solutions, and proactively address any additional customer needs.

- ***Post-Sales Stage.*** Upon delivery, a joint inspection with the customer is conducted to verify product quantity and quality. Comprehensive after-sales services, including technical support, system updates and upgrades, routine maintenance and troubleshooting, are provided to ensure smooth operation and customer satisfaction. We collect customer feedback to address any complaints or issues promptly, continuously improving products and services.

We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024. Our revenue increased from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. In 2022, 2023, 2024 and the six months ended June 30, 2025, the number of our recurring customers amounted to five, six, 19 and 13, respectively. The number of recurring customers is calculated by subtracting the number of new customers during the respective period from the total number of customers for the same period.

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	27,998	90.2	74,418	56.1	254,887	62.1	156,043	60.4	378,364	92.7
Closed-environment autonomous mining trucks products and solutions	27,187	87.6	64,132	48.3	246,635	60.1	152,456	59.0	375,820	92.1
Closed-environment autonomous logistics trucks solution	811	2.6	10,286	7.8	8,252	2.0	3,587	1.4	2,544	0.6
V2X products and solutions	3,058	9.8	36,812	27.8	101,591	24.8	74,237	28.7	9,179	2.3
Intelligent perception	—	—	21,374	16.1	53,557	13.1	28,181	10.9	20,493	5.0
Total	**31,056**	**100.0**	**132,604**	**100.0**	**410,035**	**100.0**	**258,461**	**100.0**	**408,036**	**100.0**

During the Track Record Period, we recognized revenue on a gross basis for the majority of our business and recognized revenue on a net basis for the purchases we initiate on behalf of customers, mainly V2X. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, revenue recognized on a net basis is nil, RMB1.0 million, RMB1.1 million, RMB0.2 million and RMB0.4 million, representing nil, 0.8%, 0.3%, 0.1% and 0.1% of our total revenue, respectively. See "— Customers" and "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion."

Key Operating Data

The table below sets forth key metrics of our autonomous driving, V2X and intelligent perception products and solutions:

	Year ended December 31,															Six months ended June 30,				
	2022					2023					2024					2025				
	Autonomous driving		V2X	Intelligent perception		Autonomous driving		V2X	Intelligent perception		Autonomous driving		V2X	Intelligent perception		Autonomous driving		V2X	Intelligent perception	
	METAMINE solution	Closed-environment autonomous logistics truck solution		TAPS	In-vehicle intelligent perception and safety management solution	METAMINE solution	Closed-environment autonomous logistics truck solution		TAPS	In-vehicle intelligent perception and safety management solution	METAMINE solution	Closed-environment autonomous logistics truck solution		TAPS	In-vehicle intelligent perception and safety management solution	METAMINE solution	Closed-environment autonomous logistics truck solution		TAPS	In-vehicle intelligent perception and safety management solution
Number of customers	4	4	9	–	–	8	4	29	1	7	21	3	27	2	12	11	1	10	–	12
Number of new customers[1]	3	2	7	–	–	6	3	26	1	7	17	1	19	1	8	7	1	7	–	6
Average customer value[2] *(RMB in thousands)*	6,796.7	202.8	339.8			8,016.6	2,571.4	1,269.4	8,540.9	1,833.3	11,744.5	2,750.7	3,762.6	2,680.2	4,016.4	34,165.4	2,544.0	1,019.9	–	1,863.0
Sales volume[3]	14 trucks	2 sets	N/A	–	–	28 trucks	3 sets	N/A	67 units	2,134 units	91 trucks and 60 sets	6 sets	N/A	13 units	6,413 units	171 trucks and 50 sets	1 set	N/A	–	2,558
Average contract value[4] *(RMB in thousands)*	5,489.0	1,707.8	2,961.6	1,764.1	11.0	15,044.5	610.1	1,892.0	1,037.3	28,833.0	22,724.4	15,849.5	1,957.7	3,032.0	29,418.2	8,840.2	676.5	732.1	–	4,755.0
Number of projects[5]	4	4	9	–	–	6	6	25	2	7	10	2	17	2	8	10	1	5	–	8

Notes:

(1) Number of new customer in a given period refers to customers who contributed to our revenue in that period and did not do so in the previous period. A significant portion of our customers are new in each period, primarily due to our project-based model. In this model, once a project concludes, customers may not immediately require further transactions with us until additional needs arise in the future.

(2) Average customer value for a given period is calculated by dividing revenue in that period by the number of customers for the same period.

(3) The sales volume of our METAMINE solution refers to the sales of autonomous mining trucks. In 2024, we also sold 60 sets of standalone autonomous truck systems. The sales volume of V2X products and solutions are not included because their sales vary from individual hardware devices to solution packages, making it difficult to quantify or provide meaningful comparison.

(4) Average contract value is calculated by dividing the total contract value for the given category signed with customers in that period by the number of contracts for the same category signed in the same period. Such value is for indicative purpose only as it may fluctuate substantially each year and for different product categories due to factors such as variations in project scale, duration, scope and timing of signing, among others.

(5) Number of projects in a given period refers to the projects for which revenue is recognized during that period. The number of projects may be lower than the number of customers, primarily because although we adopt a project-based model for most of our products and solutions, we also sell certain standardized products on an off-the-shelf basis.

We adopt a project-based model for most of our products and solutions. The average customer value and average contract value for intelligent driving was relatively low in 2021 because at the initial stages of our intelligent driving business, customers ordered smaller quantities of our products. As our intelligent driving offerings became more mature and developed a stronger reputation in the market, we signed increasingly larger projects with customers for a substantially larger quantity of our autonomous trucks and systems. The average customer value for V2X products and solutions fluctuated during the Track Record Period because the products and solutions offered to each customer varies significantly due to individual customer needs.

Certain of our products are sold on an off-the-shelf basis, such as our teleoperation station and standard in-vehicle devices for our in-vehicle intelligent perception and safety management solution that require relatively little customization, although some may involve different module combinations according to customer needs. For such products, the components are typically made according to orders received, although some components are readily available in our inventory.

All customers who contributed to our revenue during the Track Record Period were located in mainland China.

Our Major Projects

The table below sets forth details of our major projects with the highest revenue contribution for each business line in each year/period of the Track Record Period and on-going as of the Latest Practicable Date.

	Revenue	Year of revenue recognition	% of total revenue in the year of revenue recognition	Customer background	Place of implementation	Products/solutions provided	Project description	Project duration	Contract sum[1] (tax inclusive)	Backlog value
	(RMB in thousands)								*(RMB in thousands)*	
Autonomous Driving										
An autonomous mining project for a large coal mine	190,646	2025	46.7% for six months ended June 30, 2025	A company founded in 2018 and registered in Inner Mongolia, which is Customer M among our five largest customers in the six months ended June 30, 2025. The company primarily engages in mining and construction services.	Zhungeer, Inner Mongolia	METAMINE solution	We delivered 100 driverless hybrid mining trucks along with a supporting autonomous truck system for a mining project. These trucks feature 360-degree perception with no blind spots, are built to withstand harsh environments and enhance environmental awareness and decision-making efficiency, enabling safer operations in mining areas without the need for safety back-up personnel.	Approximately five months with a warranty period of three years	220,000	–
An autonomous mining project for a large coal mine	152,299	2024	37.1%	A company founded in 2021 and registered in Anhui, which is Customer K among our five largest customers in 2024. The company primarily provides engineering technical services and engages in the design and execution of construction projects.	A large coal mine in Northwestern China	METAMINE solution	We provided 56 autonomous mining trucks and accompanying autonomous truck systems. The autonomous mining trucks we delivered are capable of efficiently and safely in complex environments, achieving mixed operations with manned vehicles in open-pit coal mines.	Approximately nine months with a warranty period up to five years	175,380	–

Notes:

(1) The difference between the contract sum and the revenue recognized is attributable to the inclusion of taxes within the contract value.

	Revenue	Year of revenue recognition	% of total revenue in the year of revenue recognition	Customer background	Place of implementation	Products/solutions provided	Project description	Project duration	Contract sum[1] (tax inclusive)	Backlog value
	(RMB in thousands)								*(RMB in thousands)*	
An autonomous mining project for a sand and gravel mine	41,263	2023	31.1%	A company founded in 2020 and registered in Hubei, which is Customer F among our five largest customers in 2023. The company is an automotive OEM that primarily engages in the R&D, design, production and sales of automobiles and automotive parts.	Wuxue, Hubei Province	METAMINE solution	We provided 20 fully electric autonomous mining trucks that can smoothly complete unmanned haulage tasks in complex scenarios with high traffic volumes and achieve mixed operations with manned vehicles in sand and gravel aggregate mines.	Approximately nine months with a warranty period of one year	46,627	–
An autonomous mining project for a sand and gravel mine[2]	22,152	2022	71.3%	A company founded in 2007 and registered in Hong Kong, which is Customer A among our five largest customers in 2022 and 2024. The company primarily engages in the production of cement and cement products, as well as the operation of port facilities for cargo handling and storage.	Jurong, Jiangsu Province	METAMINE solution	We delivered 14 driverless electric mining trucks for an intelligent mining project in Jurong, Jiangsu. This project enabled the mine operator to perform autonomous loading, haulage, unloading and recharging operations around the clock without the need for safety back-up personnel.	Approximately nine months with a warranty period of one year	25,032	–
V2X										
A V2X demonstration zone project (Shenzhen V2X Project)	7,591	2025	1.9% for the six months ended June 30, 2025	A company founded in 2007 and registered in Shenzhen, primarily engaging in providing intelligent connected solutions for commercial vehicles.	Shenzhen, Guangdong Province	V2X products and solutions	We provided V2X products and solutions such as OBUs and RSUs, enabling a comprehensive upgrade and networked transformation of signal-controlled intersections in Pingshan, Shenzhen.	Approximately 16 months with a warranty of two years	11,695	–

Notes:

(2) We incurred gross loss for this project, primarily due to (i) this being China's first autonomous electric mining project with full mining area coverage, where we offered the customer a preferential price to seize market opportunities, gain industry experience, and secure future collaborations; and (ii) the extended execution period and our significant investment in manpower and materials for technical adjustments, as it was our first mining truck project.

	Revenue	Year of revenue recognition	% of total revenue in the year of revenue recognition	Customer background	Place of implementation	Products/solutions provided	Project description	Project duration	Contract sum[1] (tax inclusive)	Backlog value
	(RMB in thousands)								*(RMB in thousands)*	
A V2X demonstration zone project (Chongqing V2X Project)	60,133	2024	14.7%	A company founded in 2019 and registered in Chongqing, which is Customer L among our five largest customers in 2024. The company primarily engages in investment, property management, real estate development and property leasing.	Chongqing	V2X products and solutions	We provided intelligent driving vehicles and V2X products and solutions such as OBUs and RSUs, integrating edge computing technologies and completed the intelligent transformation of roadway with full C-V2X coverage over 55km and 98 intersections, facilitating the construction of an intelligent driving demonstration zone.	Approximately 36 months with a warranty period of two years	67,103	–
A V2X pilot zone project	9,884	2023	7.5%	A company founded in 2005 and registered in Beijing, which is Customer G among our five largest customers in 2023. The company primarily engages in the development and provision of location-based services and intelligent transportation solutions.	Xiangyang, Hubei Province	V2X products and solutions	We provided V2X products and solutions including OBUs, RSUs and accompanying systems, enabling intelligent upgrade and connection of 52 intersections and 255 buses.	Approximately 12 months with a warranty period of three years	11,267	–
An open road intelligent transformation project	1,032	2022	3.3%	A company founded in 2019 and registered in Hunan, which is Customer D among our five largest customers in 2022. The company primarily engages in the development and application of intelligent driving technologies and solutions.	Changsha, Hunan Province	V2X products	We provided RSUs for the V2X upgrade of 31 intersections, facilitating intelligent infrastructure transformation.	Approximately 17 months with a warranty period of three years	1,166	–

	Revenue	Year of revenue recognition	% of total revenue in the year of revenue recognition	Customer background	Place of implementation	Products/solutions provided	Project description	Project duration	Contract sum[1] (tax inclusive)	Backlog value
	(RMB in thousands)								*(RMB in thousands)*	
Intelligent Perception										
A rail transit project	5,266	2024	1.3%	A company founded in 2014 and registered in Beijing, primarily providing comprehensive intelligent urban rail transit solutions leveraging its digital technologies.	Chongqing	TAPS	We provided our TAPS system for rail transit, enabling autonomous speed measurement and positioning and active obstacle detection of trains equipped with TAPS, delivering robust technological support for the safe and efficient operation of rail transit systems.	Approximately five months with a warranty period of two years	5,950	–
A vehicle intelligence project	68,753	2023, 2024 and June 30, 2025	8.8% for 2023; 9.5% for 2024; 4.5% for the six months ended June 30, 2025	A company founded in 2007 and registered in Chengdu, primarily engaging in the production and sales of automobiles and automotive parts and components.	Chengdu, Sichuan Province	In-vehicle intelligent perception and safety management solution	We provided IPUs and OBUs, enabling the intelligent upgrade of the customer's heavy-duty trucks, enabling adaptive surround view, intelligent three-dimensional object detection and warning, automatic pedestrian and vehicle information desensitization, among others. These features offer truck drivers a smarter, safer and more pleasant driving experience and enhance the operational management of commercial vehicle fleets.	Products delivered by batches pursuant to the annually renewed framework agreement	170,000	81,689

OUR TECHNOLOGIES

Proprietary Technologies

Key algorithms underpinning our products and solutions

Industry-leading autonomous vehicle planning and control technology

We offer autonomous planning and control systems for heavy-duty vehicles. Our expertise lies in developing a range of autonomous trucks, from high-speed semi-trailer tractors to articulated mining trucks, equipped for automatic steering, acceleration, deceleration and navigation in fixed and uncertain scenarios. Our systems integrate tightly with drive-by-wire setups, utilizing optimized navigation techniques, machine learning algorithms, and dynamics control principles for efficient development and deployment. By employing optimal and predictive control methods alongside machine learning, we ensure adaptivity and robustness, enabling precise, collision-free trajectory control in complex scenarios such as high-speed navigation, large-curvature turns, reverse parking, overtaking and emergency braking. With a focus on vehicle dynamics modeling and optimal control strategies, we excel at deploying complex industrial vehicles in challenging environments.

Our algorithms accommodate various powertrains and account for terramechanics, power, and transmission factors, delivering robust performance even under actuator degradation, with parking systems realizing lateral and longitudinal accuracies within five centimeters. Our autonomous trucks utilize state-of-the-art multi-modal planning and adaptive optimization algorithms for navigating fixed and non-fixed routes. Our advanced trajectory planning technology ensures high precision and adaptive path adjustments for maneuvers in complex environments and calculates trajectories in real-time to enhance fleet efficiency. Employing game-theoretical and Markov decision process techniques, our planning system predicts traffic behavior and interacts with human-driven vehicles effectively.

Dust, fog and vibration-proof perception systems

Our vehicles feature advanced perception systems, incorporating LiDAR, radar and vision within a connected "sensor matrix," crucial for high-level intelligent driving, especially in dynamic industrial and commercial settings demanding high reliability and accuracy. As a result, our vehicles consistently operate without drivers, offering a reliable path to commercial vehicle autonomy.

Through years of refining design choices and technical breakthroughs, we incorporate multi-sensor fusion techniques to optimize sensor performance by filtering environmental noise such as rain, fog, dust and lighting. We self-developed object detection technologies that are adaptive to terrain changes, ensuring reliable performance under varying conditions. By executing multiple tasks simultaneously via sensor network algorithms, such as occlusion detection, drivable-area detection, 2D and 3D object detection and grid-based recognition with vision transformers, the system effectively analyzes complex road conditions, even in low visibility.

Advanced multi-agent decision and optimization technology

We developed proprietary multi-vehicle coordination technology for heavy-duty fleets. Our dedicated software system, G-Synthesis, integrates with multiple independent autonomous vehicles to create a cooperative fleet system. Using both distributed V2V methods and centralized coordination, our vehicles work together to achieve collective goals such as queueing, resolving traffic conflicts and preemptively creating ideal traffic arrangements, effectively avoiding traffic congestions or deadlocks, guaranteeing successful autonomous fleet deployment for our customers to enhance operational efficiency.

Our comprehensive multi-agent system encompasses functions such as traffic coordination, agent prediction, dispatching and scheduling, leveraging techniques such as graph-based search, traffic flow analysis and other optimization algorithms. Rigorous testing and validation using advanced computational tools and machine learning methods guarantee the adaptability of our traffic coordination mechanisms to new and diverse scenarios. Capable of coordinating up to 1,000 vehicles concurrently, including human-driven ones, our autonomous fleets exhibit exemplary coordination in various complex settings, from orderly queuing at mine workfaces, complex parking scenarios to managing dynamic loading areas and load staggering balancing requirements efficiently.

Integrating connected vehicles with intelligent driving

We integrate V2X technology with intelligent driving to introduce advanced functionalities, utilizing low-latency direct vehicle communication through DSRC and C-V2X to enhance autonomous vehicle capabilities and fleet operations. V2X technology not only creates independent commercial opportunities but also serves as a foundation for running autonomous vehicle fleets via V2X connectivity, enabling timely coordination and information sharing.

These advanced functionalities encompass V2V platooning, synchronized acceleration and deceleration and V2I systems delivering real-time data to vehicles through roadside perception, enhancing fuel efficiency, safety and operational efficiency at intersections. Leveraging distributed cooperative systems on V2V networks, we implemented V2V platooning for heavy truck fleets at

speeds up to 60 km/h, local V2V traffic networks for up to 20 mining trucks and traffic-free signaling for unstructured intersections, demonstrating our dedication to advancing reliable and comprehensive traffic solutions through the fusion of V2X and intelligent driving technologies.

Complete human-to-robot complementary technologies

Our autonomous driving solutions, especially the METAMINE solution, feature subsystems designed to enhance human-robot interactions. For remote-assisted operations and occasional teleoperated takeover, we use ultra-low latency teleoperation station, specifically designed for heavy-duty vehicles and industrial machinery. For dispatch and scheduling, we offer curated data dashboards and analytics for driverless fleet operators. For human-driven vehicles and machinery, we provide integrated dispatch and coordination terminals. These technologies improve overall usability, maintainability and practicality, allowing one remote engineer to manage the operations of a fleet of autonomous vehicles comfortably from a dispatch office. Moreover, the interactive elements of our system designs enhance the user interface and user experience of our products and solutions. Our software is tightly integrated with our driverless fleet, ensuring a seamless experience for human operators, and enabling remote operations such as blast site scheduling, vehicle maintenance and fleet monitoring.

Algorithms and tools for internal development and testing

Simulation

Simulation is essential for designing, validating and verifying our intelligent driving systems. Our entire technology stack can be simulated with internal proprietary tools and development environments, including the use of virtual perception obstacles, decision, planning, positioning, control and vehicle dynamics. We use multi-modal robotics simulation platforms internally to test singular driverless vehicles and fleets of vehicles or for high-fidelity complex traffic simulation.

Our simulation platform can test over 300 autonomous vehicle systems operating simultaneously in one common artificial reality. Deploying a commercial autonomous fleet that operates safely and effectively requires simulating not only single vehicles, but also the behavioral interactions between multiple vehicles. This allows us to effectively test high-dimensional AI algorithms, including complex techniques such as multi-agent reinforcement learning and distributed control. Consequently, our autonomous fleets display an industry-leading capacity to solve or even entirely avoid traffic jams or deadlocks, since we fully test these possibilities prior to physical deployment.

Our simulation systems are an integral part of our engineering processes. Distributed simulated robotic vehicles in simulated environments are interconnected in a cloud-based multi-system software-in-the-loop system to validate the cooperative traffic abilities of the driverless software. We also integrate human-driven systems such as virtual human-driven vehicle and dispatch systems in the loop to confirm overall operational requirements in mixed operation scenarios. As of June 30, 2025, through providing engineers with automated data analytics and generated reports, we had validated over 3,000 new features or bug fixes through simulation for the METAMINE solution alone.

To optimize computing capacity, we focus efforts on particularly challenging scenarios such as signal-free intersections, multi-vehicle approaches, queuing and overtaking under uncertainty. Such scenarios are often sensitive to changing boundary conditions, with no fixed solutions. To ensure adequate coverage of algorithm designs, we test them by creating hundreds of scenarios using generative methods to validate the system's performance boundaries.

Robust and maintainable modular hardware deployment tools

To accelerate deployment and provide reliable intelligent driving products, we developed a suite of modular hardware deployment tools. These tools improve project and inventory turnover, increase staff efficiency and enhance customer satisfaction. Our capability is evident in our rapid and successful delivery of some of the world's most complex driverless mining projects across China.

Our tools include automated sensor calibration tools, drive-by-wire testing tools, production testing tools, data analytics tools and connectivity tools. The deployment cycle for our autonomous trucks takes only 30 days from commissioning to operational readiness, ahead of industry levels, which typically take several months, according to CIC. For on-site deployment, our tools and remote software deployment can effectively handle projects such as underground mining and railway perception without engineers being physically present.

RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new products and solutions, and enhance existing products and solutions is critical for maintaining our market position.

R&D Team

Our R&D team consists of talents with extensive industry expertise, focusing on developing and commercializing our products and solutions which help maintain our technological advantages and market competitiveness. Our core R&D team members have an average of more than 15 years

of experience in engineering, with domestic or overseas working experience in reputable technology companies. Each of our core R&D team members has their specialized area and the following table sets out their profile:

Core R&D team member	Profile
Dr. MA Wei	A Silicon Valley veteran, our co-founder, vice chairman and chief architect, Dr. Ma, has over 30 years of expertise in robotics, signal processing and automotive industries. He previously held key research positions at National Semiconductor Inc and Texas Instrument Inc in the United States, specializing in intelligent driving applications. He brings profound technical and managerial experience, and is primarily responsible for designing our technology architecture and leading the R&D of new products and technologies at our Company. See "Directors and Senior Management — Directors — Executive Directors."
Dr. HU Albert Sibo	Our executive Director and chief executive officer who has over ten years of experience in automated systems and artificial intelligence. He oversees our daily operations and is responsible for managing our CidiLabs Research Institute as well as our engineering and quality management department, among other operational units. He is primarily responsible for the R&D of system algorithms and simulation. See "Directors and Senior Management — Directors — Executive Directors."
Mr. LIU Zhou	Our vice president with 12 years experience in the field of electromechanical engineering. He oversees our intelligent driving department and is the head of our autonomous mining division. His primary responsibilities include the design and development as well as testing and validation of our mining products.
Dr. SHENG Weitian	Our director of our autonomous truck division, with extensive experience in the field of software engineering and high-performance algorithms, and is primarily responsible for product design and development as well as testing and validation of our autonomous commercial trucks.

Core R&D team member	Profile
Dr. HU Rongdong	Our vice president with approximately ten years of experience in the field of AI. He is the head of our V2X and intelligent perception division, primarily responsible for the design and development as well as testing and validation of intelligent perception and cloud platform products.

As of June 30, 2025, our R&D team consisted of 249 members, over half of which held a postgraduate degree or above. Our R&D team represented 54.1% of total employees as of the same date. Our research and development expenses amounted to RMB110.5 million, RMB90.4 million, RMB193.2 million, RMB35.3 million and RMB151.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. The salient terms of agreements with management and technical staff are set out below:

- ***Ownership of intellectual properties.*** We hold the intellectual property rights, including patent rights, proprietary technology rights, copyrights and related interests, to any proprietary technology, patented products and other works created or contributed to by the employee as part of their duties during their term of employment.

- ***No conflict.*** Employees shall not engage in any other job, whether full-time or part-time, during their term of employment.

- ***Non-competition.*** We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employees shall not engage in any competitive behavior specified in the agreements.

- ***Confidentiality.*** During the term of employment, except as necessary to perform their duties, and for all time thereafter, employees shall not, without our prior written consent, disclose, divulge, announce, publish, impart, transfer or otherwise make known to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.

To improve our R&D capability at the group level, we have established incentive programs for our R&D employees. We grant cash rewards to employees who materially contribute to our patent applications, trademark registrations or software copyrights.

During the Track Record Period, there was no legal claim or proceeding that may have an influence on the R&D of our Specialist Technology Products.

Key Research Projects

We are currently engaged in various R&D projects to iterate and upgrade our products and solutions, with the following key projects:

Autonomous Driving

- ***METAMINE.*** We have been conducting R&D to upgrade METAMINE for more intelligent and reliable driverless drilling, blasting, excavation and haulage processes and more integrated functionalities, with plans to launch our upgraded METAMINE solution in 2026. The upgraded METAMINE solution will further optimize mining operations by utilizing a centralized command platform for the unified management and scheduling of drilling, excavation, blasting and haulage equipment based on real-time site conditions. It aims to achieve full on-site automation of the four key mining processes, including unmanned haulage, and intelligent remote operation of excavation, drilling and blasting operations.

- ***Cabless autonomous mining trucks.*** We commenced the R&D of autonomous mining trucks without driver cabins in 2023 and expect to launch the product in 2025. The cabless design significantly enhances maneuverability, eliminates the need for cabin space, enables loading and unloading without the need for U-turns, and offering advanced functions such as dual-axle steering and diagonal movement. These trucks aim to streamline mining transport processes by reducing costs, increasing efficiency, minimizing energy consumption and imposing lower demands on road and site conditions.

V2X

- ***Upgraded RSU products.*** We commenced the iteration of RSU products in May 2024, conducting preliminary research based on new NR V2X technology, and expect to launch the products by the end of 2025. The enhanced RSU products will integrate the latest 5G and C-V2X technologies to boost data transmission speed, reduce communication delays and enhance NR-V2X communication capabilities for enhanced safety, reliability, interoperability and more stable performance in challenging road conditions.

- ***Upgraded V2X + Active Transit Signal Priority System.*** We are conducting R&D to upgrade our *V2X + Active Transit Signal Priority* system to enable adaptive prioritization of emergency vehicles, with plans to launch the upgraded solution in 2025. The upgraded solution aims to enhance emergency vehicle passage throughout road networks. Decision-making based on roadside traffic data and emergency requests enables smoother passage for emergency vehicles and automates emergency routing. This upgrade focuses on improving dynamic route adaptability while minimizing traffic disruptions.

Intelligent Perception

- ***TAPS.*** We conducted the R&D of upgraded TAPS in 2024 to enhance the reliability and performance of its sensor-suite, and have launched the upgraded product in October 2024. The upgraded TAPS enhanced sensor reliability and performance and expanded perception ranges. It enhanced adaptability in challenging conditions such as rain and snow, shortens deployment cycles with refined simulation and testing tools. We plan to offer customized solutions targeting specific scenarios such as long-distance perception, and aim to further enhance adaptability, stability and deployment efficiency to reinforce product competitiveness.

We do not expect any material changes in revenue mix, business model, geographical region and end user industry, use cases or application scenarios in the foreseeable future.

Outsourced R&D Arrangements

During the Track Record Period, we engaged independent technology companies specializing in the design and development of embedded hardware products for outsourced R&D arrangements for certain assistive hardware that form parts of our products and solutions. We primarily outsource non-core general technology and hardware development. This arrangement enables us to focus on our core competencies, specifically the development and application of algorithms related to autonomous driving and V2X technology, optimizing software functionality and algorithm efficiency. By partnering with outsourcing firms that have mature development processes and technical platforms, we can significantly accelerate new product development, thereby reducing time-to-market and gaining a competitive edge. Additionally, outsourced R&D optimizes the utilization of our in-house R&D personnel, enhancing overall R&D effectiveness and resource utilization efficiency.

In 2022, 2023, 2024 and the six months ended June 30, 2025, we engaged four, six, eight and one independent technology companies for outsourced R&D, respectively. Our outsourced R&D arrangements accounted for 0.8%, 0.5%, 1.1%, 0.6% and 0.5% of our total R&D expenses in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The major salient terms of our standard outsourced design service agreements are set out below:

- ***Intellectual Property.*** The final R&D deliverables and associated intellectual property rights arising from the performance of this agreement shall be jointly owned by both parties within mainland China. The technology service providers retain the ownership of the underlying technologies related to the product developed under this agreement, as well as any pre-existing technological achievements and intellectual property. We shall have the right to use these technologies and intellectual properties free of charge for the purposes of the collaborative project.

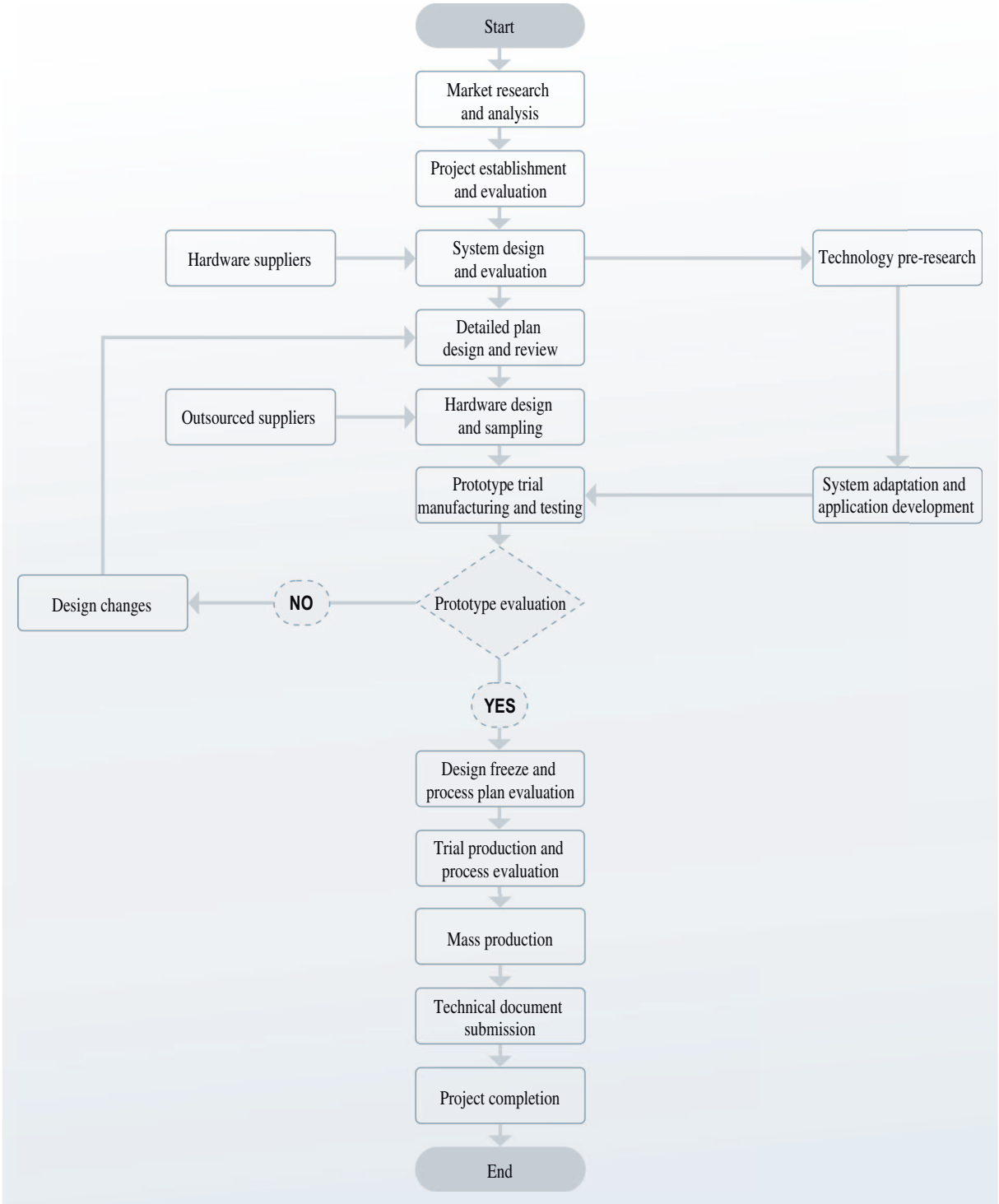
- ***Confidentiality.*** Either party is responsible for keeping strict confidentiality of all the information provided by the other party, and would be responsible for any breach of confidentiality. The confidentiality clause applies for three years from the termination of the agreement.

- ***Termination.*** The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

R&D Process

We developed a four-step iteration methodology, comprising functional, completeness, optimization and reliability loops, which guides our technology evolution, shaping product decisions, operational processes and organizational structure.

The following chart illustrates our each step of our product development and iteration process:



Our product development process is primarily divided into five main stages: (i) product planning: (ii) product design and development; (iii) process design and development; (iv) product and process validation; and (v) feedback evaluation and correction. We conduct a comprehensive analysis of customer needs and technical requirements through requirement gathering and feasibility analysis, which forms the basis for our product design plan. We conduct design failure mode and effects analysis (DFMEA) to enhance the reliability and safety of our products. Upon completion of supplier selection and formulation of the product testing plan, we proceed with prototype production and performance review. During the process design and development stage, we utilize process failure mode and effects analysis (PFMEA) to improve efficiency and process safety, and develop a series of guiding documents to prepare for subsequent trial production. In the product and process validation stage, we conduct trial production and measurement system analysis to confirm whether the product is ready for mass production. We place great emphasis on customer feedback and evaluation to refine our final product.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and knowhow related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid and enforceable intellectual property rights of third parties.

As of the Latest Practicable Date, we had 513 patent applications and 356 registered patents in the PRC, including 164 invention patents, 107 utility patents and 85 design patents. As of the same date, we also had 76 software copyrights and 267 registered trademarks in the PRC. In addition, we had eleven registered patents and seven trademarks overseas as of the Latest Practicable Date.

We acquire patents through self-development. As of the Latest Practicable Date, with respect to our specialist technology products, we self-owned all of our patents as well as patent applications and had no co-own or co-share arrangements of our patents and patent applications with third parties.

Our material intellectual property rights cover technical areas including autonomous driving, V2X and intelligent perception. In the opinion of our PRC Legal Advisor, we established a system for the management and protection of intellectual property to cover the material aspects of each of our major Specialist Technology Products as of the Latest Practicable Date. The table below sets forth the key intellectual property rights corresponding to the core technologies applied in our Specialist Technology Products:

Specialist Technology Products	Core Technology	Patent	Functions/ Application Scenario
METAMINE	A method for autonomous parking	ZL202011223872.6	Autonomous parking for mining trucks
	Methods for vehicle control	ZL202110383026.9 ZL202110359496.1 ZL202110415982.0	High-precision control of autonomous mining trucks
	A method for mixed fleet operation of manned and unmanned vehicles	ZL202010812105.2	Enable mixed fleet operation of driverless mining trucks in collaboration with human-driven vehicles
	A method for estimating total vehicle mass	ZL201910223240.0	Enable the precise control of driving or braking forces of mining trucks based on payload
Closed-environment autonomous logistics truck solution	A method for vehicle control	ZL201910188587.6	Precise vehicle control for driverless logistics operations
	Methods for obstacle avoidance	ZL201811556253.1 ZL202110381578.6 ZL201811441511.1	Precise obstacle detection and avoidance decisions
	A method for generating parking trajectories	ZL202010402570.9	Autonomous parking for logistics trucks
V2X products and solutions	An algorithm based on C-V2X technology prioritizing public transportation	ZL202111146639.7 ZL202110222764.5 ZL202110222763.0 ZL202110222712.8	Traffic signal priority in different scenarios, including absolute priority, single lane priority and multi-lane priority

Specialist Technology Products	Core Technology	Patent	Functions/ Application Scenario
TAPS	Methods for obstacle detection	ZL202310917141.9 ZL202310787664.6 ZL202110306554.4	Forward perception for trains
	A method for LiDAR calibration	ZL202310464282.X	Sensor calibration
In-vehicle intelligent perception and safety management solution for commercial vehicles	A panoramic stitching method for semi-trailers	ZL201911289818.9	Panoramic stitching
	Methods for object detection and model training	ZL201910406367.6 ZL201910985902.8 ZL202010199855.7 ZL202110525549.2 ZL201911333161.1	Pedestrian warning and object detection

We confirm that all of the above listed patents are significant for carrying out the key functions of our Specialist Technology Products, and no other material patents are directly applied in our Specialist Technology Products.

Our industry consultant, CIC, confirms and our Directors are of the view that based on the information above, each of our products and solutions fall within an acceptable sector of a Specialist Technology Industry, including Electric and Autonomous Vehicles and Advanced Transportation Technology under Advanced Hardware and Software as defined under Chapter 18C of the Listing Rules.

Regarding the tenure of our intellectual properties: (i) for patents, according to the Patent Law of the PRC, the validity period of an invention patent is 20 years from the filing date; and (ii) for copyright, according to the Copyright Law of the PRC, except for the rights of authorship, modification and the protection of the integrity of the work, which are not subject to time limitations, the publication right of a legal entity's software copyright is protected for fifty years, ending on December 31 of the fiftieth year after the completion of the creation. The protection period for other copyrights is fifty years, ending on December 31 of the fiftieth year after the first publication.

Regarding the payment obligations in relation to our intellectual properties: (i) for issued invention patents, we are mainly required to pay the annual patent fee to competent authorities. We have kept track of the payment requirements for annual fees and made payment accordingly. Up to the Latest Practicable Date, all the due annual fees for the issued patents are paid and the issued

patents are valid according to our PRC Legal Advisor; and (ii) for pending patents, we are mainly required to pay the application fee, the substantive examination fee and the re-examination fee, depending on the examination progress, and we made the payment as required by the competent authorities as of the Latest Practicable Date. As the intellectual properties for each of our Specialist Technology Products are all self-developed, and have not been licensed or transferred from third parties, so there are no corresponding license or transfer fees that we are obligated to pay.

The term of an individual patent may vary based on the countries/regions in which it is granted. In China, the term of an issued patent for invention is generally 20 years from the filing date of the earliest non-provisional patent application on which the patent is based in the applicable country. The actual protection afforded by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extension or adjustment, the availability of legal remedies in a particular country/region and the validity and enforceability of the patent. We cannot provide any assurance that patents will issue with respect to any of our owned or licensed pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our owned or licensed issued patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of designing the same. See "Risk Factors — Risks Relating to Our Intellectual Property Rights — We may not be able to obtain or maintain adequate intellectual property rights protection for our product and solution, or the scope of such intellectual property rights protection may not be sufficiently broad."

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, advisers and contractors. We have entered into confidentiality agreements and non-competition agreements with our senior management and certain key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

These agreements may not provide sufficient protection of our trade secret and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secret and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized

parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. See "Risk Factors — Risks Relating to Our Intellectual Property Rights — We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others."

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors — Risks Relating to Our General Operations — Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches."

As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any instances of infringement of third parties' intellectual property rights. For details, see "Appendix VII — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights." For risks related to intellectual property rights, see "Risk Factors — Risks Relating to Our Intellectual Property Rights."

COMPETITION

China (including Hong Kong, Macau and Taiwan)'s commercial vehicle intelligent driving market was relatively fragmented as of December 31, 2024, with many players still in the stages of exploring technological breakthroughs and accumulating data. We primarily compete with existing companies and new entrants in the autonomous driving, V2X and intelligent perception sectors. Some leading companies are actively expanding into various application scenarios to achieve large-scale commercialization.

According to CIC, we ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%. Additionally, we were one of the earliest companies to achieve commercialization in China (including Hong Kong, Macau and Taiwan)'s commercial vehicle intelligent driving market. We were the third largest autonomous mining technology company in China (including Hong Kong, Macau and Taiwan) in terms of revenue in 2024.

We possess several distinctive competitive advantages, as detailed below:

(i) We adopt multi-vehicle strategies. From years of focusing on cooperative vehicle technologies including multi-agent global planning and distributed vehicle systems, we have a better understanding of the complex traffic strategies required in a variety of mining operations. Thus, our driverless vehicles can handle more complex scenarios such as multi-vehicle sequential vehicle loading, coordinated parking, automated scheduling for battery charging/swapping in one integrated solution. Due to the high-level of demonstrable intelligence, our vehicles can rapidly deploy with existing human fleets without requiring specific mine-site design or operational restrictions on routes or work surfaces. Accordingly, we were one of the first to deploy mixed-operation fleets in such a large mixed driving scenario working in tandem with other vehicle fleets.

(ii) We have stronger experience in heavy-vehicle control, such as in control strategies for hydraulic systems, as well as drive-by-wire of heavy machinery including excavators. This is evident from the wider range of vehicles we have worked with and our IP portfolio in mechatronics. As a result, our driverless vehicles can execute precision control strategies, such as obstacle overtaking, more accurately and precisely with fewer errors, requiring fewer human interventions. For moving obstacles, we can overtake those moving obstacles traveling up to 15km/h.

(iii) Our perception systems generally exhibit better reliability and accuracy. This superiority is evident from our ability to pass the SIL4 certification for our railway perception system, which uses common perception architecture and sensor fusion strategies to our driverless mining offering. Our perception systems are able to detect 10x10cm rocks from 40 meters away, and have planning and control systems react in time for clearing or overtaking without stoppage;

(iv) Based on the aforementioned advantages, we offer a comprehensive technology portfolio covering autonomous driving, V2X and intelligent perception, which connects us with customers across the entire value chain of the commercial vehicle industry and provides opportunities for cross-domain technological advancement and business development. Meanwhile, the synergy among our three product lines further strengthens our resilience to market fluctuations and supports our sustainable growth;

(v) We have accumulated industry-leading advantages and extensive practical experience through large-scale projects, demonstrating strong project execution capabilities and establishing a solid foundation for continued technological innovation, scalable

deployment and customer trust. At the same time, we achieved commercialisation earlier in the industry, accumulating extensive real-world operational experience to deliver more mature and reliable solutions for our customers; and

(vi) Most of our integrated systems are developed in-house, including V2X hardware and software, as well as the excavator teleoperation solution. This high level of internal development ensures better system integration, providing a more seamless technical experience for our customers and improving both delivery efficiency and operational performance. Meanwhile, during the Track Record Period, our revenue was primarily derived from product sales. This asset-light business model enables rapid replication and expansion with high capital efficiency. Under our product sales model, we may be required to provide various financial assistance (e.g., offering guarantees for financial leases, granting extended payment terms) to obtain orders from customers.

Although closed environments are ideal for the early testing and deployment of intelligent driving technology, transitioning to the commercial vehicle intelligent driving market presents significant challenges for companies originally focused on passenger vehicles. Commercial vehicle intelligent driving requires more advanced sensor strategies, stricter motion control validation, and robust reliability under harsh operating conditions. See "Industry Overview."

We believe that we are strategically well-positioned in our market, and we compete favorably with others based on our comprehensive technological prowess, advanced in-house R&D capabilities, strong ecosystem partnerships and commercialization capabilities to attract and retain customers and expand our market share.

DATA SECURITY AND PRIVACY

We consider data security and protection crucial to our operations. We established a comprehensive set of policies and procedures to guide and regulate our data security management. By adhering to internal control measures, efficiency prioritization, full participation and closed-loop management, we aim to meet our own data security needs, and comply with laws, regulations and contractual obligations. Our data protection strategies cover organizational security, human resources, asset management, access control, encryption and key management, physical and environmental security, operational security, communication security, information system development and maintenance, supplier relationship security, business continuity and compliance management. For certain key activities, we engage professional service providers to supervise us and ensure our compliance with data security and privacy laws.

We cooperate with a service provider with surveying and mapping qualifications, who would provide solutions for the transmission, storage, use, and other processing activities of the geospatial data in order to meet our business needs and to ensure compliance with relevant laws and regulations.

Our products collect data necessary for project operation and transmits it to a cloud platform for processing. Such data includes, but is not limited to, personal information of the end-users of the products. All cloud platforms developed and delivered for our projects are locally deployed on the customer's own server. We may remotely access and process data on the cloud platforms for operation and maintenance purposes based on customer authorization. We do not collect or store any data from the cloud platforms.

We established an information security management committee at the senior management level as the highest authority to ensure our information security management system aligns with mainstream information security standards. Our IT asset management department provides resources and technical support for data security. At departmental level, we set up an information security task force to ensure proper identification and classification of data assets, as well as departmental-level data security audits and internal controls.

As advised by our PRC legal adviser as to data security laws, during the Track Record Period and up to the Latest Practicable Date, we have complied with the currently effective and applicable PRC laws on cybersecurity and data security in all material respects.

SALES AND MARKETING

We adopt a direct sales model. Our sales efforts are centered on the needs of our customers. As of June 30, 2025, our sales team consisted of 40 employees with extensive industry experience and in-depth expertise of our products and solutions. We have established sales offices in major cities in mainland China, including Changsha, Chongqing and Chengdu.

Pricing

We have a pricing management mechanism in place, pursuant to which the marketing department must refer to the pricing guidelines provided by various business units when making pricing proposals to customers. After negotiations with customers regarding our products and solutions, the pricing terms will be submitted to management for review and approval.

We price our products and solutions considering a variety of factors. We implement diverse pricing strategies for each of our products and solutions, tailored to various types of customers, application scenarios and strategic considerations for our future business growth. We primarily

consider the functionalities of the products or solutions offered, the quantity, type and complexity of the hardware, software provided and technologies provided or used, procurement costs and value created for our customers when determining the prices. We also take into consideration the overall market conditions and competitive landscape.

In our intelligent driving business, customers procure mining trucks of different specifications, other subsystems and hardware equipment, based on their operational requirements. We price different products under the same project separately. The pricing of our mining trucks varies according to factors such as power source, load capacity, cargo volume and battery capacity. In 2022, 2023, 2024 and the six months ended June 30, 2025, the average selling price of our autonomous mining truck was RMB1.6 million, RMB2.1 million, RMB2.4 million and RMB2.1 million, respectively. For our V2X business, the highly customized nature of our products and solutions, tailored to specific project requirements, and our offerings ranging from single devices to various combinations of software and hardware, result in significant variability in average selling prices during the Track Record Period. Depending on the diverse requirements of our customers for functionality, the average selling price of our TAPS ranged from RMB100,000 to RMB430,000 during the Track Record Period, with its average selling price being nil, RMB127.5 thousand, RMB412.3 thousand and nil in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. The average selling price of our in-vehicle intelligent management solution was nil, RMB6.0 thousand, RMB7.5 thousand and RMB8.0 thousand during the respective years.

Marketing

Our marketing department is responsible for enhancing our brand awareness and promoting our new and existing products and solutions. As we build a global brand associated with technology-driven innovation, we employed a comprehensive marketing and branding strategy by utilizing various channels to highlight the technical advancements and advantages of our products and solutions and reach potential customers. This includes participating in exhibitions and offline events to directly interact with target customers and gather market feedback, leveraging online marketing strategies such as showcasing our technology and success cases on our website, social media engagement to attract potential clients and publishing articles about technological innovations in our industries, and fostering partnerships with key industry players to jointly promote our products and solutions. As a supplement to our own sales and marketing efforts, we sometimes engage third parties for business development services to assist us in expanding market reach and acquiring customers as we are still in the early stages of commercialization.

CUSTOMERS

Autonomous Driving

We primarily supply our intelligent driving products to (i) mine owners, their general contractors and subcontractors, as well as operators of industrial parks, and (ii) automotive OEMs, which primarily include major domestic heavy truck and mining truck manufacturers. During the Track Record Period, we offered these products through three main approaches: (i) the METAMINE solution that includes our driverless mining trucks and other subsystems; (ii) the autonomous truck system and the central dispatch platform; and (iii) standalone sales of the central dispatch platform, which is capable of operating independently of our autonomous truck system. During the Track Record Period, we recorded payments made on behalf of one of our intelligent driving customers, which mainly represented payments made by us at its request for the purchase of certain project related ancillary products and services from third-party suppliers on its behalf, primarily including intelligent driving related hardware. Our payments on behalf of customers were aimed at providing administrative convenience for the end customers and reducing their communication costs with multiple suppliers. We recognized revenue on a net basis for such purchases we initiate on behalf of customers. According to CIC, such arrangements is in line with industry norm. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion."

The salient terms of our standard sales agreements for the intelligent driving products and solutions during the Track Record Period are set out below:

- ***Product and solution specifications.*** Our customers typically set forth specific product and solution specification requirements for products and solutions ordered, such as name, model, configuration and features.

- ***Payment.*** We accept various payment options to facilitate sales of our products and solutions. Customers are typically required to make advance payments and make progress payments as stipulated in the agreements. Our customers are typically entitled to retain 10% of the total contract value as retention fee, which will be paid to us at the end of the warranty period or as otherwise agreed in the agreements. We may enter into finance leasing agreements with financial leasing companies and our customers who need financing for their purchase. Under the finance leasing arrangement, the financial leasing companies are obligated to make payments when the customers accept our products and solutions and issue the notice of payment.

- ***Delivery and transfer of risks.*** We are generally responsible for delivering the products to locations designated by the customers in accordance with the delivery schedule specified in the agreement. The risks transfer to customers after they confirm acceptance of our products.

- ***Acceptance.*** The acceptance procedures for hardware and software products are conducted separately. We are obligated to replace or repair when the product specifications do not meet contractual agreements. The acceptance outcomes of hardware products and software products shall be considered independently and shall not influence each other.

- ***Warranty.*** We provide different warranty periods for our hardware products based on product type, and a life-long warranty period for the software products within its lifecycle. During the warranty period, we are responsible for the product repair and replacement.

V2X Products and Solutions

Our V2X products and solutions are primarily used by (i) companies engaging in the construction and operation of V2X solutions and intelligent transportation, (ii) automotive OEMs responsible for the pre-assembly of intelligent hardware in smart vehicles, and (iii) research institutes focused on V2X technologies for educational demonstration projects. We provide hardware products driven by our proprietary algorithms and deployed on vehicles and roadside, along with our cloud platform that integrates diverse traffic management systems, forming a comprehensive solution for intelligent transportation. We primarily facilitate the integration of V2X products and in-vehicle software for automotive OEMs, enhancing vehicles' ability to interact and share information with the external environment. We also offer intelligent connected transportation testing environments to support the R&D and validation of their products.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the value of V2X contracts we entered into was RMB74.0 million, RMB66.2 million, RMB45.0 million, RMB26.4 million and RMB5.9 million, respectively. During the Track Record Period, we recorded payments made on behalf of certain of our V2X customers, which mainly represented payments made by us at their request for the purchase of certain project related ancillary products and services from third-party suppliers on their behalf, primarily including software development services. Our payments on behalf of customers were aimed at providing administrative convenience for the end customers and reducing their communication costs with multiple suppliers. We recognized revenue

on a net basis for such purchases we initiate on behalf of customers. According to CIC, such arrangements is in line with industry norm. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion."

The salient terms of our standard sales agreements for the V2X products and solutions during the Track Record Period are set out below:

- ***Product and solution specifications.*** Our customers typically set forth specific product and solution specification requirements for products and solutions ordered, such as name, model, configuration and features.

- ***Ownership of data assets.*** All data involved in the underlying project of the agreement is owned by the customer or the project owner. Without consent of the users, we shall not transmit any personal private information or sensitive information to third parties.

- ***Payment.*** Customers are typically required to make advance payments as stipulated in the agreements and make progress payments upon achieving certain major milestones of the project. Our customers are typically entitled to retain 3% of the total contract value as retention fee, which will be paid to us at the end of the warranty period. We also accept payment by installment after the delivery of the projects.

- ***Delivery and transfer of risks.*** We are generally responsible for delivering the products to locations designated by the customers in accordance with the delivery schedule specified in the agreement. The risks transfer to customers after they confirm acceptance of our products.

- ***Acceptance.*** Our products are inspected upon delivery. Customers have the right to reject our products under specific circumstances, such as discovering quality issues during the initial inspection that render the products unusable, or if the product specifications do not meet contractual agreements. Initial acceptance is conducted after our products and solutions are commissioned and commence operation. There typically is a pilot phase ranging from 30 to 60 days before final acceptance. The acceptance of our products and solutions may be subject to project owners' acceptance of the complete project delivered by our customers.

- ***Warranty.*** We typically provide a two to three-year warranty period for our products and solutions based on the type of product and solution provided. During the warranty period, we are obligated to repair or replace our products free of charge for any product quality issue, except for product damage caused by the customers' improper operation.

- ***Confidentiality.*** All confidential information provided by either party shall not be disclosed to any third party without prior written consent.

- ***Intellectual property rights.*** Based on project requirements, we may be required to develop certain software products as part of the solutions provided. The intellectual property rights and trade secrets arise from the underlying project of the agreement belong to the project owner.

Intelligent Perception

Our intelligent perception solutions are primarily utilized by (i) urban rail transit operators and providers of train and operational service solutions for public transportation and services, (ii) companies that specialize in underground exploration equipment with stringent safety and intelligence requirements, and (iii) automotive OEMs and companies engaged in the manufacturing and sales of highway freight trucks, with a focus on safe transportation and intelligent fleet management. We offer our customers both standardized factory installations and customized aftermarket installations. We generally design, manufacture and provide customized hardware products in accordance with the technical specifications.

The salient terms of our standard sales agreements for the intelligent perception solutions during the Track Record Period are set out below:

- ***Product specifications.*** Our customers typically set forth the product type, specific technical specification requirements and functions expected to be achieved.

- ***Delivery and transfer of risks.*** We are generally responsible for delivering the products to locations designated by the customers in accordance with the delivery schedule specified in the agreement. The risks transfer to customers after the products are delivered to the customers' assembly lines.
- ***Warranty.*** We typically provide a one-year warranty period for our products provided. During the warranty period, we are obligated to repair or replace our products free of charge for any product quality issue, except for product damage caused by the customers' improper operation.

- ***Confidentiality.*** All confidential information provided by the customers shall not be disclosed to any third party without prior written consent.

- ***Intellectual property rights.*** The intellectual property rights arising from the underlying project of the agreement are jointly held by us and our customers.

Finance Lease Arrangements

We sometimes may partner with financial leasing companies to offer alternative financing solutions to customers who require assistance with their capital needs. Our selection of financial leasing partners is based on several criteria, including: (i) their experience with lease transactions in our industry, (ii) their licenses and qualifications, (iii) the terms they provide to our customers and (iv) their ability to offer timely financial support. During the Track Record Period, we entered into such arrangements for certain customers of our METAMINE solution. The financial leasing companies we partnered with were all independent third parties who were recommended to us by our shareholders or customers.

During the Track Record Period, we entered into finance lease arrangements with reputable companies specializing in financing and leasing services within the PRC. Under the standard finance lease arrangement entered into by our financial leasing partner, our customer and us, the financial leasing company retains legal ownership of the product or solution until the customer fully repays the loan. During the Track Record Period, we provided guarantees under finance lease arrangements for three customers. Except for Customer K, as informed by the lessor, the other two customers have fully settled all their outstanding obligations under the finance lease arrangements on schedule in August 2025, and as of the Latest Practicable Date, we had not been required to perform any guarantee obligations. Such arrangement is consistent with common industry practice, according to CIC. Our commercial rationale behind such arrangements is to receive the proceeds upfront and reduce the risk of non-payment by customers when purchasing our products. Without the finance lease arrangements, certain customers would opt for installment payments instead, which could typically stretch the period of revenue recognition up to three years or more, where we believe the risk of non-payment is typically not lower than that of us acting as guarantor. We have a comprehensive decision-making process for determining the amount of guarantee we provide and customers we act as the guarantor. Such decisions are based on negotiations with customers and financial leasing companies on an arm's length basis, our assessment of the customer's default risk, our relationship with customers and in-depth risk benefit analysis. We conduct due diligence on potential counterparties, including evaluating their qualifications, financial stability and capacity to fulfill their obligations.

The salient terms of such finance lease arrangement are set forth as follows:

- ***Financial leasing company's obligations.*** The financial leasing company pays us in full for the products and solutions selected by our customer, with the sole purpose of leasing these products and solutions to the customer according to terms specified in the financial leasing agreement between the financial leasing company and our customer.

- ***End user's obligations.*** As the end user, our customer is responsible for securing the necessary qualifications to use our products and solutions, inspect and accept our products and solutions.

- ***Ownership.*** Financial leasing company generally acquires the ownership of our products and solutions once it makes the payment to us or when the lease starts, until our customer fully repays the loan.

- ***Guaranty.*** In certain circumstances where we serve as the guarantor, we assume vicarious liability for a portion of outstanding balances owed by our customer to the financial leasing company in the event of defaults.

Except as disclosed above, as confirmed by our Directors, we do not have any past or present relationships (including family, employment, financing or otherwise) with the financial leasing companies, their ultimate beneficial owners, shareholders, directors, supervisors, senior management and their respective associates.

During the Track Record Period, we entered into finance lease arrangements with nil, two, one and nil customers in 2022, 2023, 2024 and the six months ended June 30, 2025. As of the Latest Practicable Date, the two customers with whom we entered into finance lease arrangements in 2023 had fully repaid their debts. However, the customer we entered into finance lease arrangements in 2024 is in default currently. See "— Transactions with Customer K". Revenue derived from transactions with finance lease arrangements amounted to nil, RMB8.9 million, RMB153.4 million, RMB152.3 million and nil in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for nil, 6.7%, 37.1%, 58.9% and nil of our total revenue during the respective periods. The total outstanding balances owned by the relevant customers to the financial leasing companies to which we had provided guarantees as of December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 amounted to nil, RMB7.3 million, RMB141.1 million, RMB174.8 million and RMB106.2 million, respectively, and our maximum financial exposure arising therefrom amounted to nil, RMB2.0 million, RMB72.0 million, RMB72.0 million and RMB70.7 million as of the same dates, respectively. As of December 31, 2022, 2023, 2024, June 30, 2025 and September 30, 2025, we recorded financial guarantee contracts liabilities of nil, RMB0.2 million, RMB6.5 million, RMB50.5 million and RMB50.5 million, respectively. Such financial guarantee contracts liabilities reflects a conservative financial approach where provisions are made based on the anticipation of fulfilling guarantee obligations considering the risk of customer default. See "Risk Factors — Risks Relating to Our Financial Condition and Need for Additional Capital — We are subject to risks associated with certain finance lease arrangements, which may cause material and adverse effect on our financial condition and operational results."

Major Customers

Our major customers include mine owners and operators, government entities and universities, commercial vehicle manufacturers, and other corporate customers. Commercial vehicle manufacturers primarily purchase our products and solutions for integration into their own offerings, while certain manufacturers may acquire them for self-use in specific projects. We expand our customer base through various channels. During the Track Record Period, we primarily engaged with our five largest customers of each of the year/period during the Track Record Period through public bidding and tendering, proactive outreach by our sales personnel based on customers' business scope and market position, participation in trade shows and industry conferences, and referrals from existing customers and suppliers. Revenue generated from our each largest customer for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 78.4%, 31.2%, 37.4% and 46.7%, respectively, of our revenue during those years. Revenue generated from our five largest customers of each of the year/period during the Track Record Period for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 96.7%, 64.1%, 80.0% and 94.1%, respectively, of our revenue during those years.

Our five largest customers of each of the year/period during the Track Record Period serve a diverse range of downstream customers, including contractors for mining projects, companies specializing in rail transit and intelligent transportation, intelligent driving and automotive companies.

For the year ended December 31, 2022

Customer	Products/solutions sold	Customer background	Revenue *(RMB'000)*	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer A	Autonomous driving — METAMINE solution	Founded in 2007 and registered in Hong Kong, Customer A primarily engages in the production of cement and cement products, as well as the operation of port facilities for cargo handling and storage.	24,342	78.4	2020	0 to 30 days (stage payment)

Customer	Products/solutions sold	Customer background	Revenue *(RMB'000)*	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer B	Autonomous driving — METAMINE solution	Founded in 2019 and registered in Hunan, Customer B primarily engages in the development and production of advanced materials and technologies for various industrial applications. Customer B purchases our products to incorporate into its dispatch systems, which are subsequently supplied to its downstream customers for mining operations.	2,750	8.9	2021	7 to 15 days (stage payment)
Customer C	V2X	Founded in 2013 and registered in Beijing, Customer C primarily engages in the design, research and system integration of embedded computing solutions.	1,496	4.8	2020	Advance receipt (stage payment)
Customer D	V2X	Founded in 2019 and registered in Hunan, Customer D primarily engages in the development and application of intelligent driving technologies and solutions.	1,032	3.3	2020	10 to 30 days (stage payment)
Customer E	Autonomous driving — closed-environment autonomous logistics truck solution	Founded in 2022 and registered in Shanghai, Customer E primarily engages in the development and provision of intelligent sanitation solutions and services.	404	1.3	2022	5 days (stage payment)

For the year ended December 31, 2023

Customer	Products/solutions sold	Customer background	Revenue *(RMB'000)*	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer F	Autonomous driving — METAMINE solution	Founded in 2020 and registered in Hubei, Customer F is an automotive OEM that primarily engages in the R&D, design, production and sales of automobiles and automotive parts. Customer F purchases and further sells our products to be utilized for autonomous haulage and logistics at the mining site for an autonomous mining project.	41,382	31.2	2023	80 to 180 days (stage payment)
Customer G	V2X	Founded in 2005 and registered in Beijing, Customer G primarily engages in the development and provision of location-based services and intelligent transportation solutions.	15,052	11.4	2022	7 to 30 days (stage payment)
Customer H	Intelligent perception — Intelligent perception solutions for commercial vehicles	Founded in 2009 and registered in Shandong, Customer H is an automotive OEM that primarily engages in the manufacturing of a wide range of industrial equipment. Customer H purchases our products to further sell to its customers.	11,691	8.8	2021	30 to 120 days (bullet payment)

Customer	Products/solutions sold	Customer background	Revenue (RMB'000)	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer I	Intelligent perception — Autonomous perception systems for rail transit	Founded in 1995, registered in Shenzhen, and listed on both the Hong Kong Stock Exchange and Shenzhen Stock Exchange, Customer I is an automotive OEM that primarily engages in the manufacturing of automobiles, rechargeable batteries and new energy solutions. Customer I purchases our products to incorporate into its own products.	8,541	6.4	2021	30 days (bullet payment for products sales and stage payment for technical services)
Customer J	V2X	Founded in 2010 and registered in Jiangsu, Customer J primarily engages in the development and provision of comprehensive IoT solutions along with supporting software and hardware.	8,373	6.3	2019	7 days (stage payment)

For the year ended December 31, 2024

Customer	Products/solutions sold	Customer background	Revenue (RMB'000)	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer K	Autonomous driving — METAMINE solution	Founded in 2021 and registered in Anhui, Customer K primarily provides engineering technical services and engages in the design and execution of construction projects. As a contractor for a mining project, Customer K procured our products for its mining operations. Customer K is not a state-owned enterprise.	153,361	37.4	2023	Advance receipt (bullet payment)

Customer	Products/solutions sold	Customer background	Revenue *(RMB'000)*	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer L	V2X	Founded in 2019 and registered in Chongqing, Customer L primarily engages in investment, property management, real estate development and property leasing. Customer L purchases our V2X products and solutions for deployment within the urban innovation pilot zone it operates.	60,133	14.7	2020	14 days (stage payment)
Customer F	Autonomous driving — METAMINE solution	Please see above.	45,295	11.0	2023	80 to 180 days (stage payment)
Customer H	Intelligent perception — In-vehicle intelligent perception and safety management solution	Please see above.	44,694	10.9	2021	30 to 120 days (bullet payment)
Customer A	Autonomous driving — METAMINE solution	Please see above.	24,448	6.0	2020	0 to 30 days (stage payment)

For the six months ended June 30, 2025

Customer	Products/solutions sold	Customer background	Revenue *(RMB'000)*	% of total revenue	Year of commencing business relationship	Typical credit terms
Customer M	Autonomous driving — METAMINE solution	Founded in 2018 and registered in Inner Mongolia, the company primarily engages in mining and construction services.	190,646	46.7	2024	24-month (monthly installment)(1)
Customer N	Autonomous driving — METAMINE Solution	Founded in 2023 in Inner Mongolia, the company primarily engages in construction engineering and infrastructure development.	81,174	19.9	2025	45 days (stage payment)
Customer O	Autonomous driving — METAMINE solution	Founded in 2010 and registered in Northwest China, the company primarily engages in blasting engineering and hazardous materials transport.	78,752	19.3	2024	10–20 days (stage payment)
Customer H	Intelligent perception — Intelligent perception solutions for commercial vehicles	Founded in 2009 and registered in Shandong, the company primarily engages in the manufacturing of a wide range of industrial equipment, with a registered capital of RMB3,000.0 million.	18,209	4.5	2021	120 days (bullet payment)
Customer P	Autonomous driving — METAMINE solution	Founded in 2023 and registered in Northwest China, the company primarily engages in construction and demolition services.	15,199	3.7	2024	24-month (monthly installment)(1)

Note:

(1) To facilitate our market expansion while addressing the substantial upfront costs typically associated with autonomous mining products and solutions projects, we have agreed with Customer M and Customer P on a 24-month installment payment arrangement. According to CIC, the aforementioned payment arrangement is not unusual in the industry.

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

During the Track Record Period, our customer concentration increased primarily due to (i) the project-based nature of our business, (ii) high-value orders for intelligent driving projects, and (iii) strategic cooperation with major customers who were early adopters in the mining industry's shift towards intelligent autonomous operations. Our first-mover and technological advantages, validated through extended validation periods, strengthened these relationships, resulting in increased sales volume and heightened customer concentration. Despite this concentration, we maintained a broad customer base, serving over 100 customers during the Track Record Period. Our major customers vary each year as once a project concludes, customers may not require further services until new needs arise, leading to a turnover of customers each year.

Transactions with Customer K

Founded in 2021 and registered in Anhui, Customer K primarily provides engineering technical services and engages in the design and execution of construction projects. As a contractor for a mining project, Customer K procured our products for its mining operations.

In 2023, we provided our METAMINE solution to Customer K for an autonomous mining project at a large coal mine in Northwest China, with a contract value of RMB175.4 million (inclusive of tax). We made a deposit payment of RMB15.2 million, as required by the customer, to demonstrate our capability to fulfill contract obligations. The payment aligns with existing commercial practice in the industry, according to CIC. In 2024, we recorded revenue of RMB152.3 million for the project. See "— Our Offerings — Our Major Projects." As Customer K purchased our solution through a finance lease arrangement, the financial leasing company required us to provide a guarantee of RMB70.0 million for the debt owed by Customer K. Consequently, our maximum financial exposure from this finance lease arrangement as of June 30, 2025 was RMB70.0 million. See "— Customers — Finance Lease Arrangements."

Additionally, pursuant to the mine owner's requirement for prompt commencement of operations due to the significant demand for mining and waste transportation, we extended loans to Customer K in 2023 and 2024 for the procurement of auxiliary equipment necessary for transportation operations, considering it set the record for (i) the world's largest driverless mining fleet operating with manned vehicles, and (ii) the world's largest mixed-operation mining fleet, as of the Latest Practicable Date, according to CIC. According to CIC, due to the substantial equipment and transportation requirements of large-scale mining projects, there were incidences for suppliers to provide financial support to mine operators to facilitate project execution. The

total principal amount of the loans, as well as our maximum financial exposure as of June 30, 2025, amounted to RMB12.4 million. Due to the adverse effect of extreme rainfall since June 2024 on safe production conditions at the mining site, the operation of the project was temporarily suspended. Under these exceptional circumstances, we and Customer K entered into a supplementary agreement in August 2024, pursuant to which the principal amount will be repayable in December 2025, with interest. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion." During the Track Record Period, we did not have any similar loan arrangements with other customers. In furtherance of our cooperation with Customer K, we provided auxiliary infrastructure and recorded revenue of RMB1.1 million for the sales in 2024.

As informed by the financial leasing company, since July 23, 2025, Customer K has been in default with respect to certain payment obligations under its finance lease agreement with the financial leasing company. To the best of our knowledge, Customer K's default primarily resulted from Customer K's client being responsible for obtaining the necessary approvals for the new mining faces, which had not been secured as of the Latest Practicable Date. Consequently, Customer K was unable to commence mining on the new faces as initially planned and did not achieve the expected business volume, thereby resulting in some liquidity pressure. As of the Latest Practicable Date, the operation and production of Customer K's autonomous mining project on its existing mining faces continued.

The lessor asserted the corresponding liability to us on a monthly basis from July 2025. According to the finance lease arrangements, Customer K is obligated to make monthly payments to the lessor starting from April 2024. As informed by the lessor, Customer K has paid 15 finance lease installments to the lessor, starting with the first installment in April 2024 as stipulated in the contract, and continuing through June 2025. As of the Latest Practicable Date, we have fulfilled our guarantee obligations for the months of July to September in 2025 with payments of RMB14.4 million in total, as required by the lessor, and we had outstanding guarantee obligations amounting to RMB55.6 million that have not yet been fulfilled. We may be required to assume such obligations on a continuing monthly basis over the next twelve months However, the specific payment schedule is beyond our control and will be determined in accordance with the lessor's collection arrangements. The specific circumstances will depend on the financial condition of Customer K, the operational performance of its projects, and the results of subsequent discussions with the lessor. As of the Latest Practicable Date, Customer K did not make any payment to us. We are also actively pursuing collection from Customer K and have issued a demand letter, while continuing to engage with the Customer K to seek the resolution of the outstanding balance.

As of June 30, 2025, the amount of impairment losses made in respect of transactions with Customer K was RMB70.6 million, representing an impairment ratio of 71.8% for the financial guarantee contract liabilities and other receivables arising from Customer K. As of June 30, 2025,

we have not recognized a full impairment loss in respect of the other receivables and financial guarantee contract exposure related to Customer K. This is primarily because, as of the Latest Practicable Date, the operation and production of Customer K's autonomous mining project on its existing mining faces continued. Furthermore, as Customer K is not subject to any bankruptcy or insolvency proceedings, we do not assess its current default to be permanent. Therefore, we consider that there is recoverable value in this exposure, and we have not made a full provision for impairment loss. We adopt the general approach under the Expected Credit Loss ("**ECL**") model for impairment accounting for other receivables and financial guarantee contracts. According to the valuation report, the ECL is primarily calculated based on the Probability of Default ("**PD**") and the Loss Given Default ("**LGD**"). Given Customer K has been in default with respect to certain payment obligations under its finance lease agreement with the financial leasing company, the PD is set at 100% in the ECL model. The LGD was calculated based on "1 — Recovery Rate upon Default," and we use the average corporate debt recovery rate data published in Moody's Investors Service's 2023 Default Study as the best estimate for the recovery rate upon default. Accordingly, we have recognized impairment provisions for the relevant exposures, and we consider the provision for impairment for other receivables and financial guarantees related to Customer K to be sufficient. The following table sets forth the movements in the amounts and provisions for impairment (i) related to receivables from Customer K and (ii) under the financial guarantee contract with Customer K during the Track Record Period and up to the Latest Practicable Date.

As of June 30, 2025

	Amount	Provision for impairment	Net balance	Impairment ratio	Subsequent settlement up to 30 September 2025	Subsequent settlement up to Latest Practicable Date
			(RMB in million, except percentage)			
Receivables						
Loan	13.1	9.3	3.8	71.0%	nil	nil
Others	16.4	10.9	5.5	66.2%	nil	nil

	Maximum financial exposure	Provision for impairment	Remaining financial exposure	Impairment ratio	Guarantee obligations fulfilled up to September 30, 2025	Guarantee obligations fulfilled up to Latest Practicable Date
			(RMB in million, except percentage)			
Financial guarantee contract	70.0	50.5	19.5	72.1%	9.6	14.4

As of December 31, 2024

	Amount	Provision for impairment	Net balance	Impairment ratio	Subsequent settlement up to 30 September 2025	Subsequent settlement up to Latest Practicable Date
			(RMB in million, except percentage)			
Receivables						
Loan	12.9	3.4	9.5	26.2%	nil	nil
Others	16.4	4.1	12.3	24.7%	nil	nil

	Maximum financial exposure	Provision for impairment	Remaining financial exposure	Impairment ratio	Guarantee obligations fulfilled up to September 30, 2025	Guarantee obligations fulfilled up to Latest Practicable Date
			(RMB in million, except percentage)			
Financial guarantee contract	70.0	6.3	63.7	9.0%	9.6	14.4

As of December 31, 2023

	Amount	Provision for impairment	Net balance	Impairment ratio	Subsequent settlement up to 30 September 2025	Subsequent settlement up to Latest Practicable Date
			(RMB in million, except percentage)			
Receivables loan	9.9	0.2	9.7	2.2%	nil	nil

Given that (i) as of June 30, 2025, we have recognized relevant impairment losses to reflect the relevant risk, (ii) we maintain sufficient liquidity reserves for ongoing operations, and (iii) our business model and revenue streams are diversified across multiple customers and projects, and we are also actively working to diversify our customer base further, reducing reliance on any single customer, we believe the aforementioned default does not have a material adverse impact on our business, financial condition, results of operations or liquidity. Meanwhile, apart from the aforementioned agreements, including the sales agreement, the deposit agreement, the loan agreement and finance guarantee agreement, we have no other contractual arrangements with Customer K. Accordingly, we do not expect that we will be subject to any additional legal or financial liabilities in connection with the sales to Customer K.

SUPPLIERS

We typically engage reputable suppliers to ensure the quality of our products. The factors that may affect our selection mainly include technological expertise, product quality, qualifications and credentials, market reputation and price. We usually select suppliers who have demonstrated a track record of stable supply and profitability.

In addition to vetting new suppliers, we also conduct yearly evaluations of existing suppliers and require suppliers to promptly address any issues discovered during such evaluations. We provide guidance to suppliers when necessary and may terminate suppliers who continuously fail to meet our standards.

Raw Materials and Components

We engage third-party suppliers for key components and materials for our products and solutions including mining trucks, semiconductor chips, radar, LiDAR, and cameras and other components and materials. The raw materials and components procured from third-party suppliers undergo our internal assembly processes to form our products and solutions or are supplied to our contract manufacturers for the production of our products and solutions. See "— Manufacturing — Contract Manufacturers." During the Track Record Period, we were not subject to shortages in the supply of raw materials from our major suppliers.

We typically enter into supply agreements with suppliers, the salient terms of which are set out below:

- ***Product specifications.*** The product name, specification, price, quantity, delivery timeline and other detailed items are specified in the agreements.

- ***Payment and delivery.*** We are responsible for timely payment to suppliers, who are responsible for delivery of products to our designated location specified in the agreements.

- ***Quality control.*** Suppliers shall ensure that the products provided are brand new and unused products. The quality requirements must meet national, industry and mutually agreed standards. Upon delivery, a quality assurance certificate recognized by us shall be provided. We have the right to reject and return any products that do not meet our requirements, at the expense of suppliers, or to request free product replacement or maintenance.

- ***Transfer of risk.*** The risk transfers to us after delivery.

- ***Quality Guarantee.*** Suppliers offer varying warranty periods based on the product type. During the warranty period, suppliers are responsible for after-sales maintenance costs. Suppliers must replace the products free of charge if they encounter two major quality issues or if any components are damaged due to quality problems. We reserve the right to return the product if suppliers fail to address issues promptly and lead to serious consequences.

- ***Confidentiality.*** All confidential information provided by either party shall be used solely for the purposes of cooperation pursuant to the agreements and shall not be disclosed to any third party without prior written consent.

- ***Termination.*** The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

Major Suppliers

Our major suppliers primarily include technology and machinery companies during the Track Record Period. Charges from our largest supplier of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 18.0%, 32.9%, 44.3% and 45.0%, respectively, of our total purchase amount during those years. Charges from our five largest suppliers of each of the year/period during the Track Record Period for our key business operations for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 35.6%, 47.9%, 59.2% and 84.1%, respectively, of our total purchase amount during those years.

For the year ended December 31, 2022

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier A . .	Drive-by-wire-controlled mining trucks	Founded in 2004, registered in Liaoning and listed on the Hong Kong Stock Exchange, Supplier A primarily engages in the manufacturing of heavy machinery and equipment for mining and logistics industries.	24,241	18.0	2022	30 days (stage payment)
Supplier B . .	Rent and utility	Founded in 2016 and registered in Hunan, Supplier B primarily engages in real estate development and operation, property management and leasing.	7,203	5.3	2018	Prepaid (monthly installment)
Supplier C . .	IC, modules, etc.	Founded in 2005 and registered in Shanghai, Supplier C primarily provides information, communication, consumer products and semiconductor products.	6,498	4.8	2022	0 days (bullet payment)
Supplier D . .	Consultancy services	Founded in 2021 and registered in Hunan, Supplier D primarily provides financial and information technology consulting services.	5,340	4.0	2022	3 days (bullet payment)

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier E . .	Testing service	Founded in 2020 and registered in Hunan, Supplier E primarily operates in the professional technical services industry.	4,717	3.5	2021	Prepaid (stage payment)
		Total	**47,999**	**35.6**		

For the year ended December 31, 2023

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier F . .	Drive-by-wire-controlled mining trucks	Founded in 2005, registered in Shaanxi and listed on the Beijing Stock Exchange, Supplier F primarily engages in the manufacturing of off-highway transportation equipment.	66,002	32.9	2021	Prepaid (stage payment)
Supplier G . .	Drive-by-wire-controlled mining trucks	Founded in 2020 and registered in Henan, Supplier G primarily engages in the research, development, and manufacturing of mining equipment with a focus on new energy mining vehicles.	11,823	5.9	2021	60 to 360 days (stage payment)

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier B . .	Rent and utility	Please see above.	7,295	3.6	2018	Prepaid (monthly installment)
Supplier H . .	Drive-by-wire-controlled mining trucks	Founded in 2012 and registered in Shandong, Supplier H primarily provides mining equipment, rock drilling equipment, and other special equipment and parts.	5,558	2.8	2022	60 to 90 days (stage payment)
Supplier I . .	Sales and marketing service	Founded in 2019 and registered in Beijing, Supplier I primarily operates in the technology promotion and application services industry. We engaged Supplier I for sales and customer consultancy services for our autonomous mining trucks.	5,322	2.7	2023	Prepaid (stage payment)
		Total	**96,000**	**47.9**		

For the year ended December 31, 2024

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier H. . .	Drive-by-wire-controlled mining trucks	Please see above.	115,469	44.3	2022	60 to 90 days (stage payment)
Supplier G. . .	Drive-by-wire-controlled mining trucks	Please see above.	13,168	5.0	2021	60 to 360 days (stage payment)
Supplier J . . .	Sales and marketing service, including customer referral and recommendation	Founded in 2022 and registered in Anhui, Supplier J primarily engages in civil engineering, construction and consultation services.	10,943	4.2	2024	1 day (bullet payment)
Supplier K. . .	LiDAR and LiDAR repair services	Founded in 2014, registered in Shenzhen and listed on the Hong Kong Stock Exchange, Supplier K primarily engages in the development and production of LiDAR solutions for automotive, robotics and other applications.	7,590	2.9	2017	7 to 30 days (bullet payment)
Supplier B. . .	Rent and utility	Please see above	7,322	2.8	2018	Prepaid (monthly installment)
		Total	**154,492**	**59.2**		

For the six months ended June 30, 2025

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier F . . .	Drive-by-wire-controlled mining trucks	Founded in 2005, registered in Shaanxi and listed on the Beijing Stock Exchange, the company primarily engages in the manufacturing of off-highway transportation equipment, with a registered capital of RMB452.5 million.	194,910	45.0	2021	7-90 days (stage payment)(1)
Supplier L . . .	Drive-by-wire-controlled mining trucks	Founded in 2021 and registered in Heilongjiang, the company primarily engages in automobile sales, second-hand vehicle brokerage, and vehicle maintenance services.	147,391	34.0	2024	18-month (monthly installment)

Note:

(1) Although we have agreed with Supplier F on a stage payment arrangement and a credit term of 7 to 90 days, our payments to Supplier F are conditional upon receiving the corresponding proportion of settlement payments from our customers (the "**Contractual Arrangements**"). As of the Latest Practicable Date, certain payments to Supplier F have not been made as scheduled due to delays in payments from relevant customers; however, we have been actively (i) communicating with these customers to expedite payment and (ii) negotiating payment arrangements with Supplier F, and no disputes have arisen between us and Supplier F regarding payment matters.

According to the Contractual Arrangements, if our customers fail to make payments as stipulated and Supplier F requests us to settle the corresponding amounts, we are entitled to refuse such payment without incurring any breach of contract liability, as the contractual conditions for payment have not been satisfied. In such circumstances, we have no payment obligation. Supplier F is a public company listed on the Beijing Stock Exchange, and we have maintained a long-standing and cooperative relationship with Supplier F. The mining trucks we procure from Supplier F are primarily sold to customers with good credit profiles, which significantly reduces the likelihood of payment default. Accordingly, we believe the risk of being held liable by Supplier F for overdue payment obligations is low.

Supplier	Products/services purchased	Supplier background	Purchase amount *(RMB'000)*	% of total purchase amount	Year of commencing business relationship	Typical credit terms
Supplier M . .	Consulting services	Founded in 2024 and registered in Shanghai, the company primarily engages in technology development and consulting services.	10,377	2.4	2024	Subject to the acceptance of projects (stage payment)
Supplier K. . .	LiDAR and LiDAR repair services	Founded in 2014, registered in Shenzhen and listed on the Hong Kong Stock Exchange, the company primarily engages in the development and production of LiDAR solutions for automotive, robotics and other applications.	5,861	1.4	2020	7 to 30 days (bullet payment)
Supplier N. . .	Industrial control computer	Founded in 2015 in Zhejiang, China, the company primarily engages in the development, manufacturing and sales of power technology solutions, including advanced power systems and related components.	5,808	1.3	2024	30 days (bullet payment)
		Total	**364,347**	**84.1**		

Given (i) the project-based nature of our business, (ii) the high average order value for the corresponding intelligent driving projects, which resulted in a significant proportion of our annual purchase amount being attributed to certain major projects, and (iii) our practice of engaging the same suppliers for the same project to maintain consistency in the quality of our products and solutions, as they are selected based on the specific needs of each project, our supplier concentration increased during the Track Record Period, with a substantial portion of our purchase

amount attributed to our largest suppliers of each of the year/period during the Track Record Period. During the Track Record Period, we engaged with over 300 suppliers, and our major suppliers varied annually due to the project-based nature of our business.

During the Track Record Period, we engaged various automotive OEMs to manufacture our drive-by-wire-controlled mining trucks. Suppliers of drive-by-wire-controlled mining trucks are typically selected based on their vehicle performance, market competitiveness and reputation, and whether the OEM's manufacturing and delivery capability can support the needs of our projects. During the Track Record Period and up to the Latest Practicable Date, we had supplier concentration on Supplier H, who had been the supplier of drive-by-wire-controlled mining trucks for several of our projects. For details on the three primary ways we cooperate with automotive OEMs, see "— Manufacturing — Our Cooperation with Automotive OEMs." We primarily adopt the third collaboration model with Supplier H, where we design the intelligent driving system and provide the corresponding hardware and software to be installed on the vehicles designed and provided by Supplier H. The increase in our purchase amount from Supplier H from 2023 to 2024 was primarily driven by an increase in our project needs. We believe that we do not have material reliance on Supplier H given that we are confident that we would be able to switch to alternatives suppliers in the event that we cease collaboration with Supplier H, as our intelligent driving software and hardware are adaptable to different models of drive-by-wire mining trucks from various automotive OEMs, and we have engaged other automotive OEMs for similar projects in the past. During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship and had no material unresolved disputes or lawsuits with Supplier H.

Other than the five largest suppliers of each of the year/period during the Track Record Period listed above, we also engaged construction and project supervision service suppliers for the construction of our offices, buildings, facilities and equipment during the Track Record Period. In 2022, 2023, 2024 and the six months ended June 30, 2025, our total purchase amount, excluding those from the construction and project supervision service suppliers amounted to RMB134.9 million, RMB200.7 million, RMB260.8 million and RMB433.2 million.

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

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Customer C, one of our five largest customers in 2022, was also a supplier during the Track Record Period. Customer C contributed to 4.8%, 0.1%, nil and nil of our revenue in 2022, 2023, 2024 and the six months ended June 30, 2025 respectively, and 0.4%, 1.7%, 2.3% and 1.0% of our

total purchase amounts in the same periods, respectively. Customer C primarily engages in the design, research and system integration of embedded computing solutions. We primarily procure PCBA and modules from Customer C for use in our products and solutions. As a separate and independent matter, we sold certain raw materials purchased from other third-party suppliers to Customer C in 2022. This was due to adjustment to the application and design of certain of our products and solutions in 2022 which resulted in a surplus of raw materials that were no longer best suited for our purposes. Since Customer C uses these raw materials for its business, we sold these raw materials to Customer C at a premium to our original purchase price to recover our costs.

Customer L, one of our five largest customers in 2024, was also a supplier in 2023 and 2024. Customer L contributed to nil, nil, 14.7% and nil of our revenue in 2022, 2023, 2024 and the six months ended June 30, 2025 respectively, and nil, 0.4%, 0.1% and 0.1% of our total purchase amounts in the same periods, respectively. We primarily provide V2X products and solutions to Customer L. As a separate and independent matter, we leased property from Customer L for our offices because its location facilitates enhanced collaboration with potential business partners and aids in talent acquisition.

Supplier H, one of our five largest suppliers in 2023 and 2024, was also a customer in 2024 and the six months ended June 30, 2025. Supplier H contributed to nil, 2.8%, 44.3% and nil of our total purchase amounts in 2022, 2023, 2024 and the six months ended June 30, 2025 respectively, and nil, nil, 3.8% and 0.0% of our revenue in the same periods, respectively. We primarily procure drive-by-wire-controlled mining trucks from Supplier H to incorporate into our METAMINE solution sold to our customers, see "— Suppliers — Major Suppliers." As a separate and independent matter, we sold intelligent driving software and hardware to Supplier H to be incorporated in Supplier H's mining trucks sold to its own customers.

All of our sales to and purchases from Customer C, Customer L and Supplier H were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

MANUFACTURING

We engage automotive OEMs for the manufacturing of our vehicles and contract manufacturers for the production of most of our other products and components. We procure substantially all hardware and components used in our products from third-party suppliers. In addition to the production conducted through the automotive OEMs and our contract manufacturers, we also have self-operated facilities used primarily for the assembly of our V2X devices and teleoperation station, as well as testing, calibration and packaging of certain products. Our factory is located in Changsha and occupies approximately 2,600 square meters of space.

Our Cooperation with Automotive OEMs

We possess the R&D capability to develop chassis for drive-by-wire-controlled vehicles, which can be seamlessly integrated with our independently developed intelligent driving system. Depending on project requirements (such as whether there are existing vehicle designs of automotive OEMs on the market that meet our standards for the specific project), we collaborate with automotive OEMs in three primary collaboration models:

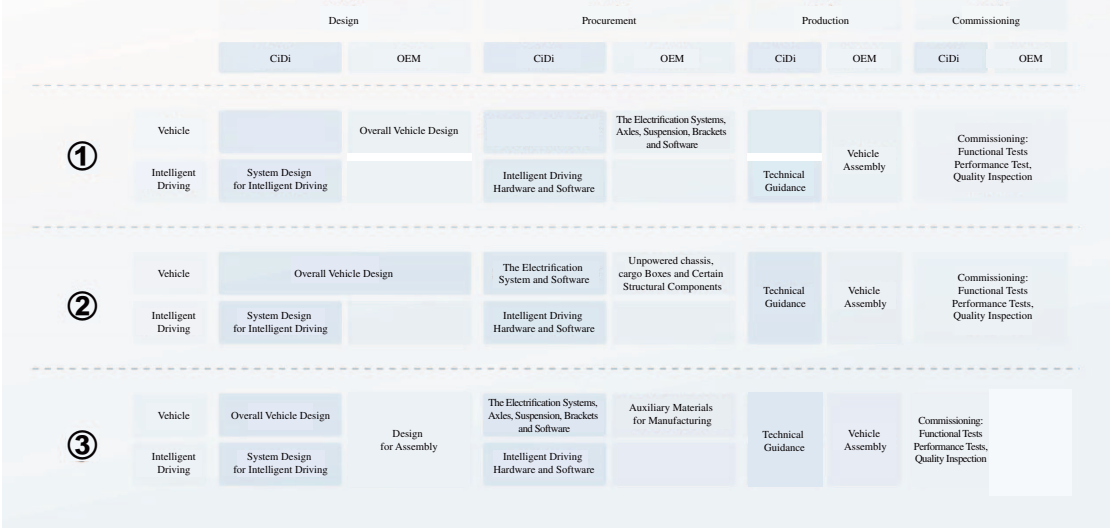
- ***Collaboration model ①:*** The OEMs provide the overall vehicle design while our focus is on the integration of intelligent driving technology. During the Track Record Period, all autonomous mining trucks we delivered utilized this collaboration model.

- ***Collaboration model ②:*** We jointly formulate the overall vehicle design with the OEMs. We also provide the electrification system and software. The OEMs supply the unpowered chassis and structural components and are responsible for vehicle assembly. During the Track Record Period, we delivered three sets of electrification system and software under this collaboration model.

- ***Collaboration model ③:*** We are responsible for the formulation of the overall vehicle design under this model. We also provide designs for specific structural parts and supply key components such as electrification systems, which include the electric motor, power battery, electronic control system, and chassis electrical systems. Our responsibilities also encompass commissioning, which includes functional tests and quality inspections. The OEMs primarily take charge of the vehicle assembly process. We adopted this collaboration model for our cabless autonomous mining trucks. As of December 31, 2024, these trucks were in the testing phase while we engaged in pre-sales negotiations with our customers.

We are responsible for the design of intelligent driving technology, providing intelligent driving hardware and software, offering technical guidance and conducting vehicle testing under all three collaboration models.

The following chart illustrates the three ways we cooperate with automotive OEMs.



The salient terms of our agreements with automotive OEMs are set forth as below:

- ***Principal rights and obligations of parties involved.*** The parties specify the vehicle specifications and specific configuration requirements in the agreement, and determine the responsibilities of each party based on the collaboration model of the project.

- ***Payment and delivery.*** We make payments to the automotive OEMs in accordance with the payment schedule stipulated in the agreement. We may reserve a certain amount as a warranty deposit, which will be paid to the automotive OEMs upon the expiration of the warranty period or after the acceptance of the products, as per the agreed terms. The automotive OEMs are responsible for delivering the final products to our designated location.

- ***Intellectual Property.*** For projects where we formulate the design of vehicle specifications, determine product functions, and conduct system integration, the underlying intellectual property rights of the entire vehicle model belong to us. For projects where we jointly formulate the overall vehicle design with the OEMs, the underlying intellectual property rights of the components or systems developed and designed by us are owned by us, while those developed and designed by the OEMs are owned by them. Additionally, except for the intellectual property rights related to pre-existing systems provided by the automotive OEMs, the intellectual property rights of all other systems are owned by us.

- ***Quality assurance.*** Each party shall be responsible for the quality of the components it manufactures.

- ***Maintenance.*** Maintenance services shall be promptly provided. For certain automotive parts sourced from third parties by the automotive OEMs, the maintenance services are coordinated by the OEMs and provided by the manufacturers of these parts through their local service centers. Automotive OEMs may designate service providers for the provision of maintenance services.

- ***Warranty***. Automotive OEMs offer warranties based on the components provided. These warranties are either for a fixed term or until the vehicle reach a specified mileage.

- ***Termination.*** We have the right to terminate the agreement if the automotive OEMs fail to deliver within the agreed timeframe.

We provide maintenance services and warranty periods to the end users of the vehicles, i.e., our customers, in accordance with our sales agreements. In the event that maintenance services for parts and components provided by the automotive OEMs are requested by our customers, we will promptly make requests to the automotive OEMs, who shall be responsible for the provision of such services as stipulated in their agreements with us.

For each vehicle model, we design and customize components including sensors, communication modules, controllers, wiring harnesses, etc., and ship to the automotive OEMs for installation. All vehicles delivered to customers bear the brand of the respective automotive OEM, with our logo either painted or affixed on the vehicle body. The extent and costs of customization required to integrate our intelligent driving-related components are consistent across different vehicle models, including new models. Except under the first collaboration model where we formulate the overall vehicle design and are responsible for vehicle testing, we jointly conduct testing of the vehicles with the automotive OEMs before shipment.

Contract Manufacturers

We typically engage contract manufacturers for production rather than sourcing from third-party suppliers when the hardware or component with our required quality or specifications is not readily available on the market or such hardware or component require customization to our technology or products.

The salient terms of our agreements with contract manufacturers are set forth as below:

- ***Principal rights and obligations of parties involved.*** We provide technical specifications and key raw materials to contract manufacturers who provide the manufacturing, assembly and testing services for our products.

- ***Payment and delivery.*** We are responsible for timely payment to contract manufacturers, who are responsible for delivery of products to our designated location specified in the agreements.

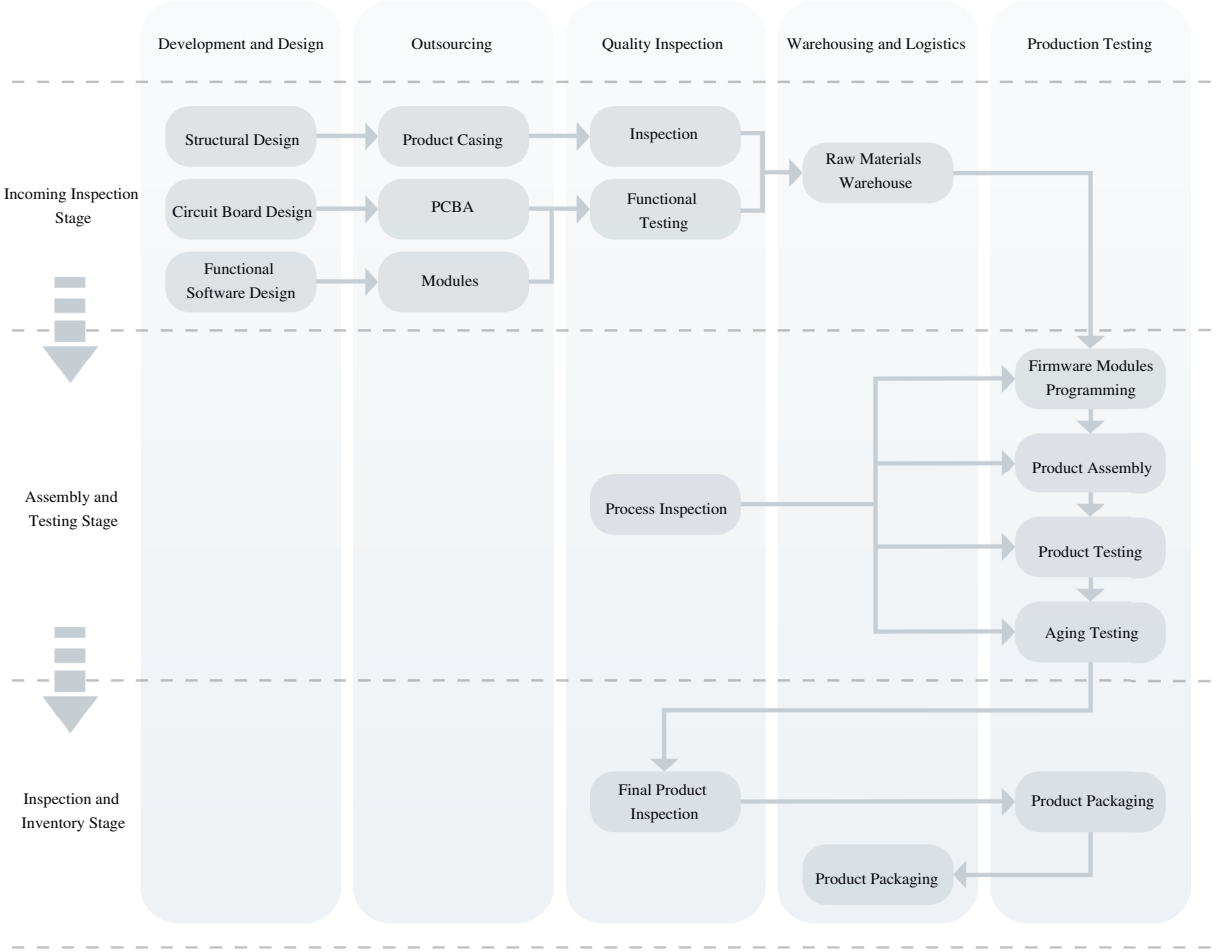
- ***Subcontracting.*** Subcontracting is not allowed without our prior written authorization.

- ***Quality assurance.*** Products are accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the contract manufacturers are responsible for replacement.

- ***Termination.*** The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

Manufacturing Process

The following chart illustrates the manufacturing process of products that are assembled, tested and packaged at our self-operated factories:



- ***Formulation of product design and production plan.*** Upon receiving customer orders, we begin with product design and production planning to ensure each product meets customer specifications and our own high standards.

- ***Material preparation.*** The material preparation process lays the foundation for the quality and sustainability of our final products. We procure from external suppliers the materials, components and modules required for our products. We may also engage contract manufacturers for additional processing before commencing the assembly process.

- ***Assembly, calibration and testing.*** We assemble, calibrate and test the products in our own factory.

- ***Quality control.*** Quality inspection is integrated throughout the entire process, see "— Quality Control." Raw materials and each product undergo rigorous inspection to ensure they meet our benchmarks. We conduct final inspections on products that pass the calibration process.

- ***Packaging and delivery.*** After the products pass the final inspection, they are securely packaged to prevent any damage during transit.

We own all the assembly lines, machinery and equipment at our factories. We are constantly upgrading our machinery and equipment to improve our operational efficiency. Depreciation is calculated using the straight-line method to allocate their costs net of their residual values over their estimated useful lives or, in case of leasehold improvements, the shorter lease term. See Note 2.2.7 to the Accountant's Report in Appendix I to this document. We perform routine and preventative maintenance on our manufacturing machinery and equipment to ensure that they function properly at all times and comply with relevant laws and regulations.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We primarily engage reputable third-party logistics service providers to deliver our hardware products from production facilities and warehouses to the venue specified by our customers. To the best of our knowledge, such logistics service provider is an Independent Third Party.

Inventory Management

Our inventories amounted to RMB123.5 million, RMB174.2 million, RMB96.5 million and RMB170.5 million as of December 31, 2022, 2023, 2024 and June 30, 2025. Our inventories during the Track Record Period primarily consisted of contract costs in progress, raw materials, finished goods and consigned-processing-material. We regularly track our inventory to keep it at a level sufficient to fulfill customers' orders. We also proactively assess changes in market conditions and pre-store strategic raw materials in anticipation of potential supply shortage. Our finance team reviews our inventory aging reports routinely and takes necessary actions to minimize risks of obsolescence.

QUALITY CONTROL

We are committed to maintaining the highest level of quality in our products and solutions. We have designed and implemented a quality management system that provides the framework for continuous improvement of products and processes. We have also implemented a management review control process to conduct regular systematic reviews of our quality management system, in order to closely monitor the implementation of our quality management system.

R&D Activities

We develop our products and solutions in accordance with the requirements of relevant laws and regulations and industry practices as well as our internal quality control procedures. We conduct a series of rigorous evaluation and validation processes during the whole process of our R&D activities to ensure quality of our products and solutions. Specifically: (i) in the start-up phase, we hold meetings to know customer demands and evaluate and review project viability; (ii) in the planning phase, we develop a detailed project plan and prepare project documents based on demands analysis; (iii) in the execution and monitoring phase, we implement our technical solutions, and test and validate the results; and (iv) in the closing phase, we summarize the lessons learned report.

Supply Chain Management

We have comprehensive policies and detailed procedures in place to ensure the quality of the components and raw materials we purchase from suppliers. When selecting and evaluating suppliers, we conduct due diligence and consider a number of factors, including, but not limited to, their reputations, credentials, experience, service or product availability, price and delivery time.

We require all of our suppliers to comply with our internal supply management policies. Our quality control development is responsible for communicating with suppliers regarding quality standards, and will thoroughly inspect product samples to ensure that they meet all the technical requirements set forth in our product designs. We may conduct regular or ad hoc on-site inspections of suppliers and require suppliers to timely remedy quality issues upon notice.

Product Returns and Recalls

We stablished a comprehensive set of management and control procedures to ensure the quality of our products. These procedures cover the procurement of external materials, the production process, and changes in product design and manufacturing processes. We implement identification and traceability management for our products, appropriately marking products and their status to prevent mix-ups or misuse at various stages, including receipt, production, delivery and after-sales service. For critical components, we manage them through a system that enables traceability by batch or precise traceability.

Our after-sales service department is responsible for addressing customers' after-sales requests. Following our after-sales service management procedures, we confirm relevant information with customers, create repair work orders, and conduct follow-ups after the service is completed. If a product is confirmed to be non-conforming, it will be returned to us, and we will manage and dispose of the non-conforming product according to our non-conforming product control procedures.

During the Track Record Period, we did not experience any product returns or recalls due to product defects. In isolated instances during the Track Record Period, we received product returns when our sales agreements were terminated due to our customer not being able to complete the project for their own reasons unrelated to us. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we had product returns of nil, nil, RMB0.03 million, RMB0.03 million and nil, respectively, which we believe did not have a material impact on our financial performance.

EMPLOYEES

As of June 30, 2025, we had 460 full-time employees. The following table sets forth the number of our employees by function:

Employee Function	Number of employees	% of Total
Research and Development	249	54.1
Management, Administration and others	78	17.0
Engineering and Delivery	93	20.2
Sales and Marketing	40	8.7
Total	**460**	**100.0**

Our success depends on our ability to attract, retain and motivate qualified personnel, and we believe that our high quality talent pool is one of the core strengths of our company. We adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring and use various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through hunting firms or agents, to satisfy our demands for different types of talents.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans. We enter into employment contracts and agreements regarding confidentiality, intellectual property and non-competition with our executive officers, managers and employees. In addition, we usually enter into proprietary information and inventions agreements with our core employees, under which we have all right, title and interest relating to any and all inventions by such employee during the term of his/her employment with the Company. Further, when employees are hired, we give them an employee handbook, which informs them of our policies and their rights in all material respects, from recruitment, compliance, salary, benefits and performance assessment to training and development.

To remain competitive in the labor market, we provide competitive salaries and various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge.

We believe we maintain a good working relationship with our employees and we have not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations, and based on our assessment of our operational needs and industry practice. We purchased property all risks insurance for our buildings, machinery and equipment and third-party liability insurance for our test vehicles. We do not maintain product liability insurance. We believe that our existing insurance coverage is sufficient for our present operations and aligns with the industry practice in the PRC.

During the Track Record Period, we did not make any material insurance claims in relation to our business. See "Risk Factors — Risks Relating to Our General Operations — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition." for further details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Governance

We are committed to maintaining sustainable business operations to ensure all our activities comply with applicable laws, regulations and policies related to environmental, social and governance ("**ESG**"). Our management systems have been certified to satisfy the requirements of ISO 9001 for quality management systems, ISO 45001 for occupational health and safety management systems and ISO 14001 for environmental management systems.

Our Board of Directors is tasked with overseeing all aspects of ESG matters. This includes assessing and identifying ESG-related risks and opportunities, ensuring the effective implementation of ESG risk management and internal control systems, and establishing our ESG management approach, strategy, priorities and objectives. The Board of Directors identifies material ESG issues through steps such as integrating environmental and social responsibility into daily management, regularly evaluating and reporting on these matters and engaging with stakeholders such as investors, customers, partners and employees to identify ESG matters relevant to them. Moreover, we consistently monitor compliance with relevant laws and regulations, promote employee awareness and participation in ESG initiatives and actively participates in social welfare activities.

We have established an ESG working group under the Board of Directors, creating a tiered system comprising the Board of Directors, senior management, the ESG working group, various departments, subsidiaries and branches. This ensures the presence of an appropriate and effective risk management and internal control system for ESG matters, as well as the evaluation, prioritization and management of significant ESG issues. The ESG working group is primarily responsible for coordinating and overseeing the progress and implementation of ESG goals, regularly evaluating our social responsibility performance and reporting to the Board of Directors. Our various departments, subsidiaries and branches are mainly responsible for the implementation of ESG initiatives.

Through our internal governance and the implementation of environmental and occupational health and safety measures, we strive to foster a healthy and safe working environment for all employees. During the Track Record Period and up to the Latest Practicable Date, our rate of material workplace injuries was 0.0%, and we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

Environmental Protection

Our intelligent driving solutions prioritize safety, environmental protection and low carbon emissions, contributing to sustainable development. Our V2X products collect and analyze vast traffic data to aid urban planning, transportation policymaking and infrastructure development, enabling more economically efficient decisions. Additionally, our autonomous electric mining trucks excel in productivity, safety and cost-effectiveness compared to traditional human-driven fuel trucks. For example, our zero-carbon mining project with TCC set industry benchmarks in reducing diesel consumption and carbon emissions, as well as lowering operational and maintenance costs, with an annual reduction of over 1,800 tons of carbon emissions.

We adhere to all laws and regulations and are dedicated to continuous improvement, aiming to minimize the environmental impact of our operations while ensuring our environmental protection efforts remain legal and compliant.

Resource Consumption and Emissions

We primarily utilize resources such as electricity, water and gasoline in our daily operations. The following table sets forth a breakdown of the consumption of electricity, water, natural gas and packaging material used for finished goods during the years indicated:

	Year ended December 31,			Six months ended June 30,
	2022	**2023**	**2024**	**2025**
Electricity consumption *(million kWh)*	1.23	1.24	1.35	0.62
Electricity intensity *(thousand kWh/million RMB revenue)*	39.6	9.4	3.3	1.52
Water consumption *(m^3)*	7,704	7,216	6,821	3,302
Water consumption intensity *(m^3/million RMB revenue)*	248	54	17	8
Gasoline consumption *(kg)*	30,618	31,508	17,590	6,646
Gasoline consumption intensity *(kg/million RMB revenue)*	985	238	43	16

The following table sets forth a breakdown of our Scope 1 and Scope 2 greenhouse gas ("**GHG**") emissions for the years indicated. Going forward, we plan to further expand our monitoring scope of GHG emissions to include Scope 3 emissions, enabling better control of GHG emissions.

	Year ended December 31,			Six months ended June 30,
	2022	**2023**	**2024**	**2025**
Scope 1 GHG emissions *(tonnes of CO_2 equivalent)*	96	99	55	21
Scope 2 GHG emissions *(tonnes of CO_2 equivalent)*	702,039	709,453	770,475	353,586
Total *(tonnes of CO_2 equivalent)*	**702,136**	**709,552**	**770,530**	**353,607**
GHG emissions intensity *(tonnes of CO_2 equivalent/million RMB revenue)*	22,609	5,351	1,879	867

Metrics and Targets

We recognize the critical importance of environmental protection and sustainability. With a focus on environmental responsibility and minimizing our ecological footprint, we established environmental targets that are in line with our overall business strategy and objectives.

Metric	Target	Measures
Energy efficiency.	5% reduction in total electricity consumption by 2025 compared with 2023.	• Energy monitoring and smart management systems: Conduct periodic energy monitoring to identify major consumption areas, and install a smart management system tailored to the office environment for real-time monitoring and automatic energy usage adjustments. • Equipment upgrades: Replace outdated, energy-intensive equipment such as air conditioners, lighting and production machinery with more energy-efficient alternatives. • Employee training and awareness: Provide training to employees on energy-saving awareness and encourage the adoption of energy-saving measures.
Water consumption . . .	5% reduction in total water consumption by 2025 compared with 2020.	• Water resource recycling and reuse: Implement a water recycling system for cooling, washing, etc., to reduce the demand for fresh water. • Leak monitoring and repair: Conduct periodic inspections on water pipelines and promptly repair any leaks detected. • Installation of water-saving devices: Install water-saving devices in restrooms, such as sensor faucets.

In addition, we plan to regularly assess the effectiveness of our environmental measures and issue ESG reports to present our progress and achievements to stakeholders. Through the implementation of our ESG-related policies and measures, we will not only significantly reduce our environmental impact and dependence on natural resources, but also establish a positive image of sustainable development within the industry. Our ESG efforts will also bring long-term economic benefits, such as reduced operational costs and enhanced competitiveness.

Social Responsibility

Employment

Human resources play a crucial role in achieving long-term sustainable development. We advocate for harmonious labor relations and prioritize employee care. We established a labor union dedicated to continuously maintaining and developing harmonious labor relations, serving employees, supporting their growth and safeguarding their interests. In compliance with PRC laws and regulations, we participate in various employee social security programs organized by local governments. In addition, to provide more comprehensive protections for our employees, we purchase supplementary commercial insurances for our full-time employees. We were honored with the Best Employer Award by Liepin in 2018 and the Extraordinary Employer Award by Liepin for two consecutive years in 2018 and 2019. Additionally, in 2022, we received the Talent Acquisition Award from Risfond, and we were recognized as a High-Quality Employment Demonstration Enterprise by the Hunan Xiangjiang New Area Civil Affairs and Social Security Bureau.

We offer both onboarding and on-the-job training for our employees. The training includes technical, management and general knowledge courses. During the Track Record Period, we provided on average around 13.6 hours of training per employee.

Supply Chain Management

We are committed to prioritizing the purchase of environmentally friendly materials and products, which supports the development of a sustainable supply chain that not only aligns with our commitment to environmental responsibility but also encourages our suppliers to adopt sustainable practices, fostering a culture of sustainability within the industry. We utilize internal supply chain management policies and procedures to manage relevant aspects in our entire product development, procurement and production processes. We also conduct thorough evaluations of our suppliers based on their respective industries and past quality performance, requiring them to provide certifications, including but not limited to ISO 9001, IATF 16949, ISO 14001 and ISO 45001. We adhere to principles of simplicity, efficiency and customer convenience, packaging our products in a more environmentally friendly manner.

BUSINESS SUSTAINABILITY

We have experienced strong revenue growth during the Track Record Period. During the Track Record Period, we engaged in offering autonomous driving solutions, V2X products and solutions and intelligent perception solutions, all of which are designated Specialist Technology Products as defined under Chapter 18C of the Listing Rules. Our revenues increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%.

Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. Benefiting from the solid foundation we have built and the momentum we have seized, we believe that we are able to maintain sustainability and growth of our business.

Our gross profit margin was 20.2% and 24.7% in 2023 and 2024, respectively. We recorded a gross loss margin of 19.3% in 2022. Our gross profit increased by 57.1% from RMB44.4 million in the six months ended June 30, 2024 to RMB69.7 million in the six months ended June 30, 2025. We had a net loss of RMB263.0 million, RMB255.1 million, RMB580.8 million, RMB122.6 million and RMB455.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Eliminating impact of items including (i) share-based payment, (ii) financial cost on financial instruments with preferred rights at amortized cost, and (iii) **[REDACTED]** expenses, we generated an adjusted net losses (Non-IFRS Measure) of RMB158.9 million, RMB137.6 million, RMB126.9 million, RMB59.4 million and RMB111.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Adjusted net loss (Non-IFRS Measure) is a non-IFRS measure. See "Financial Information — Non-IFRS Financial Measure."

Our net losses were primarily due to the significant amounts of cost of sales, general and administrative expenses and R&D expenses incurred during the Track Record Period. Our cost of sales increased throughout the Track Record Period, which was mainly attributable to the increase in sales volume of our products and solutions. In addition, the absolute dollar amounts of general and administrative expenses and selling expenses increased throughout the Track Record Period, which is in line with our business expansion. We plan to implement prudent measures to manage our costs and operating expenses.

Our Directors believe our pioneering R&D and ability to identify latent customer needs and leverage comprehensive technological capabilities to develop high-value products for the optimal product-market fit have laid a solid foundation for long-term development and business sustainability. As of June 30, 2025, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers. Our strong track record of delivering pioneering, large-scale projects such as the delivery of 56 autonomous mining trucks for the world's largest mixed-operation mining fleet has strengthened our reputation and earned substantial

additional customer orders. Our total order backlog value reached approximately RMB583.9 million as of June 30, 2025 and we received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems as of the same date, a strong indication of revenue growth as we begin to deliver for these customer orders.

We expect to increase the sales of our products and solutions with our enhanced sales and marketing efforts. For intelligent driving, we plan to actively participate in industry exhibitions and conferences to showcase our latest autonomous mining trucks and systems and highlight our success cases in enhancing mining efficiency. Through site visits and direct client engagement, we can further discover latent customer needs and offer customized services that cater to diverse client needs and attract new customers through testimonials, word-of-mouth and enhanced brand recognition. For V2X, amid the national push for its development, particularly in intelligent transportation upgrades, we are redirecting our marketing efforts from government-led pilot zone projects towards wider market demands and academic research needs to capitalize on such development. We possess independent and comprehensive V2X research and testing facilities, maintaining our technological lead and collaborating with autonomous vehicle manufacturers to drive the large-scale deployment of OBUs. Collaborating with renowned universities, intelligent transportation research institutes and automotive testing organizations, we have a solid foundations for the future development of urban V2X and intelligent transportation systems. We also aim to expand applications across sectors such as urban smart transportation, mobility and logistics, thereby enhancing revenue sources. For intelligent perception, we have been enhancing visibility through industry exhibitions and direct engagement with potential clients, while actively participating in developing industry standards to build our reputation. Frequent communication with stakeholders in the commercial vehicle and railway sectors allows us to identify customer needs and craft tailored solutions. Our collaboration with OEMs and railway design institutes ensures the effective incorporation of our products during the design phase, promoting early adoption. We expect our intelligent perception solutions to achieve high profit margin due to our solid competitive edge in technological strengths, including our SIL4 certified TAPS system with superior performance metrics than competitors.

We expect our operating expenses as a percentage of revenue to decrease as we continue to ramp up our sales, achieve achieve revenue growth and economies of scale with higher efficiency in our research and development, sales and marketing and administrative activities, thereby lowering our spending as a percentage of revenue on such activities. Additionally, we will continue to enhance our manufacturing capabilities by partnering with contract manufacturers in order to meet mass production needs while controlling capital expenditure. Our operating expenses decreased as a percentage of revenue from 652.4% in 2022 to 136.2% in 2024, indicating improved operational efficiency. Our operating expenses increased as a percentage of revenue from 44.5% in the six months ended June 30, 2024 to 96.9% in the six months ended June 30, 2025. We are constantly improving our operating efficiency in various areas. For instance, we have

streamlined the project management process to enhance our R&D efficiency and reduce the time-to-market of products. Our extensive partner network and loyal customer base also enable us to leverage cross-selling opportunities and word-of-mouth marketing by satisfied customers, positioning us for rapid growth without significant investments in sales and marketing. Our sales team are well prepared to capture business opportunities based on customer demands and are able to offer precise suggestions for product design and delivery, minimizing subsequent changes and rework in the production process. We have also improved our administrative management to reduce communication costs and improve collaboration efficiency.

We have a healthy cash balance to support our business operations and future expansion. During the Track Record Period, we had funded our cash requirements primarily with capital contribution from shareholders and financing through the Pre-**[REDACTED]** Investments. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments." We had cash and cash equivalents of RMB381.7 million, RMB234.7 million, RMB306.4 million and RMB186.2 million as of December 31, 2022, 2023, 2024 and June 30, 2025 respectively. Furthermore, as of June 30, 2025, our total cash balance was RMB213.7 million, including RMB186.2 million in cash and cash equivalents, RMB5.4 million in term deposits and RMB22.1 million in restricted bank deposits. Our total cash balance is sufficient to cover our net cash flows used in operating activities and provide adequate liquidity for our expansion of business operations. As such, we believe that we possess sufficient working capital, including sufficient cash and liquidity assets, after taking into account the financial resources available to us.

PROPERTIES

Owned Properties

We own and occupy certain land parcels and buildings in the PRC for our business operations. These owned properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of the Latest Practicable Date, we owned one land parcel with a total site area of 53,395.6 sq.m. and nine properties with a total gross floor area of 46,164.2 sq.m. in the PRC. As of the Latest Practicable Date, these properties are in the renovation phase and are expected to be used as our offices, warehouses and for manufacturing purposes primarily including product assembly, testing and packaging, etc. to support our business operations.

Except for the property interests described in the valuation report prepared by AVISTA Valuation Advisory Limited, our Group has no other owned single property interest that forms part of our non-property activities that has a carrying amount of 15% or more of the total assets pursuant to Rule 5.01B(2)(b) of the Listing Rules. For details, please refer to the valuation report in Appendix III to this document.

Our PRC Legal Advisor confirmed that, as of the Latest Practicable Date, we had obtained the real property title certificates and other relevant land use rights certificates of the above one land parcel and nine properties.

Leased Properties

As of the Latest Practicable Date, we leased three properties with an aggregate gross floor area of approximately 14,702.04 sq.m. in the PRC for use as our offices, our self-operated factories and for the purpose of R&D. These leases generally have a term ranging from one to three years.

LICENSES, APPROVALS AND PERMITS

We lay great emphasis on the ultimate safety of our intelligent driving products and solutions. Our intelligent driving technologies are designed to comply with automotive grade standards. Our products and R&D procedures passed various industry recognized certifications and tests for safety and reliability. The table below sets out the main standards, certifications and requirements that we were compliant with as of the Latest Practicable Date:

Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements
ISO 9001:2015	An internationally accepted standard for quality management systems published by the ISO, encompassing the formulation of quality policies, objectives and processes such as quality planning, quality control, quality assurance and quality improvement.	We are ISO 9001:2015 certified, with our certificate valid until April 8, 2027. We operate in accordance with the quality system requirements and are committed to continual improvement.

Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements
IATF 16949:2016	A global technical specification and quality management standard for the automotive industry, which extends the principles of ISO 9001 to meet the stringent demands of the automotive industry.	We are IATF 16949:2016 certified, with our certificate valid until April 8, 2027. We adhere to the quality system requirements of the automotive industry, employing PDCA and risk management-based processes, and are dedicated to ongoing improvement.
ISO 45001:2018	An international standard for occupational health and safety management systems published by the ISO, which provides a framework for organizations to manage risks and improve performance by identifying, evaluating and controlling hazards in the workplace.	We are ISO 45001:2018 certified, with our certificate valid until October 24, 2028. We operate in accordance with the system requirements and strive for further enhancement.
ISO 14001:2015	An internationally recognized standard for environmental management systems, published by the ISO, which provides a framework for organizations to improve their environmental performance through more efficient use of resources and reduction of waste, thereby achieving sustainable development.	We are ISO 14001:2015 certified, with our certificate valid until August 28, 2026. We operate in accordance with the system requirements and strive for further enhancement.

Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements
ISO 26262:2018	An international standard for the functional safety of road vehicles, focusing on electrical and electronic systems. It aims to enhance safety by addressing potential hazards from system malfunctions. The standard uses the Automotive Safety Integrity Level (ASIL) for risk classification, divided into four levels: A, B, C and D, with ASIL D representing the highest level of stringency.	We obtained ISO 26262:2018 (ASIL-D) certification for our functional safety development process and established a product development system that meets the highest functional safety standards.
SIL 4	Safety Integrity Level 4, which is part of an internationally accepted system for evaluating the safety performance of safety-related equipment. SIL certification assesses the reliability and performance of these systems. The levels range from SIL 1 to SIL 4, with SIL 4 being the most stringent.	Certain of our products and solutions for rail transit are certified to SIL 4 standards for the rail transit industry.
SIL 2	Safety Integrity Level 2 of the abovementioned SIL certification system.	Certain of our products and solutions for rail transit are certified to SIL 2 standards for the rail transit industry.
Radio Transmission Equipment Type Approval Certificate	A certificate issued by the Ministry of Industry and Information Technology in China certifying that the radio transmission equipment conforms to the provisions of the Radio Regulations of the PRC	Certain of our V2X products have received such certificates
Network Access License for telecommunications equipment	A mandatory approval of telecommunications equipment that will be connected to the public telecommunications network licensed by the Ministry of Industry and Information Technology in China	Certain of our V2X products have received such approvals

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we had obtained all licenses and permits required for our business operations in the PRC in all material respects, and such business licenses had remained in full effect. Our PRC Legal Advisor further confirms that save for the above-mentioned industry-specific standards and

certifications, there is no other regulatory approval required and/or obtained for each key Specialist Technology Product under the relevant PRC laws and regulations, such as for our autonomous driving trucks. As of the Latest Practicable Date, no material unexpected or adverse changes had occurred since the dates of issue of the relevant regulatory approvals for our Specialist Technology Products.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Risk Factors — Risks Relating to Our General Operations — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition."

In December 2024, one of our construction service suppliers filed a lawsuit against us regarding a payment settlement dispute in relation to a construction project for our self-operated factory, seeking payment of RMB36.1 million in total, including the disputed contract amount of RMB35.2 million, which has been recorded in our other payables but remains unpaid due to disagreement over settlement terms, and interests amounting to RMB849.1 thousand, for which we had made full provisions. The dispute is ongoing, and no court judgment had been issued as of the Latest Practicable Date. In January 2025, the court approved the plaintiff's application for pre-litigation property preservation and placed a lien on one of our properties currently under renovation planned for warehousing and manufacturing use, as well as a portion of funds in our bank accounts, as a provisional measure. According to our PRC Legal Advisor, the court-ordered property preservation is a temporary procedural measure under PRC civil procedure law to prevent potential asset dissipation and does not reflect any judgment on the merits of the case; the preservation was granted based on the plaintiff's application and provision of insurance guarantee, meeting the procedural requirements for granting such measure. Our PRC Legal Advisor advised that such measures do not imply the court's support for the plaintiff's claims in any way as the substantive issues of the dispute remain to be adjudicated during the trial, and if the plaintiff's claims are ultimately rejected, they may be liable for damages caused by the preservation. We believe that such property preservation measures do not have a material impact on our business operations and financial conditions. This litigation arose from the ordinary course of our operations and does not concern our core business or assets. We believe and our PRC Legal Advisors are of the view that such dispute would not have a material adverse impact on our business operations.

Save as disclosed, during the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance.

As advised by our PRC Legal Advisor, our business operations were conducted in compliance with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

U.S. Export and Import Control Laws and Regulations

We currently rely on certain U.S. originated modules for our intelligent driving platforms which provide the computing power required by our autonomous systems for our autonomous mining trucks, certain V2X products and TAPS, which accounted for 74%, 36.6%, 36.6%, 6.6% and 1.6% of our purchase amount for modules that provide computing power for our products and solutions in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. We are able to identify the types and origination of the modules from the purchase agreements with our suppliers. These modules, to the best of our knowledge and as advised by our U.S. Export Control and Sanctions Counsel, based on export classification information provided by the module manufacturer, are only controlled for anti-terrorism reasons. Items that are controlled solely for anti-terrorism reasons are not subject to destination-based controls for mainlaind China. Such items therefore do not require a license for export to mainland China, absent other applicable restrictions, such as end user or end use based restrictions including those imposed on entities designated on the Entity List. Since we are not designated on the Entity List or any other export control or sanctions list maintained by the U.S. government, and we do not transfer such items to any entities designated on the Entity List or to any other prohibited end user or for any prohibited end use, we are permitted to receive these items solely controlled for anti-terrorism reasons without a license. In addition, our U.S. Export Control and Sanctions Counsel has reviewed our customer list and advised that none of the past or existing customers during the Track Record Period has been designated on the Entity List. Furthermore, we believe that the current U.S. export control laws and regulations have not impacted our ability to obtain the semiconductors and other technologies that we incorporate into our products and solutions, or that we use in our business, or our ability to make sales to either our current or prospective customers as we expand our business, given that we have not experienced any supply shortages or disruptions as of the Latest Practicable Date. See "Regulatory Overview — Laws and Regulations relating to U.S. Export Controls."

However, as these export controls laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect or target some of our significant customers or suppliers, raw materials or key components or technologies necessary for our operations, in which event our business may be affected if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us. As of the Latest Practicable Date, as advised by our U.S. Export Control and Sanctions Counsel, we are not aware of any prospective sanctions or export controls policy that would restrict us from using such U.S. originated modules. To mitigate such risks, as of the Latest Practicable Date, we have developed and tested multiple mature domestic substitute technology solutions that can support the rapid and large-scale replacement of the modules required for our products and solutions. We believe that we would be able to switch to alternative suppliers in China that offer comparable technology, quality and price in the event of supply restrictions on U.S. originated modules, given that we have previously purchased comparable intelligent driving computing platforms from domestic suppliers which we have incorporated into certain of our products and maintain some of them in inventory. Although switching to domestic substitute suppliers may incur extra time arising from customer communication and, for large-scale orders, additional procurement and production, which we expect could take one to three months depending on the specific product, we believe that such circumstances would not have a material adverse impact on our business operations or financial condition.

In addition, BIS released a final rule that would, among other things, prohibit transactions involving the import or sale of vehicle connectivity systems ("**VCS**") hardware and completed connected vehicles that incorporate VCS hardware or certain software that directly enables VCS or Automated Driving Systems ("**ADS**") with a sufficient nexus to the PRC or Russia ("**Connected Vehicle Rule**"). Under the Connected Vehicle Rule, vehicles with a gross vehicle weight rating of more than 4,536 kilograms (10,000 pounds) are excluded from the definition of a 'connected vehicle'. As most commercial vehicles exceed this weight threshold, the rule generally does not cover commercial vehicles. For details, see "Regulatory Overview — Laws and Regulations relating to U.S. Export and Import Controls." Although we currently offer products that fall under the definition of VCS and are used in ADS products, we exclusively sell commercial vehicles with a gross vehicle weight rating ("**GVWR**") of more than 4,536 kilograms (10,000 pounds), including autonomous logistics trucks with a GVWR of over 18,000 kilograms and autonomous mining trucks with a GVWR of over 100,000 kilograms, and our standalone intelligent driving systems are designed exclusively for such commercial vehicles. Accordingly, we believe, and as advised by our U.S. Export Control and Sanctions Counsel, our products do not fall within the current scope of the Connected Vehicle Rule. Moreover, as of the Latest Practicable Date, we do not sell our products in the U.S. or to customers who incorporate them into products sold in the U.S., and have no plans to do so. However, if the scope of the Connected Vehicle Rule is expanded to cover commercial vehicles, it may restrict our ability to sell or otherwise commercialize our products in the U.S. market, if we wish to do so in the future. See "Risk Factors — Risks Relating to Our

General Operations — We may be subject to risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected."

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a set of risk management measures and internal control policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these policies. Furthermore, we continually review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. We have adopted and implemented comprehensive internal control management in various aspects of our business operations, including the following.

Financial Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide regular training to our employees in the finance department to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Compliance Management

In order to effectively manage our regulatory compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers, suppliers and other business partners. Our sales manager examines the contract terms and reviews relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. We also issued the internal contract management policies to regulate the business contract signing, reviewing and implementation procedures. In addition, we continuously improve our internal policies according to changes in laws, regulations and industry standards, such as the policies related with intelligent driving and data privacy.

Human Resource Management

We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our products, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award year	Awarding Institution/Authority
Outstanding Service Provider for Vehicle-Road-Cloud Integration in 2024 (2024車路雲一體化優秀服務提供商)	2025	7its.com (賽文交通網)
2024 Pioneer Enterprise in Autonomous Driving Commercialization in China (2024中國無人駕駛商業化發展先鋒企業)	2024	EqualOcean Auto (億歐汽車)
2024 Outstanding Sci-Tech Company (2024科創好公司)	2024	CLS (財聯社)
2024 Renowned Brand Award in the Internet of Vehicles Industry (2024車聯網產業知名品牌獎)	2024	Organizing Committee of the China (Greater Bay Area) Internet of Vehicles Conference (中國(大灣區)車聯網大會組委會)
2024 Mining Technology Excellence Awards (2024採礦技術卓越獎)	2024	GlobalData

Award/Recognition	Award year	Awarding Institution/Authority
First Prize of the China Highway & Transportation Society Science & Technology Award (中國公路學會科學技術獎)	2023	China Highway & Transportation Society (中國公路學會)
National Technologically Advanced "Little Giant" Enterprises (國家級專精特新小巨人)	2023	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
Hunan Engineering Technology Research Center (湖南省工程技術研究中心)	2022	Department of Science and Technology of Hunan Province (湖南省科學技術廳)
Hunan Provincial Enterprise Technology Center (湖南省企業技術中心)	2022	Industry and Information Technology Department of Hunan Province (湖南省工業和信息化廳)
2022 List of New Unicorns (2022年新晉獨角獸榜單)	2022	Forbes China (福布斯中國)

DIRECTORS

Upon **[REDACTED]**, our Board consists of eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Directors					
Dr. Ma Wei (馬濰)	69	Co-founder, executive Director and vice chairman	October 2017	October 16, 2017	Responsible for architecting technology framework and business model, research and development of new product technology of our Group and strategic planning of such research and development
Dr. Hu Albert Sibo (胡斯博) .	38	Executive Director and chief executive officer	January 2018	October 30, 2023	Responsible for research and development of system algorithm and simulation, business development, marketing and production of our Group, overseeing the financial matters of the Group
Non-executive Directors					
Prof. Li Zexiang (李澤湘) . .	64	Founder, chairman of our Board and Non-executive Director	October 2017	October 16, 2017	Responsible for overseeing the overall business strategy and direction, formulating management structure and growth objectives; align external resources to company's technology capabilities

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Wang Hao (王昊)[1] . . .	41	Non-executive Director	December 2019	December 9, 2019	Responsible for providing advice to the Board and align the eco system resources to help the company growth
Ms. Yang Xi (楊溪)	37	Non-executive Director	October 2017	October 16, 2017	Responsible for providing advice to the Board and align the eco system resources to help the company growth
Dr. Li Zhiyong (李智勇) . . .	54	Non-executive Director	**[REDACTED]**	**[REDACTED]**	Responsible for providing advice to the Board and align the eco system resources to help the company growth
Independent non-executive Directors					
Dr. Li Xiaoyuan (李曉原). . .	66	Independent non-executive Director	**[REDACTED]**	**[REDACTED]**	Responsible for providing independent advice on the operation and management of our Company
Prof. Tan Guangrong (譚光榮)	62	Independent non-executive Director	**[REDACTED]**	**[REDACTED]**	Responsible for providing independent advice on the operation and management of our Company
Mr. Zhang Jiangang (張健鋼) .	33	Independent non-executive Director	**[REDACTED]**	**[REDACTED]**	Responsible for providing independent advice on the operation and management of our Company

Note:

(1) As of the date of this document, Mr. Wang Hao was our non-executive Director. Mr. Wang Hao has already tendered his resignation from directorship, conditional and effective upon **[REDACTED]**, and the appointments (i) of Dr. Li Zhiyong as a non-executive Director and (ii) Dr. Li Xiaoyuan, Prof. Tan Guanrong and Mr. Zhang Jiangang as independent non-executive Directors will become effective at the same time. Mr. Wang Hao is a board representative of HongShan prior to **[REDACTED]** and have performed non-executive functions through providing advice on our overall development as a private company. Mr. Wang has tendered his resignation based on internal decision-making of HongShan which he represents and his intention to focus on other endeavours. In addition, the

appointment of three independent non-executive directors would allow us to meet the requirements under Rules 3.10(1) and 3.10A of the Listing Rules that our Board shall include at least three independent non-executive directors, who shall represent at least one-third of our Board. Mr. Wang Hao has confirmed to the Board that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders of the Company.

Executive Directors

Dr. Ma Wei (馬濰), aged 69, is the co-founder, executive Director and the vice chairman of our Company. He joined our Company since October 2017. He was appointed as our Director on October 16, 2017.

Dr. Ma has more than 20 years of experience in the electronics and technology industry. Prior to founding our group, Dr. Ma served as a lecturer at Xi'an University of Electronic Science and Technology (西安電子科技大學) from January 1985 to September 1989. He then served as a director at National Semiconductor Inc in the United States from January 2002 to September 2012 and a director at Texas Instrument Inc in the United States from September 2012 to October 2017.

Dr. Ma obtained a bachelor's degree in communication engineering in April 1982 and a master's degree in communication engineering in April 1985 from Xi'an University of Electronic Science and Technology (西安電子科技大學) in the PRC. He also obtained a doctorate degree in Signal Processing from Surrey University in the United Kingdom in August 1994.

Dr. Hu Albert Sibo (胡斯博), aged 38, is the executive Director and chief executive officer of our Company. He joined our Group in January 2018. He was appointed as our Director and chief executive officer on October 30, 2023.

Prior to joining our Group, Dr. Hu worked in algorithmic trading at C&C Trading, LLC in New York City, USA between November 2009 and July 2011 where he developed automated systems and strategies.

Since January 2018, Dr. Hu has successively served as a senior scientist at the intelligent driving platform department, a principal scientist at the new technology development center, a director of research and development at the technology innovation center and the head of CiDiLabs at our Company. Dr. Hu was recognized as a municipal industry leader as the Changsha's High-End Talent Leading Project by the Changsha Municipal Talent Leading Group in August 2021.

Dr. Hu obtained a bachelor's double degree in economics and mathematics from Williams College in the United States in June 2009. He then obtained a master's degree in business administration in December 2014 and a doctorate degree in business administration in December 2017 from the University of California, Berkeley in the United States.

Non-executive Directors

Prof. Li Zexiang (李澤湘), aged 64, is the founder, chairman of our Board and non-executive Director of our Company. He joined our Company since October 2017. He was appointed as our Director on October 16, 2017.

Prof. Li has more than 30 years of experience in the motion control and manufacturing industry. Prof. Li has served as a professor at the department of electronic and computer engineering of the Hong Kong University of Science and Technology since 1992. He established the center for automation technology at the Hong Kong University of Science and Technology in 1998 and has been the key member of the Robotics Institute of the Hong Kong University of Science and Technology since 2015. Prof. Li has been the co-founder and director of Googol Technology Co., Ltd. (固高科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301510), since October 1999. Prof. Li was recognized as a fellow of the Institute of Electrical and Electronics Engineers in 2008.

Prof. Li obtained a bachelor's degree in electrical engineering and economics (with honors) from Carnegie Mellon University in United States in August 1983. He also obtained a master's degree in engineering in May 1985, a master's degree in mathematics in December 1989 and a doctorate degree in engineering in December 1989 from the University of California, Berkeley in United States.

Mr. Wang Hao (王昊), aged 41, is the non-executive Director of our Company. He was appointed as a Director on December 9, 2019.

Mr. Wang joined HongShan in September 2015, and currently serves as a managing director.

He has held directorships and positions in HongShan' various subsidiaries and investment companies, including, among others, Beijing Shengxin Network Technology Co., Ltd (北京升鑫網絡科技有限公司), Shanghai Yiwei Software Systems Co., Ltd (上海繹維軟件系統有限公司), Bochuang Linkage Technology Co., Ltd (博創聯動科技股份有限公司) and Xiamen Gaoding Co., Ltd (廈門稿定股份有限公司).

Mr. Wang obtained a bachelor' degree in communication engineering in June 2007 and a master' degree in communication engineering in March 2010 from Shanghai Jiao Tong University (上海交通大學) in the PRC.

Ms. Yang Xi (楊溪), aged 37, is the non-executive Director of our Company. She was appointed as a Director on October 16, 2017.

Ms. Yang has more than 7 years of experience in the design and technology industry. Since June 2016, she has worked at Dongguan Songshan Lake International Robotics Research Institute Co., Ltd. (東莞松山湖國際機器人研究院有限公司) with her last position as a general manager.

Ms. Yang obtained a bachelor's degree in design from Tongji University in the PRC (同濟大學) in June 2011, a master's degree in applied innovation from the Hong Kong Polytechnic University in June 2014 and a master's degree in technology leadership and entrepreneurship from the Hong Kong University of Science and Technology in November 2016.

Dr. Li Zhiyong (李智勇), aged 54, is a non-executive Director of our Company. He [was] appointed as a Director with effect from the **[REDACTED]**.

Dr. Li has over 20 years of experience in the artificial intelligence and intelligent robotics industry. Since February 2004, he has worked at Hunan University (湖南大學) with his current position as a professor at Xiangjiang Elite Engineers College of Hunan University (湘江卓越工程師學院湖南大學分院). Dr. Li was awarded the Second Prize of National Teaching Achievement Award by the Ministry of Education of the PRC in July 2023, and the Second Prize of Hunan Provincial Science and Technology Progress Award by the Government of Hunan Province in July 2021. He has been a member of the 13th CPPCC Hunan Provincial Committee since December 2022 and a director of the Chinese Association for Artificial Intelligence since March 2025.

Dr. Li obtained a doctorate degree in control theory and control engineering from Hunan University (湖南大學) in the PRC in June 2004.

Independent non-executive Directors

Dr. Li Xiaoyuan (李曉原), aged 66, was appointed as an independent non-executive Director of our Company with effect from the **[REDACTED]**.

Dr. Li has over 30 years of experience in the chemistry and academia industry. Dr. Li served as a postdoctoral researcher at the department of chemistry of University of California, Berkeley in the United States from 1988 to 1989 and subsequently served as a research associate at the Steacie Institute for Molecular Sciences at the National Research Council of Canada in Canada from 1989

to 1991. Since August 1991, he has successively served as an assistant professor, associate professor, professor, department head, chair professor and a professor emeritus in the department of chemistry at the Hong Kong University of Science and Technology. He was awarded the Outstanding Young Scientist Award (Overseas Category) by National Natural Science Foundation of China (國家自然科學基金委員會) in December 1999 and the SPACC-CSJ Award by the Chemical Society of Japan in July 2005.

Dr. Li obtained a bachelor's degree in chemistry from Peking University (北京大學) in the PRC in February 1982. He then obtained a master's degree in chemistry in July 1984 and a doctorate degree in Chemistry in July 1988 from Princeton University in the United States.

Prof. Tan Guangrong (譚光榮), aged 62, was appointed as an independent non-executive Director of our Company with effect from the **[REDACTED]**.

Prof. Tan has over 25 years of experience in the field of finance and accounting. He has joined Hunan University (湖南大學) since September 1999 and has been a professor at the school of economics and trade since July 2009. Prof. Tan has been serving as an independent non-executive director at Guangdong Guanghong Electronics Co., Ltd. (國光電器股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002045), since January 2023, an independent director at Delijia Transmission Technology (Jiangsu) Co., Ltd. (德力佳傳動科技(江蘇)股份有限公司) since July 2023, an independent director at Shanhe Xinghang Industrial Co., Ltd. (山河星航實業股份有限公司) since August 2023 and an independent director at Hunan Feiwo New Energy Technology Co., Ltd. (湖南飛沃新能源科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301232). In December 2001, Prof. Tan was certified as a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

He obtained a bachelor's degree in economics with a major in accounting from Hunan University of Finance and Economics in the PRC in June 1995, a master's degree in management science and engineering from Central South University of Technology (中南工業大學) in the PRC in October 1997, and a doctorate degree in management science and engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2004.

Mr. Zhang Jiangang (張健鋼), aged 33, was appointed as an independent non-executive Director of our Company with effect from the **[REDACTED]**.

Mr. Zhang has over 8 years of experience in technology, research, and entrepreneurship. He served as a research assistant at the University of Hong Kong. Since May 2016, he has been the founder and director of INCUS Company Ltd. in Hong Kong.

Mr. Zhang has received several prestigious awards throughout his career. In 2016, he was awarded first prize at both the Qianhai Shenzhen-Hong Kong Innovation and Entrepreneurship Competition and the Cross Straits Hong Kong and Macao Entrepreneurship Competition. He won the first prize at Pitch@Palace in the PRC in 2019.

Mr. Zhang obtained a bachelor's degree in automation from the University of Science and Technology of China (中國科學技術大學) in the PRC in June 2013. He later obtained a master's degree in technology leadership and entrepreneurship from the Hong Kong University of Science and Technology in Hong Kong in November 2016.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table provides information about members of our senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a senior manager	Roles and responsibilities
Dr. Ma Wei (馬濰)	69	Co-founder, executive Director and vice chairman	October 2017	October 13, 2017	Responsible for architecting technology framework and business model, research and development of new product technology of our Group and strategic planning of such research and development
Dr. Hu Albert Sibo (胡斯博) .	38	Executive Director and chief executive officer	January 2018	December 30, 2023	Responsible for research and development of system algorithm and simulation, business development, marketing and production of our Group

Dr. Ma Wei (馬濰) is the co-founder, executive Director and the vice chairman of our Company. See "— Directors — Executive Directors" in this section for his biographical details.

Dr. Hu Albert Sibo (胡斯博) is the executive Director and chief executive officer of our Company. See "— Directors — Executive Directors" in this section for his biographical details.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document. Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our 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, none of our Directors or senior management were related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Ms. Au Wing Sze (區詠詩) has been appointed as one of our joint Company secretaries of the Company with effect from the **[REDACTED]**. She is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She has over 10 years of experience in the corporate secretarial field.

Ms. Au is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a master of corporate governance from Hong Kong Metropolitan University in Hong Kong.

Mr. Li Chunlin (李春林) has been appointed as one of our joint Company secretaries of the Company with effect from the **[REDACTED]**. Mr. Li has been the legal director and head of risk control of our Company since November 2017.

Prior to joining our Group, Mr. Li worked at electrical control technical department of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) from October 2011 to March 2013, and at Hunan Zoomlion Intelligent Technology Co., Ltd. (湖南中聯重科智能技術有限公司) from April 2013 to September 2014. He served as an intellectual property lawyer and patent attorney at Hunan Tiandiren Law Firm (湖南天地人律師事務所) from September 2014 to November 2017.

Mr. Li obtained a bachelor's degree in automation engineering from Ocean University of China (中國海洋大學) in the PRC in June 2010 and a master's degree in law from Hunan University (湖南大學) in the PRC in July 2022.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code and the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The audit committee consists of three Directors, namely Prof. Tan Guangrong, Ms. Yang Xi and Dr. Li Xiaoyuan. Prof. Tan Guangrong, being 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 include, but are not limited to, the following:

- reviewing and evaluating the work of external auditors;
- monitoring and making recommendations concerning the internal audit work of our Company;
- reviewing and making recommendations concerning the financial reports of our Company;
- evaluating the effectiveness of internal control work;
- ensuring coordination between the management, internal audit department and relevant departments and external auditors; and
- performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The remuneration committee consists of three Directors, namely Dr. Li Xiaoyuan, Dr. Ma Wei and Mr. Zhang Jiangang. Dr. Li Xiaoyuan serves as the chairperson of the remuneration committee. The primary duties of the remuneration committee include, but are not limited to, the following:

- reviewing and approving remuneration proposals of members of our senior management in accordance with our Company's policies and objectives as approved by our Board from time to time;

- making recommendations to our Board concerning our Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, including, but not limited to, performance evaluation standards, procedures and evaluation systems;

- conducting the evaluation of the annual performance of all Directors and senior management;

- monitoring remuneration payable to all Directors and senior management;

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

- performing other duties and responsibilities as assigned by our Board.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The nomination committee consists of three Directors, namely Prof. Li Zexiang, Dr. Li Xiaoyuan and Mr. Zhang Jiangang. Prof. Li Zexiang serves as the chairperson of the nomination committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- reviewing and making recommendations to the Board on the composition and number of our Board and senior management with reference to our Company's business activities, the scale of assets and shareholding structure;

- identifying individuals suitably qualified to become a member of our Board and senior management, and making recommendations to our Board on the selection of individuals nominated for directorships and senior management;

- reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors;

- accessing and making recommendations to the selection of other senior management appointed by our Board; and

- performing other duties and responsibilities as assigned by our Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also the Company's employees, remuneration in the form of wages, salaries, bonuses, share-based compensation pension obligations, housing funds, medical insurances, other social insurances and other benefits. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of remuneration paid or payable to our Directors and our chief executive officer amounted to approximately RMB3.3 million, RMB4.5 million, RMB16.4 million and RMB15.6 million, respectively. Under the arrangement currently in force, we estimate the total remuneration before taxation, including estimated share-based remuneration, to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB32.1 million. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, there were 2, 2, 2 and 2 Director and/or chief executive officer among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to approximately RMB**[REDACTED]**, RMB3.5 million, RMB36.6 million and RMB48.6 million, for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

During the Track Record Period, no remuneration was paid to our Directors or any of the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or receivable by, any of our Directors, former directors or the five highest paid individuals for the loss of office as director of any member of our

Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the **[REDACTED]**, receive recommendations from our remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company complies or intends to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the **[REDACTED]**.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including, but not limited to, gender, skills, age, professional experience, knowledge, cultural background, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our board currently consists of 1 female Director and 7 male Directors with nearly half holding doctorate degrees. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including economics, chemistry, business management, and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Furthermore,

our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the **[REDACTED]**, our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and, when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on October 18, 2024, October 21, 2024 and October 25, 2024 (as the case may be) and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (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 Company or its subsidiaries or any connection with any core connected person of the 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 appointment.

COMPLIANCE ADVISOR

We have appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our 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 and share repurchases;

(c) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment of our Compliance Advisor will commence on the **[REDACTED]** and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Prof. Li is indirectly interested in approximately 16,750,130 Shares, representing approximately 43.64% of our total issued share capital, through: (i) 11,433,151 Shares (representing approximately 29.81% of the voting rights in our Company) held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li; (ii) 4,883,250 Shares held by Changsha Gangwan (representing approximately 12.72% of the voting rights in our Company) which (1) is directly held as to 99% by Prof. Li as the limited partner, and (2) is held as to 1% by Dongguan Intelligence as the general partner, which in turn is controlled by Prof. Li; (iii) 290,750 Shares held by CWB Startup HK (representing approximately 0.76% of the voting rights in our Company) which is wholly-owned by Clear Water Bay Startup Fund LP, the general partner of which is Clear Water Bay Startup Fund GP, which in turn is held as to approximately 57% by Prof. Li; and (iv) 132,979 Shares held by Changsha Shengyu (representing approximately 0.35% of the voting rights in our Company), the majority of the partnership interest of which is held by Dongguan Yunhe, which in turn is wholly-owned by CWB Startup HK.

Accordingly, Prof. Li, NovoDriv HK, NovoDriv Limited, Changsha Gangwan, Dongguan Intelligence, CWB Startup HK, Clear Water Bay Startup Fund GP, Clear Water Bay Startup Fund LP, and Changsha Shengyu and Dongguan Yunhe constitute a group of Controlling Shareholders of the Company.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Controlling Shareholders will be entitled to exercise approximately **[REDACTED]**% of the voting rights in our Company, and will remain as the Controlling Shareholders upon the **[REDACTED]**.

See "History, Development and Corporate Structure" and "Substantial Shareholders" in this document for details.

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, he/it did not have any interest in other business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from the Controlling Shareholders and their respective close associates after the **[REDACTED]**, taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon **[REDACTED]**, our Board consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. Prof. Li, a Controlling Shareholder, is also a member of the Board as a non-executive Director. For more details, see "Directors and Senior Management".

Ms. Yang Xi, our non-executive Director, also held positions as director and/or general manager in certain companies outside of the Group controlled by Prof. Li, our Controlling Shareholder. Save as disclosed above, none of our Directors or members of senior management serves as directors or members of senior management in any close associates of our Controlling Shareholders.

Our Directors consider that we are able to carry on our business independently from the Controlling Shareholders from a management perspective for the following reasons:

(a) our executive Directors and senior management members do not hold any role as an executive director or member of senior management in any close associates of our Controlling Shareholders. Although Ms. Yang Xi held directorships and/or general manager roles in certain companies outside of the Group controlled by Prof. Li, she is only a Non-executive Director of our Company and is not involved in the daily operation of our Company;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. See "Directors and Senior Management" for details of the industry experience of our senior management team;

(c) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any

transaction to be entered into between our Group and a Director and/or his/her associate, he/she is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(d) we have three independent non-executive Directors with extensive experience in their respective areas of expertise to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole. Certain matters of our Company must always be referred to the independent non-executive Directors for review and approval; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. See "— Corporate Governance" below for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Operational Independence

We do not rely on the Controlling Shareholders and their respective close associates for our daily operations. While our business operations and growth prospects might be affected by the experience and abilities of our founder and non-executive Director, Prof. Li, and our senior management and key personnel, we have our own departments specializing in business development, sales and marketing, financing, logistics, human resources, administration, internal audit, information technology, legal and compliance, or company secretarial functions which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We also have sufficient capital, facilities, equipment and employees, administrative and corporate governance infrastructure, to operate the business independently We are also in possession of all relevant licenses, certificates, facilities, intellectual property rights and approvals and permits from the relevant regulatory authorities necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have our own internal control and accounting systems and an independent finance department in charge of our treasury function and making financial decisions based on our Group's needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their respective close associates. We do not expect to rely on the Controlling Shareholders and their respective close associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by the cash, cash equivalents on hand as well as the proceeds from the **[REDACTED]**.

In addition, we are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, there were no outstanding loans or guarantee provided by or granted to the Controlling Shareholders or their respective close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently from, and do not place undue reliance on the Controlling Shareholders or their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE

Our Company and Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of implementing good corporate governance and effective internal control measures in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders and their respective close associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon **[REDACTED]**. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Group enters into connected transactions with the Controlling Shareholders or any of their respective associates, we will comply with the applicable Listing Rules;

(d) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See "Directors and Senior Management" for details of the independent non-executive Directors;

(e) where our Directors reasonably request the advice of independent professionals or advisors, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals or advisors will be made at our Company's expenses;

(f) we have appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor to provide us with advice and guidance in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to Directors' duties and corporate governance; and

(g) we have established our Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

This section presents certain information regarding our share capital before and upon completion of the **[REDACTED]**.

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB38,381,330, comprising 38,381,330 Domestic Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
Domestic Unlisted Shares in issue	**[REDACTED]**	**[REDACTED]**
H Shares converted from Domestic Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100**

Assuming the **[REDACTED]** is exercised in full, the share capital of our Company immediately following the **[REDACTED]** will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
Domestic Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be converted from Domestic Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100**

RANKING

Upon completion of the **[REDACTED]**, the Shares will consist of H Shares and Domestic Unlisted Shares. H Shares and Domestic Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Domestic Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

DOMESTIC UNLISTED SHARES AND H SHARES

Upon the completion of the **[REDACTED]** and the Conversion of Domestic Unlisted Shares into H Shares, the Shares will consist of Domestic Unlisted Shares and H Shares. Domestic Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as our certain existing shareholders the Domestic Unlisted Shares held by whom will be converted into H Shares according to the approval of the CSRC), H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons.

CONVERSION OF DOMESTIC UNLISTED SHARES INTO H SHARES

If any of the Domestic Unlisted Shares are to be converted, **[REDACTED]** and **[REDACTED]** as H Shares on the Stock Exchange, such conversion, **[REDACTED]** and **[REDACTED]** will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Registration with the CSRC and Full Circulation Application

In accordance with the Trial Administrative Measures and related guidelines, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange shall register with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial **[REDACTED]**.

We applied for a "full circulation" filing when filing with the CSRC for an overseas **[REDACTED]** on [•], and submitted the filing reports, authorization documents of the shareholders of Domestic Unlisted Shares which applied for the H-share "full circulation", undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We [have received] the filing notice from the CSRC dated [•] in relation to the registration of the overseas **[REDACTED]** and "full circulation", pursuant to which (1) we are approved to issue no more than **[REDACTED]** H Shares with a nominal value of RMB1.00 each, which are all ordinary shares, and we may be **[REDACTED]** on the Main Board of the Hong Kong Stock Exchange; (2) certain Shareholders (the "**Full Circulation Participating Shareholders**") could convert **[REDACTED]** Domestic Unlisted Shares into H Shares on a one-for-one basis ("**Conversion of Domestic Unlisted Shares into H Shares**") upon the completion of the **[REDACTED]** ("**Full Circulation Application of the Company**").

[REDACTED] Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of **[REDACTED]** of, and permission to deal in, our H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**, and the H Shares to be converted from **[REDACTED]** Domestic Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the conversion of Domestic Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our **[REDACTED]** regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as **[REDACTED]** by **[REDACTED]** for **[REDACTED]** in **[REDACTED]**.

Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the **[REDACTED]** in relation to the conversion and **[REDACTED]**

(i) We will appoint China Securities Depository and Clearing Corporation Limited ("**CSDC**") as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at **[REDACTED]** in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

(ii) According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full circulation" at the Hong Kong Securities Company; and

(iii) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our Domestic Unlisted Shares shall be reduced by the number of the Domestic Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

A Shareholder holding Domestic Unlisted Shares not converted into H Shares can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Domestic Unlisted Shares into H Shares after the **[REDACTED]** if they want, provided that such conversion of Domestic Unlisted Shares into and **[REDACTED]** and **[REDACTED]** of H Shares will be subject to the approval of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within 12 months from the **[REDACTED]**.

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

For details of the lock-up undertaking given by the Controlling Shareholders pursuant to Rules 10.07 and 18C.13 of the Listing Rules see "**[REDACTED]**".

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. For details, see "Appendix VI — Summary of Articles of Association".

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to **[REDACTED]** H Shares and seek the **[REDACTED]** of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on September 23, 2024.

SHARE INCENTIVE SCHEME

We adopted the Share Incentive Scheme. See "Statutory and General Information — D. Share Incentive Scheme" in Appendix VII to this document.

GENERAL MANDATES TO ISSUE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted general unconditional mandates to issue our Shares. See "Appendix VII — Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 4. Resolutions of our Shareholders" for further details.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (and assuming the **[REDACTED]** is not exercised), the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	**Nature of Interest**	**Class and Number of Shares[1]**	**Approximate percentage of interest in our Company**	**Class and Number of Shares[1]**	**Approximate percentage of shareholding in the relevant class of Shares[2]**	**Approximate percentage of shareholding in the total/issued share capital of our Company[2]**
Prof. Li[3]	Interest in controlled corporations	16,750,130 Domestic Unlisted Shares	43.64%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
NovoDriv Limited[4] .	Interest in controlled corporation	11,443,151 Domestic Unlisted Shares	29.81%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
NovoDriv HK	Beneficial owner	11,443,151 Domestic Unlisted Shares	29.81%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Dongguan Intelligence[5] . . .	Interest in controlled corporation	4,883,250 Domestic Unlisted Shares	12.72%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Changsha Gangwan. .	Beneficial owner	4,883,250 Domestic Unlisted Shares	12.72%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

SUBSTANTIAL SHAREHOLDERS

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of Interest	Class and Number of Shares[1]	Approximate percentage of interest in our Company	Class and Number of Shares[1]	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total/issued share capital of our Company[2]
Beijing HongShan . .	Beneficial owner	4,070,500 Domestic Unlisted Shares	10.61%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Xinding Capital[6] . .	Interest in controlled corporation	3,710,820 Domestic Unlisted Shares	9.67%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ruishi Capital[7] . . .	Beneficial owner	1,056,557 Domestic Unlisted Shares	2.75%	**[REDACTED]** **[REDACTED]**	**[REDACTED]** **[REDACTED]**	**[REDACTED]** **[REDACTED]**
Chengdu Technology VC	Beneficial owner	231,426 Domestic Unlisted Shares	0.60%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ceyuan Guangyi Digital Fund	Beneficial owner	140,357 Domestic Unlisted Shares	0.37%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Domestic Unlisted Shares in issue, **[REDACTED]** H Shares to be converted from Domestic Unlisted Shares in issue and **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(3) Under the SFO, Prof. Li is deemed to be interested in (i) the 11,443,151 Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li; (ii) the 4,883,250 Shares held by Changsha Gangwan, which is held (1) is directly held as to 99% by Prof. Li as the limited partner, and (2) is held as to 1% by Dongguan Intelligence as the general partner, which in turn is controlled by Prof. Li; (iii) the 290,750 Shares held by CWB Startup HK, which is wholly-owned by Clear Water Bay Startup Fund LP, the general partner of which is Clear Water Bay Startup Fund GP, which in turn is held as to approximately 57% by Prof. Li; and (iv) the 132,979 Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by Dongguan Yunhe, which in turn is wholly-owned by CWB Startup HK.

(4) Under the SFO, NovoDriv Limited is deemed to be interested in the 11,443,151 Shares held by NovoDriv HK as its general partner.

(5) Under the SFO, Dongguan Intelligence is deemed to be interested in the 4,883,250 Shares held by Changsha Gangwan as its general partner.

(6) Under the SFO, Xinding Capital is deemed to be interested in the 3,710,820 Shares held by Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36.

(7) Under the SFO, Ruishi Capital is deemed to be interested in the 1,056,557 Shares held by Zhitu No. 1 and Ruichuang Zhitu, among which **[REDACTED]** Domestic Unlisted Shares held by Zhitu No. 1 will be converted into H Shares and **[REDACTED]** Domestic Unlisted Shares held by Ruichuang Zhitu will remain unconverted upon the **[REDACTED]**.

Save as disclosed above and in section headed "Appendix VII — Statutory and General Information — C. Further Information about our Directors and Senior Management", our Directors are not aware of any other person who will, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised is completed), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Company.

*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountant's Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**").*

The following discussion and analysis 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 all of the information provided in this document, including the sections headed "Risk Factors" and "Business," and elsewhere in this document. For further details, see "Forward-Looking Statements."

OVERVIEW

We are an innovative product-driven provider of intelligent driving products and solutions for commercial vehicles in China. We focus on the research and development of closed-environment autonomous driving trucks for mining and logistics, V2X (vehicle-to-everything) technologies and intelligent perception solutions, and offer products and solutions underpinned by proprietary technologies, with a primary focus on intelligent driving in closed environments during the Track Record Period. According to CIC:

- We ranked sixth among all commercial vehicle intelligent driving companies in China (including Hong Kong, Macau and Taiwan), with a market share of approximately 5.2%.

- We delivered 56 autonomous mining trucks for a mining site in China (including Hong Kong, Macau and Taiwan) in mixed traffic with ~500 manned trucks, the world's largest mixed-operation mining fleet[(1)] as of the Latest Practicable Date.

- We delivered the first fully driverless electric mining fleet in China (including Hong Kong, Macau and Taiwan).

- We ranked third in China (including Hong Kong, Macau and Taiwan)'s autonomous mining truck solution market in terms of revenue in 2024.

- We are among the first intelligent driving companies in China (including Hong Kong, Macau and Taiwan) to launch commercial V2X products.

- Our train autonomous perception system (TAPS) is the only product in China (including Hong Kong, Macau and Taiwan) capable of independent safety perception[(2)] for trains.

Drawing upon innovative methodology technology capabilities, we developed products and solutions encompassing (i) autonomous driving technologies, delivering closed-environment autonomous mining trucks and offering closed-environment autonomous logistics truck solutions, (ii) V2X products and solutions for intelligent transportation and smart cities, and (iii) intelligent perception solutions for rail transit and commercial vehicles.

Our business strategy and innovative technological prowess made us a market innovator in mass commercialization. Our initial focus on core intelligent driving functions for commercial vehicles fortified our competitive edge. Subsequently, we expanded and tailored our offerings to cater to more diverse and sophisticated demands, delivering unique value to customers across sectors and forming close collaborations with strategic partners, such as leading automotive OEMs, machinery manufacturers and energy companies. Our loyal customer base further solidifies our technological leadership and brand influence. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. As of June 30, 2025, our total order backlog value reached approximately RMB583.9 million. As of the same date, we delivered 304 autonomous mining trucks and 110 sets of standalone autonomous truck systems to customers, and received indicative orders for 357 autonomous mining trucks and 290 sets of standalone autonomous truck systems.

Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased by 57.9% from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. Our gross profit increased from RMB26.8 million in 2023 to RMB101.4 million in 2024. Our gross profit increased by 57.1% from RMB44.4 million in the six months ended June 30, 2024 to RMB69.7 million in the six months ended June 30, 2025.

Notes:

(1) "Autonomous mining trucks" refers to autonomous driving trucks designed for mining operations. "Mixed-operation" refers to scenarios involving both manned and unmanned mining trucks.

(2) Without relying on existing railway signaling systems or additional track-side devices.

BASIS OF PREPARATION

Our historical financial information has been prepared based on IFRSs Accounting Standards, issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at FVTPL and financial assets at FVTOCI, which are carried at fair value. The historical financial information has been prepared on a going concern basis. The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 4 to the Accountant's Report included in Appendix I to this document.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by us. These standards, amendments or interpretations are not expected to have a material impact on us in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

We have already commenced an assessment of the impact of these new or revised standards and amendments. IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. We do not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of us. Except for this, no material impact on the financial performance and positions of us is expected when they become effective.

For details, see Note 2.1 to the Accountant's Report included in Appendix I to this document.

KEY FACTORS AFFECTING OUR PERFORMANCE

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

Our ability to expand and successfully commercialize and optimize our product and solution portfolio

Our revenue grew significantly during the Track Record Period, primarily due to the expansion of our product and solution offerings. We launched our METAMINE solution, closed-environment autonomous logistics truck solution, V2X products and solutions, autonomous perception systems for rail transit, and intelligent perception solutions for commercial vehicles, all of which generated revenue and entered mass production during the Track Record Period. As we expand the sales of our various products and solutions and enhance our brand recognition, we are able to develop and offer products and solutions with stronger capabilities, more functions and further customization for various types of commercial vehicles. Going forward, we anticipate improving economies of scale as we expand operations, reducing costs and increasing adoption of our products.

We determine the pricing of our products and solutions based on market levels, project complexity, service scope and costs. Our success will depend on our ability to expand our product and solution offerings in a cost-efficient manner and improve the quality and efficiency of our existing products and solutions. Furthermore, within each category of our product and solution portfolio, we provide various options to meet diverse customer needs. See "Business — Overview — Our Offerings." Typically, these products or solutions differ in pricing, raw materials and cost structure, resulting in varying gross margins. Each offering is uniquely positioned with distinct marketing strategies. Consequently, our revenue and profitability are significantly influenced by our product and solution portfolio.

We believe that our increasingly diverse portfolio allows us to swiftly adapt to changing market conditions and customer preferences. We have been optimizing our portfolio to enhance our revenue and profitability.

Our ability to attract new customers and deepen relationships with existing customers

We provide a series of solutions encompassing (i) autonomous driving technologies, delivering autonomous mining trucks and offering logistics truck solutions for use in closed environments, (ii) V2X products and solutions for intelligent transportation and smart cities, and (iii) intelligent perception solutions for rail transit and commercial vehicles in open environments. Our management and sales team have extensive industry experience and profound knowledge,

allowing us to build our brand and acquire customers in an effective manner. We successfully rolled out a series of benchmark projects across China, earning the trust of strategic partners. For autonomous mining, we delivered the first fully driverless electric mining fleet in China for TCC in Jurong, Jiangsu, which is also the first nationwide autonomous mining project certified by the NIM to exceed the efficiency of manual mining operations; our project in Northwest China represents China (including Hong Kong, Macau and Taiwan)'s largest mixed fleet of manned and unmanned mining vehicles; our autonomous mining project in Zhengzhou, Henan represents China (including Hong Kong, Macau and Taiwan)'s first fully driverless quarry with excavator collaboration, according to CIC. For V2X, since the initial commercialization of our in-house developed V2X devices in 2018, we consistently achieved groundbreaking endeavors including launching the innovative V2X + Active Transit Signal Priority system and playing a key role in establishing one of the largest national-level V2X pilot zones for Liangjiang New Area, Chongqing, according to CIC. For intelligent perception, our solutions have been selected for mass production by leading commercial vehicle OEMs such as Sinotruk and FAW Jiefang.

We endeavor to maintain stable and long-term business relationships with our customers by delivering comprehensive, customer-centric services. Our representative customers include prominent companies across various sectors, such as Sinotruk from the automotive industry; TCC from the construction industry; and NavInfo from the V2X industry. We had continuously expanded our customer base during the Track Record Period, with the number of customers growing from 44 as of 2022 to 152 as of June 30, 2025.

We enter into long-term strategic partnership with our customers, which allows us to work closely with them at early stages of projects, and to timely iterate our products and solutions to fulfill the evolving needs of end consumers in line with the market trends. We plan to gain access to global markets and R&D resources through such partnership and cooperation, further expanding our presence in the commercial vehicle industry.

Investment in technology leadership and product development

Our ability to develop new technologies, design new products and solutions and enhance existing products and solutions is critical to our business operations. Our financial performance is dependent on our ability to maintain our position in the commercial vehicle industry, which in turn depends on the investments we make in research and development. It is essential that we continually identify and respond to rapidly evolving customer requirements, develop and introduce innovative products and solutions, enhance existing offerings and features, and generate active market demand for our commercial vehicle products and solutions. In particular, we are committed to investing in our technologies, diversifying our product portfolio by pioneering different commercial vehicle products and solutions, and commercializing new offerings based on market trends. We offer comprehensive capabilities covering intelligent driving products and solutions,

empowering us to integrate different components to launch our diversified and customer-centric products and offerings. Our offerings covering autonomous driving, V2X and intelligent perception solutions connect us with customers in the entire value chain of the commercial vehicle industry, providing further opportunities for cross-domain technology advancement and business development.

In order to maintain our current position in technological innovation, we established a highly experienced talent pool with strong expertise and capabilities in relevant fields. Highly skilled and talented research and development personnel enable us to remain at the forefront of the commercial vehicle industry, and are therefore critical to our success. We have made significant investments in our R&D activities during the Track Record Period, as we believe that our R&D capabilities will be the main driving force for our long-term competitiveness and business prospects. Our total research and development expenses during the Track Record Period amounted to RMB545.4 million. As of June 30, 2025, our research and development team consisted of 249 members, representing 54.1% of total employees as of the same date. As there is a limited supply of research and development personnel with necessary experience and expertise, and such talent is highly sought after, we will continue to provide competitive compensation and benefits packages to attract talent. We also cultivate our in-house staff by providing them with appealing professional development opportunities.

Our ability to effectively control costs and expenses and improve efficiency

Our future profitability depends significantly on our ability to control costs and operating expenses, which are affected by a number of factors, such as costs of components, raw materials and other supplies, as well as our operational efficiency. We believe that as we ramp up the sales of our products and solutions, we will achieve economies of scale such that our costs and operating expenses as a percentage of our total revenue will decrease. Additionally, we will also explore different ways to enhance our manufacturing capabilities by partnering with contract manufacturers in order to meet mass production needs while controlling capital expenditure. Our operating expenses decreased as a percentage of revenue from 652.4% in 2022 to 136.2% in 2024 and further decreased to 96.9% in the six months ended June 30, 2025, indicating improved operational efficiency.

We are constantly improving our operating efficiency in various areas. For instance, we have streamlined the project management process to enhance our R&D efficiency and reduce the time-to-market of products. Our sales team are well prepared to capture business opportunities based on customer demands, and are able to offer precise suggestions for product design and delivery, minimizing subsequent changes and rework in the production process. We have also improved our administrative management to reduce communication costs and improve collaboration efficiency.

Working capital management

Cash flow management is another major factor that affects our results of operations. Cash flow is crucial to sustaining operations, funding research and development, and investing in new technology. The timing of cash inflows from our customers relative to our cash outflows for operating expenses, capital expenditures, and supplier payments is crucial for maintaining liquidity and financial stability.

Our operating cash flow is influenced by our profitability, changes in working capital, and the timing of cash receipts and payments. Efficient management of receivables, payables, and inventory levels directly impacts our cash conversion cycle and our ability to generate positive cash flow from operations. In periods of growth, we may require significant investment in capital expenditures to keep pace with technological advancements. These investments can strain our cash resources, and we may need to seek external financing to support our capital needs. The terms and availability of such financing, as well as our ability to generate cash from operations, are key determinants of our ability to invest in growth opportunities and manage our capital structure effectively. Our net cash used in operating activities decreased from RMB203.1 million in 2022 to RMB147.7 million in 2024. Our net cash used in operating activities increased from RMB42.5 million in the six months ended June 30, 2024 to RMB208.2 million in the six months ended June 30, 2025, primarily due to a significant increase in trade receivables.

General factors

Our business and operating results are also affected by general factors affecting the commercial vehicle industry, which include: (i) market demand for autonomous commercial vehicles; (ii) the evolution and market acceptance of intelligent driving technologies; (iii) the competitive landscape; and (iv) relevant laws and regulations, and governmental policies and initiatives.

IMPACT OF COVID-19

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the global economy. In response, countries and regions worldwide, including mainland China, imposed various measures to contain the virus's spread, such as social distancing, travel restrictions, quarantine, and remote work, among others.

The pandemic's recurrence temporarily disrupted our business, operational results and financial condition. In 2022, the mobility of some employees was affected, and certain employees had to work remotely. Additionally, pandemic-related restrictions slowed the implementation

schedule of some projects, the acceptance of which was also delayed. We undertook several measures to mitigate the impact on our operations and performance, including temporarily closing our offices and providing remote work arrangements and support for R&D activities.

As the COVID-19 pandemic has subsided since early 2023, our business operations have resumed normalcy. Save for the above, our Directors are of the view that COVID-19 did not have any material adverse impact on our business during the Track Record Period and up to the Latest Practicable Date.

MATERIAL ACCOUNTING POLICY INFORMATION

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Note 2 to the Accountant's Report included in Appendix I to this document.

Revenue recognition

We recognize revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- we provide all of the benefits received and consumed simultaneously by the customer;

- we create and enhance an asset that the customer controls as we perform; or

- we do not create an asset with an alternative use to our Group and our Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of our Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether our Group is acting as the principal or agent in offering goods or services to the customer, we need to first identify who controls the specified goods or services before they are transferred to the customer. We follow the accounting guidance for principal-agent considerations to assess whether we control the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. Our management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, we assess the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

(i) Autonomous driving solutions

Revenue generated from sales of autonomous driving solutions which combines the unmanned electric mining trucks and logistics trucks with remote control cockpit and solutions with proprietary algorithms and software, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the solutions.

We control the specified goods and services before they are transferred to a customer and have discretion in establishing prices. We are the principal and recognize revenue from sales of autonomous driving solutions on a gross basis.

We generally offer assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. We account for the warranty in accordance with IAS 37.

After the sales contracts have been signed, partial consideration will be collected by us. We began to stock up after collecting the prepayments. Before the solutions are delivered to the customers, partial consideration will be collected by us. The remaining consideration except for the amount of quality warranty will be collected during the credit period of customers. The amount of quality warranty will be collected after the end of the warranty period. We usually offer a warranty period of six months to one year.

(ii) Autonomous driving products

Revenue generated from sales of autonomous driving products which could be installed in the electric trucks, which is recognised at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the products has been transferred to the customer, generally upon the acceptance of the products.

We control the specified goods before they are transferred to a customer and has discretion in establishing prices. We are the principal and the revenue generated from sales of intelligent driving products is reported on a gross basis.

We generally have the right to collect certain of the contract price of the products from the customers upon their acceptance of the products. The remaining payments are settled after the end of the standard warranty period. We usually offer a warranty period for one year.

(iii) V2X products and solutions

We provide V2X products and solutions to our customers. Revenue is recognized when control over the products and solutions have been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from us as well as control the products and solutions until the products and solutions are delivered to the customer. The products and solutions generally have no alternative use for us due to contractual restrictions. However, an enforceable right to payment does not arise until the products and solutions are accepted by the customer. Therefore, revenue is recognized at a point in time when the products and solutions are accepted by the customer.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether we are acting as the principal or an agent in the transactions. We provide significant service related to the V2X products and solutions and are responsible for the overall management of the contract. We are the principal in the transaction and recognize revenue in the gross amount of consideration to which it is entitled from the customer.

After the sales contracts have been signed, partial consideration will be collected by us. Then, after the products and solutions are delivered to the designated location of customers and are initially accepted by the customers, partial consideration will be collected by us. The remaining consideration except for the amount of quality warranty will be collected after the final acceptance of customers. The amount of quality warranty will be collected after the end of the warranty period. We usually offer a warranty period from one year to three years.

(iv) Commission income

We act in the capacity of an agent rather than as the principal in the transaction of ancillary services relating to procurement of the peripheral related to V2X. We recognize revenue from these services on a net basis.

(v) Intelligent perception

Revenue generated from sales of intelligent perception solutions is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the solutions has been transferred to the customer, generally upon the acceptance of the products and solutions.

We control the specified goods and services before they are transferred to a customer and have discretion in establishing prices. We are the principal and recognize revenue from sales of intelligent perception solutions on a gross basis.

The consideration will be collected once through bank acceptance notes after the settlements with customers monthly. We usually offer a warranty period from one year to three years.

(vi) Contract assets and liabilities

When either party to a contract has performed, we present the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between our performance and the customer's payment. A contract asset is our right to consideration in exchange for services that we have transferred to a customer.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before we transfer goods to the customer, we have a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is our obligation to transfer goods to a customer for which we have received consideration from the customer. A receivable is recorded when we have an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Financial instruments with preferred rights at amortized cost

A contract that contains an obligation for us to purchase our equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if our obligations to purchase are conditional on the counterparty exercising a right to redeem, the financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs.

We derecognize financial liabilities when, and only when, our obligations are discharged, canceled after the settlement by us has been made. The carrying amount of the financial instruments are reclassified to equity when and only when, our obligation (i.e. the redemption obligation) have expired, with the corresponding credit to the treasury stocks.

Share-based payment

The fair value of awarded shares granted to employees under the ESOP less amount paid by employees is recognized as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognized in equity in the share-based payment reserves. The fair value of the shares is measured at the grant date. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, we revise our estimates of the number of shares that are expected to vest based on the service conditions. we recognize the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, we include the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of our Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of our Company.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings	10 – 20 years
Vehicles	4 years
Machinery and equipment	5 years
Office equipment, computers and others	5 years
Tested field and related equipment	5 years
Leasehold improvements	shorter of the term of the lease or the estimated useful lives of the assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other (losses)/gains, net" in the consolidated statements of profit or loss and other comprehensive income.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

The management has assessed that there is impairment indication for our non-financial assets at the end of each reporting period during the Track Record Period resulting from our unfavorable operating performance during the Track Record Period. Therefore, the management has performed impairment assessment for the non-financial assets, which mainly consist of our property, plant and equipment, right-of-use assets, intangible assets and prepayments for acquisition of property, plant and equipment. Based on the result of the assessment, the recoverable amounts of non-financial assets exceed the carrying amounts of non-financial assets at the end of each

reporting period. No impairment loss has been provided for our non-financial assets for the Track Record Period. For details, see Note 16 to the Accountant's Report included in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentage)									
							(unaudited)			
Revenue	31,056	100.0	132,604	100.0	410,035	100.0	258,461	100.0	408,036	100.0
Cost of sales	(37,051)	(119.3)	(105,781)	(79.8)	(308,595)	(75.3)	(214,082)	(82.8)	(338,328)	(82.9)
Gross profit/(loss)	**(5,995)**	**(19.3)**	**26,823**	**20.2**	**101,440**	**24.7**	**44,379**	**17.2**	**69,708**	**17.1**
Other income	7,406	23.8	11,199	8.4	7,455	1.8	5,798	2.2	861	0.2
Other gains/(losses), net	115	0.4	801	0.6	(19)	(0.0)	(102)	(0.0)	401	0.1
Impairment losses	(5,092)	(16.4)	3,589	2.7	(29,038)	(7.1)	(5,280)	(2.0)	(84,280)	(20.7)
Selling expenses	(23,148)	(74.5)	(31,404)	(23.7)	(64,439)	(15.7)	(23,611)	(9.1)	(44,288)	(10.9)
General and administrative expenses	(68,969)	(222.1)	(97,827)	(73.8)	(300,721)	(73.3)	(56,070)	(21.7)	(199,678)	(48.9)
Research and development expenses	(110,507)	(355.8)	(90,396)	(68.2)	(193,181)	(47.1)	(35,339)	(13.7)	(151,317)	(37.1)
Finance costs, net	(96,684)	(311.3)	(112,921)	(85.2)	(130,653)	(31.9)	(63,246)	(24.5)	(71,252)	(17.5)
Loss before income tax	**(302,874)**	**(975.3)**	**(290,136)**	**(218.8)**	**(609,156)**	**(148.6)**	**(133,471)**	**(51.6)**	**(479,845)**	**(117.6)**
Income tax credit	39,877	128.4	35,057	26.4	28,312	6.9	10,904	4.2	24,759	6.1
Loss for the year/period	**(262,997)**	**(846.8)**	**(255,079)**	**(192.4)**	**(580,844)**	**(141.7)**	**(122,567)**	**(47.4)**	**(455,086)**	**(111.5)**

NON-IFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also 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 this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the

same manner as they help our management. However, such non-IFRS financial measure that we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (Non-IFRS Measure) for the year/period as net loss for the year/period adjusted by adding back (i) share-based payments, (ii) financial cost on financial instruments with preferred rights at amortized cost, and (iii) **[REDACTED]** expenses. The following table reconciles our adjusted net loss (Non-IFRS Measure) for the year presented in accordance with IFRS, which is net loss for the periods:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Net loss for the year/period	(262,997)	(255,079)	(580,844)	(122,567)	(455,086)
Add:					
— Share-based payments[(1)]	—	—	313,500	—	266,822
— Financial cost on financial instruments with preferred rights at amortized cost[(2)]	104,136	117,528	128,593	63,119	67,923
— **[REDACTED]** expenses[(3)]	—	—	11,896	—	9,379
Adjusted net loss (Non-IFRS Measure) for the year/period	**(158,861)**	**(137,551)**	**(126,855)**	**(59,448)**	**(110,962)**

Notes:

(1) Share-based payments relate to the non-cash employee benefit expenses incurred in connection with our award to management and key employees.

(2) Financial cost on financial instruments with preferred rights at amortized cost was in relation to financial instruments with preferred rights in connection with our issuance of ordinary shares to pre-**[REDACTED]** investors that conferred the redemption rights. The financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs. The financial cost on financial instruments with preferred rights at amortized cost is considered a non-cash item. The financial instruments with preferred rights at amortized cost will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon **[REDACTED]**.

(3) **[REDACTED]** expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**.

We had a net loss of RMB263.0 million, RMB255.1 million, RMB580.8 million, RMB122.6 million and RMB455.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, primarily due to (i) our continuous investment in research and development, (ii) continuous increase in net finance costs mainly resulting from financial cost on financial instruments with preferred rights at amortized cost in relation to our Pre-**[REDACTED]** investments, and (iii) share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024, which amounted to RMB313.5 million in 2024 and RMB266.8 million for the six months ended June 30, 2025. Apart from the three reasons mentioned above, the increase in our net loss from RMB122.6 million in the six months ended June 30, 2024 to RMB455.1 million in the same period of 2025 is also attributable to higher impairment losses, primarily from (i) impairment losses of RMB56.9 million[(1)] related to financial guarantee contract liabilities and other receivables arising from Customer K's default under its finance lease agreement, and (ii) impairment losses of RMB26.2 million related to trade and notes receivables, mainly due to (a) revenue growth, which led to an increase in trade and notes receivable balances, and (b) the aging of trade receivables from Customer L, which resulted in an impairment loss of RMB5.8 million. Correspondingly, our adjusted net loss (Non-IFRS Measure) increased from RMB59.4 million in the six months ended June 30, 2024 to RMB111.0 million in the same period of 2025. See "Business — Customers — Major Customers — Transactions with Customer K" and "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Trade and Notes Receivables, Current Portion."

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived revenue from the (i) autonomous driving, (ii) V2X, and (iii) intelligent perception solutions. Our revenue increased from RMB31.1 million in 2022 to RMB410.0 million in 2024 with a CAGR of 263.1%. Our revenue increased from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025. We served 44, 85, 131 and 152 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The table below sets forth our revenue breakdown by products and solutions in absolute amounts and as percentages of our total revenue for the periods indicated:

Note:

(1) The impairment losses of RMB56.9 million arising from Customer K are higher than our total impairment amount recognized for financial guarantee contract liabilities and other receivables in the six months ended June 30, 2025, primarily because certain impairment losses were partially reversed.

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	27,998	90.2	74,418	56.1	254,887	62.1	156,043	60.4	378,364	92.7
Closed-environment autonomous mining products and solutions	27,187	87.6	64,132	48.3	246,635	60.1	152,456	59.0	375,820	92.1
Closed-environment autonomous logistics truck solution	811	2.6	10,286	7.8	8,252	2.0	3,587	1.4	2,544	0.6
V2X	3,058	9.8	36,812	27.8	101,591	24.8	74,237	28.7	9,179	2.3
Intelligent perception	—	—	21,374	16.1	53,557	13.1	28,181	10.9	20,493	5.0
Total	**31,056**	**100.0**	**132,604**	**100.0**	**410,035**	**100.0**	**258,461**	**100.0**	**408,036**	**100.0**

Autonomous driving

During the Track Record Period, revenue generated from sales of autonomous driving amounted to RMB28.0 million, RMB74.4 million, RMB254.9 million, RMB156.0 million and RMB378.4 million, respectively, accounting for 90.2%, 56.1%, 62.1%, 60.4% and 92.7% of our total revenue for the same period, respectively. Our autonomous driving can be classified into two categories, namely closed-environment autonomous mining products and solutions and closed-environment autonomous logistics truck solutions. The continuous growth of revenue generated from sales of autonomous driving from 2022 to 2024 was mainly attributable to our increased sales volume and customer base in autonomous mining products and solutions. See "— Period-to-Period Comparison of Results of Operations."

V2X

During the Track Record Period, revenue generated from offering V2X products and solutions amounted to RMB3.1 million, RMB36.8 million, RMB101.6 million, RMB74.2 million and RMB9.2 million, respectively, accounting for 9.8%, 27.8%, 24.8%, 28.7% and 2.3% of our total revenue for the same periods, respectively. The increase from 2022 to 2024 was primarily attributed to shorter acceptance period, expanded business scale and improvement of business model. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we had two, one, nil, nil and nil V2X projects with delay in project acceptance. The revenue for the two in 2022 was

RMB68.5 million in total, which were recognized in June 2023 and May 2024, and the revenue for the one in 2023 was RMB1.3 million, which was recognized in March 2024. See "— Period-to-Period Comparison of Results of Operations."

Intelligent perception solutions

We started to generate revenue from sales of intelligent perception solutions in 2023. In 2023 and 2024, revenue generated from sales of intelligent perception solutions amounted to RMB21.4 million and RMB53.6 million, respectively, accounting for 16.1% and 13.1% of our total revenue for the same years, respectively. In the six months ended June 30, 2024 and 2025, revenue generated from sales of intelligent perception solutions decreased from RMB28.2 million to RMB20.5 million, accounting for 10.9% and 5.0% of our total revenue, respectively, primarily because we did not record revenue from sales of our TAPS in the six months ended June 30, 2025, mainly due to temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

During the Track Record Period, revenue from our intelligent perception solutions was primarily generated from the sales of in-vehicle intelligent perception and safety management solutions for commercial vehicles. See "— Period-to-Period Comparison of Results of Operations."

During the Track Record Period, we recognized revenue on a gross basis for the majority of our business and recognized revenue on a net basis for the purchases we initiate on behalf of customers, mainly V2X. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, revenue recognized on a net basis is nil, RMB1.0 million, RMB1.1 million, RMB0.2 million and RMB0.4 million representing nil, 0.8%, 0.3%, 0.1% and 0.1% of our total revenue, respectively.

During the Track Record Period, we recorded payments made on behalf of customers, which mainly represented payments made by us at the request of our certain V2X customers and one autonomous driving customer for the purchase of certain project related ancillary products and services from third-party suppliers on their behalf, primarily including software development services and autonomous driving related hardware. The suppliers of software development services and autonomous driving related hardware are designated by the customers. The services and products are directly delivered by the suppliers to the customers. We are not primarily obligated in a transaction, do not generally bear the inventory risk and do not have the ability to establish the price. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments and other receivables — current portion" and "Business — Customers."

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue by customer type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Mine owner and operator[(1)]	27,098	87.3	61,753	46.6	228,916	55.8	152,323	59.0	374,795	91.8
Government and university	—	—	7,214	5.4	71,835	17.5	69,111	26.7	267	0.1
Commercial vehicle manufacturer	284	0.9	26,474	20.0	68,017	16.6	26,157	10.1	18,742	4.6
Other corporate customer	3,674	11.8	37,164	28.0	41,268	10.1	10,870	4.2	14,232	3.5
Total	**31,056**	**100.0**	**132,604**	**100.0**	**410,035**	**100.0**	**258,461**	**100.0**	**408,036**	**100.0**

Note:

(1) We consider mine owners and mine operators the same customer group because the nature of the products and solutions we provide to them are the same. Some mine owners operate the mining sites themselves whilst others may outsource the operations to professional mine operators. For our purpose, there is no meaningful difference in our business relationships with them.

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue by geographic locations of the customer's registration for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Eastern China	25,116	80.9	27,337	20.6	195,146	47.6	155,248	60.1	3,639	0.9
Southwestern China	177	0.6	18,685	14.1	108,336	26.4	81,942	31.7	19,490	4.8
South-Central China	4,171	13.4	59,928	45.1	85,371	20.8	9,095	3.5	18,704	4.6
Northern China	1,592	5.1	26,512	20.0	11,725	2.9	8,589	3.3	272,037	66.6
Northwestern China	—	—	23	0.1	9,402	2.3	3,587	1.4	93,951	23.0
Northeastern China	—	—	119	0.1	55	0.0	—	—	—	—
Overseas[(1)]	—	—	—	—	—	—	—	—	215	0.1
Total	**31,056**	**100.0**	**132,604**	**100.0**	**410,035**	**100.0**	**258,461**	**100.0**	**408,036**	**100.0**

Note:

(1) The overseas revenue was generated from an intelligent perception solutions project developed jointly with a foreign university for research purposes.

Cost of Sales

Our cost of sales amounted to RMB37.1 million, RMB105.8 million, RMB308.6 million, RMB214.1 million and RMB338.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily consisted of (i) material and processing costs, (ii) warranties, (iii) share-based payments, (iv) employee benefits expenses, and (v) provision for inventories. The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Material and processing costs	8,968	24.3	71,502	67.6	257,080	83.3	185,438	86.6	312,122	92.3
Warranties[(1)]	970	2.6	4,366	4.1	12,282	4.0	10,886	5.1	18,905	5.6
Share-based payments	—	—	—	—	12,658	4.1	—	—	123	0.0
Employee benefits expenses	19,837	53.5	14,696	13.9	8,758	2.8	5,868	2.7	2,595	0.8
Provision for inventories	5,235	14.1	11,825	11.2	3,673	1.2	753	0.4	985	0.3
Others[(2)]	2,041	5.5	3,392	3.2	14,144	4.6	11,137	5.2	3,598	1.0
Total	**37,051**	**100.0**	**105,781**	**100.0**	**308,595**	**100.0**	**214,082**	**100.0**	**338,328**	**100.0**

Notes:

(1) We provide product warranties on all new goods based on the contracts with our customers at the time of sale of goods.

(2) Others mainly include outsourcing labor costs, office and traveling expenses, short-term lease expenses, legal, consulting and other professional fees and depreciation and amortization.

Our material and processing costs increased from RMB9.0 million in 2022 to RMB71.5 million in 2023 and further increased to RMB257.1 million in 2024 and further increased from RMB185.4 million in the six months ended June 30, 2024 to RMB312.1 million in the six months ended June 30, 2025, primarily due to an increase in the solution and product deliveries of autonomous mining products and solutions during the same periods.

Our warranties increased from RMB1.0 million in 2022 to RMB4.4 million in 2023 and further increased to RMB12.3 million in 2024 and further increased from RMB10.9 million in the six months ended June 30, 2024 to RMB18.9 million in the six months ended June 30, 2025, generally in line with the growth in revenue given that we typically offer warranties at the delivery of most of our projects, and in light of the rapid ramp-up of our sales scale in the intelligent driving.

We recorded share-based payments of RMB12.7 million in 2024, primarily due to our Share Incentive Scheme adopted and approved on September 23, 2024. We recorded share-based payments of nil in the six months ended June 30, 2024 and RMB0.1 million in the six months ended June 30, 2025, respectively, primarily due to our Share Incentive Scheme adopted and approved on September 23, 2024.

We recorded relatively higher employee benefits expenses of RMB19.8 million in 2022, primarily due to (i) the significant number of our employees in project implementation, and (ii) the relatively higher employee expenses resulting from the large-scale implementation of our intelligent driving project in Jurong, Jiangsu (the "**Jurong Project**") in 2022, which has sophisticated implementation requirements therefore took up significant manpower. According to CIC, the Jurong Project marked a significant milestone as China (including Hong Kong, Macau and Taiwan)'s first autonomous electric mining project with full mining area coverage, which is also the first nationwide autonomous mining project certified by the NlM to exceed the efficiency of manual operations. After the acceptance of the Jurong Project, our employee benefits expenses gradually decreased from RMB19.8 million in 2022 to RMB14.7 million in 2023 and RMB8.8 million in 2024, and further decreased from RMB5.9 million in the six months ended June 30, 2024 to RMB2.6 million in the six months ended June 30, 2025.

Our provision for inventories increased from RMB5.2 million in 2022 to RMB11.8 million in 2023, primarily due to (i) the higher impairment of our raw materials due to their aging, and (ii) the increased impairment loss on our Chongqing V2X Project with Customer L. The project was initiated implementation in August 2021 and passed customer acceptance in May 2024. See "Business — Our Offerings — V2X — Application Scenarios — Use Cases — National-level V2X pilot zones" for details of the project and "Business — Customers — Major Customers" for details of Customer L. Our provision for impairment of inventories decreased from RMB11.8 million in 2023 to RMB3.7 million in 2024, primarily due to the settlement of the aforementioned V2X project in 2024 which resulted in the write-off of a relatively larger provision. Our provision for impairment of inventories remained relatively stable at RMB0.8 million in the six months ended June 30, 2024 and RMB1.0 million in the six months ended June 30, 2025.

The following table sets forth the breakdown of provision for inventories for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
At the beginning of the year/period	2,004	7,239	18,979	18,979	7,673
Provision for inventories	5,235	11,825	3,673	753	985
— attributable to Chongqing V2X Project	342	6,934	—	—	—
Provision for inventories written off[(1)]	—	85	14,979	7,919	967
— attributable to Chongqing V2X Project[(2)]	—	—	7,816	7,816	—
At the end of the year/period	**7,239**	**18,979**	**7,673**	**11,813**	**7,691**

Notes:

(1) At the end of each reporting period, inventories are stated at the lower of cost and net realizable value. The provision of inventories is recognized based on the difference between cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the net realizable value of inventories which have been made provision increased, the provision of these inventories will be reversed. If the inventories which have been made provision are sold, the provision of these inventories will be written off. See Note 2.2.1 and 4(c) of the Accountant's Report included in Appendix I to this document.

(2) Our Chongqing V2X Project is one of the largest national-level V2X pilot zones and involved complex technology. See "Business — Our Offerings — Our Major Projects" for details of this project. The overall implementation progress of the project was delayed mainly due to the COVID-19 pandemic, resulting in the project's overall input exceeding expectations. As a result, the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale exceeded the cost of inventory for this project. We had already made sufficient provision for inventories during the Track Record Period. This project was completed and accepted by the customer in May 2024, and the provision for inventories for it was written off at the same time of recognition of revenue and cost of sales.

Our other cost of sales items remained relatively stable in 2022, 2023, and increased to RMB14.1 million in 2024, primarily because we incurred technical service fee of RMB10.4 million in 2024, mainly because we outsourced ancillary automated driving platform and cloud services to an independent third party supplier that met our technical requirements to ensure smoother project delivery in our V2X project in Liangjiang New Area, Chongqing. Our other cost

of sales items amounted to RMB11.1 million in the six months ended June 30, 2024, which was relatively higher than the RMB**[REDACTED]** recorded in the same period of 2025, primarily due to the aforementioned reason.

The following table sets forth a breakdown of our cost of sales by products and solutions in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	35,017	94.5	59,892	56.6	196,000	63.6	130,904	61.1	319,386	94.4
Closed-environment autonomous mining products and solutions	33,368	90.0	51,938	49.1	191,822	62.2	130,600	61.0	317,561	93.9
Closed-environment autonomous logistics truck solution	1,649	4.5	7,954	7.5	4,178	1.4	304	0.1	1,825	0.5
V2X	2,034	5.5	30,278	28.6	84,702	27.4	68,511	32.0	7,063	2.1
Intelligent perception	—	—	15,611	14.8	27,893	9.0	14,667	6.9	11,879	3.5
Total	**37,051**	**100.0**	**105,781**	**100.0**	**308,595**	**100.0**	**214,082**	**100.0**	**338,328**	**100.0**

Our cost of sales for autonomous driving amounted to RMB35.0 million, RMB59.9 million, RMB196.0 million, RMB130.9 million and RMB319.4 million respectively, in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, which was generally in line with our revenue from autonomous driving during the same periods. Meanwhile, our cost of sales for V2X amounted to RMB2.0 million, RMB30.3 million, RMB84.7 million, RMB68.5 million and RMB7.1 million, respectively, in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, corresponding to the revenue as well. See "— Period-to-Period Comparison of Results of Operations."

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

We recorded gross loss of RMB6.0 million in 2022 and gross profit of RMB26.8 million in 2023 and gross profit of RMB101.4 million in 2024, respectively. We recorded gross profit of RMB44.4 million in the six months ended June 30, 2024 and gross profit of RMB69.7 million in the six months ended June 30, 2025, respectively. Our gross margin was -19.3%, 20.2%, 24.7%,

17.2% and 17.1% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by products and solutions for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)									
							(unaudited)			
Autonomous driving	(7,019)	(25.1)	14,526	19.5	58,887	23.1	25,139	16.1	58,978	15.6
Closed-environment autonomous mining products and solutions	(6,181)	(22.7)	12,194	19.0	54,813	22.2	21,856	14.3	58,259	15.5
Closed-environment autonomous logistics truck solution	(838)	(103.3)	2,332	22.7	4,074	49.4	3,283	91.5	719	28.3
V2X	1,024	33.5	6,534	17.7	16,889	16.6	5,726	7.7	2,116	23.1
Intelligent perception	—	—	5,763	27.0	25,664	47.9	13,514	48.0	8,614	42.0
Total	**(5,995)**	**(19.3)**	**26,823**	**20.2**	**101,440**	**24.7**	**44,379**	**17.2**	**69,708**	**17.1**

We recorded gross loss of RMB6.0 million and gross loss margin of 19.3% in 2022, mainly attributable to (i) the gross loss in the Jurong Project, our first large-scale implementation of an autonomous mining project with sophisticated requirements and significant manpower investment, which incurred a gross loss in 2022 because we adopted competitive pricing to secure market entry, and (ii) the gross loss in closed-environment autonomous logistics truck solution as the gross margin of such business was vulnerable to the gross loss of certain individual project in 2022 due to the relatively limited business scale at initial commercialization stage. Our gross profit margin increased from 20.2% in 2023 to 24.7% in 2024, as a result of (i) the gross profit margin improvements in intelligent driving, and (ii) the commencement of intelligent perception, which has recorded significantly higher gross profit margin since 2023. Our gross profit margin remained relatively stable at 17.2% in the six months ended June 30, 2024 and 17.1% in the six months ended June 30, 2025. See "— Period-to-Period Comparison of Results of Operations."

Other Income

During the Track Record Period, our other income included (i) government grants, (ii) super-input VAT credit, and (iii) others, primarily consists of non-operating income in relation to our disposal of fixed assets. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Government grants	7,265	98.1	10,979	98.0	5,096	68.4	3,494	60.2	730	84.8
Super-input VAT credit	—	—	18	0.2	2,215	29.7	2,161	37.3	1	0.1
Others[(1)]	141	1.9	202	1.8	144	1.9	143	2.5	130	15.1
Total	**7,406**	**100.0**	**11,199**	**100.0**	**7,455**	**100.0**	**5,798**	**100.0**	**861**	**100.0**

Note:

(1) Others primarily consists of non-operating income in relation to our disposal of fixed assets.

Other (Losses)/Gains, Net

During the Track Record Period, our other (losses)/gains, net included (i) change in fair value of financial assets at FVTPL, (ii) gain on lease termination, (iii) losses and gains on disposal of property, plant and equipment, and (iv) foreign currency exchange gain/(loss). The following table sets forth a breakdown of our other (losses)/gains, net for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Change in fair value of financial assets at FVTPL	129	591	(70)	(102)	396
Gain on lease termination	—	90	80	7	—
Losses and gains on disposal of/written off property, plant and equipment	(15)	120	(20)	(7)	(1)
Foreign currency exchange gain/(loss)	1	—	(9)	—	6
Total	**115**	**801**	**(19)**	**(102)**	**401**

Impairment Losses

During the Track Record Period, our impairment losses primarily included impairment losses on (i) trade and notes receivables, (ii) contract assets, (iii) other receivables, and (iv) financial guarantee contracts liability. We recorded financial guarantee contracts liabilities of RMB6.3 million in 2024, primarily in relation to our finance lease arrangement in the same period. See "Business — Customers — Finance Lease Arrangements." The following table sets forth a breakdown of our impairment losses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Impairment losses under ECL model, net of reversal					
Trade and notes receivables	(4,838)	4,131	(15,550)	(1,832)	(26,216)
Contract assets	(14)	95	(163)	(283)	(1,205)
Other receivables	(240)	(451)	(7,059)	(274)	(12,796)
Financial guarantee contracts liability	—	(186)	(6,266)	(2,891)	(44,063)
Total	**(5,092)**	**3,589**	**(29,038)**	**(5,280)**	**(84,280)**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) share-based payments, (ii) employee benefits expenses, (iii) depreciation and amortization, (iv) professional service fees, including service fees of field testing and data annotation services required for testing and improving intelligent driving performance, (v) raw material and consumables used, and (vi) others, mainly include office and traveling expenses and short-term lease expenses. Our research and development expenses amounted to RMB110.5 million, RMB90.4 million, RMB193.2 million, RMB35.3 million and RMB151.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Historically, we have made significant investments in our research and development activities as we continued to develop our products and solutions and expanded our research and development team. During the Track Record Period, we did not capitalize R&D expenses nor allocate them by products. The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Share-based payments	—	—	—	—	109,529	56.7	—	—	107,692	71.2
Employee benefits expenses	84,100	76.2	68,582	75.8	65,235	33.8	27,469	77.7	35,221	23.3
Depreciation and amortization	13,137	11.9	10,007	11.1	8,704	4.5	4,311	12.2	4,641	3.1
Professional service fees	7,456	6.7	4,680	5.2	4,524	2.3	987	2.8	1,301	0.9
Raw material and consumables used	4,017	3.6	4,856	5.4	3,910	2.0	2,003	5.7	1,186	0.8
Others[(1)]	1,797	1.6	2,271	2.5	1,279	0.7	569	1.6	1,276	0.7
Total	**110,507**	**100.0**	**90,396**	**100.0**	**193,181**	**100.0**	**35,339**	**100.0**	**151,317**	**100.0**

Note:

(1) Others mainly include office and traveling expenses and short-term lease expenses.

Selling Expenses

During the Track Record Period, our selling expenses consisted of (i) share-based payments, (ii) employee benefits expenses, (iii) marketing expenses, mainly in relation to our promotional activities, advertising, and business development services from third-parties we engaged, (iv) office and traveling expenses, (v) depreciation and amortization, and (vi) others, mainly include outsourcing labor costs, short-term lease expenses and legal, consulting and other professional fees. Our selling expenses amounted to RMB23.1 million, RMB31.4 million, RMB64.4 million, RMB23.6 million and RMB44.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our selling expenses in absolute amount and as a percentage of our total selling expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Share-based payments	—	—	—	—	21,591	33.5	—	—	21,010	47.4
Employee benefits expenses	11,951	51.7	14,058	44.8	17,394	27.0	7,441	31.6	6,540	14.8
Marketing expenses	6,760	29.2	10,017	31.9	14,578	22.6	12,477	52.8	12,211	27.6
Office and traveling expenses	2,431	10.5	4,281	13.6	7,473	11.6	2,087	8.8	3,856	8.7
Depreciation and amortization	1,816	7.8	1,921	6.1	1,536	2.4	703	3.0	525	1.2
Others[(1)]	190	0.8	1,127	3.6	1,868	2.9	903	3.8	146	0.3
Total	**23,148**	**100.0**	**31,404**	**100.0**	**64,439**	**100.0**	**23,611**	**100.0**	**44,288**	**100.0**

Note:

(1) Others mainly include outsourcing labor costs, short-term lease expenses and legal, consulting and other professional fees.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted of (i) share-based payments, (ii) employee benefits expenses, (iii) depreciation and amortization, (iv) office and traveling expenses, (v) **[REDACTED]** expenses, (vi) legal, consulting and other professional fees, and (vii) others, mainly include short-term lease expenses and outsourcing labor costs. Our administrative expenses amounted to RMB69.0 million, RMB97.8 million, RMB300.7 million, RMB56.1 million and RMB199.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The increase in our general and administrative expenses from 2022 to 2024 was primarily attributable to our share-based payments, growing employee benefits expenses as well as depreciation and amortization, resulting from regular compensation adjustments and the reclassification of our industrial park from construction in progress into fixed assets. The following table sets forth a breakdown of our general and administrative expenses in absolute amount and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Share-based payments	—	—	—	—	176,166	58.6	—	—	137,743	69.0
Employee benefits expenses	39,187	56.8	53,873	55.0	62,849	20.9	31,735	56.6	25,371	12.7
Depreciation and amortization	7,247	10.5	16,436	16.8	23,421	7.8	12,233	21.8	11,392	5.7
Office and traveling expenses	15,704	22.8	16,502	16.9	15,042	5.0	7,039	12.6	7,727	3.9
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal, consulting and other professional fees	5,488	8.0	7,430	7.6	4,771	1.6	2,520	4.5	3,467	1.7
Others[(1)]	1,343	1.9	3,586	3.7	6,576	2.1	2,543	4.5	4,599	2.3
Total	**68,969**	**100.0**	**97,827**	**100.0**	**300,721**	**100.0**	**56,070**	**100.0**	**199,678**	**100.0**

Note:

(1) Others mainly include short-term lease expenses and outsourcing labor costs.

Finance Costs, Net

During the Track Record Period, our finance income primarily included (i) interest income from bank deposits, and (ii) interest income from term deposits. During the same periods, our finance costs primarily included (i) financial cost on financial instruments with preferred rights at amortized cost, and (ii) interest expenses on bank borrowings. The following table sets forth a breakdown of our finance costs, net for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	Amount	Amount	Amount	Amount	Amount
			(RMB in thousands)		
				(unaudited)	
Finance income:					
Interest income from financial assets at FVTPL	258	11	—	—	16
Interest income from non-current trade receivables	—	—	—	—	1,288
Interest income from bank deposits	4,424	2,866	2,187	1,087	688
Interest income from term deposits	4,276	5,215	2,499	2,124	74
Interest income from loans to a third party	—	71	377	161	221
Interest income from loan to a related party of the Company	—	16	—	—	—
	8,958	**8,179**	**5,063**	**3,372**	**2,267**
Finance costs:					
Financial cost on financial instruments with preferred rights at amortized cost	(104,136)	(117,528)	(128,593)	(63,119)	(67,923)
Interest income from non-current trade payables	—	—	—	—	(982)
Interest expenses on trade receivables financing	—	—	—	—	(24)
Interest expenses on bank borrowings	(1,156)	(3,364)	(6,958)	(3,431)	(4,558)
Interest expenses on lease liabilities	(350)	(208)	(165)	(68)	(32)
	(105,642)	**(121,100)**	**(135,716)**	**(66,618)**	**(73,519)**
Finance costs, net	**(96,684)**	**(112,921)**	**(130,653)**	**(63,246)**	**(71,252)**

Income Tax Credit

Our income tax credit amounted to RMB39.9 million, RMB35.1 million, RMB28.3 million, RMB10.9 million and RMB24.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate. See Note 13 of the Accountant's Report included in Appendix I to this document.

Mainland China

In accordance with the Enterprise Income Tax Law ("**EIT Law**"), Foreign Investment Enterprises ("**FIEs**") and domestic companies established in Mainland China are subject to Enterprise Income Tax ("**EIT**") at a rate of 25%. Our subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified. Our Company qualified as a high and new technology enterprise ("**HNTE**") and enjoyed a preferential tax rate of 15% from December 2022 to December 2025. One of our subsidiaries, Novodriv Chongqing, qualified as a HNTE and enjoyed a preferential tax rate of 15% from October 2022 to October 2025. As of June 30, 2025, we and Novodriv Chongqing Ltd. are in the process of reapplying for HNTE status for an additional three-year term. We and Novodriv Chongqing Ltd. were both in accumulated loss position for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of us and Novodriv Chongqing Ltd., which are qualified as HNTE, will expire in 10 years.

Hong Kong

Our subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the Track Record Period, no Hong Kong profits tax has been provided.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six months ended June 30, 2025 compared with Six months ended June 30, 2024

Revenue

Our revenue increased from RMB258.5 million in the six months ended June 30, 2024 to RMB408.0 million in the six months ended June 30, 2025, primarily due to an increase in revenue generated from autonomous driving, mainly related to the intelligent mining project we collaborated on with Customer M.

Autonomous Driving

Our revenue from autonomous driving significantly increased from RMB156.0 million in the six months ended June 30, 2024 to RMB378.4 million in the six months ended June 30, 2025, primarily due to an increase in revenue from our autonomous mining products and solutions, attributable to increased sales volume resulting from our continual improvements in autonomous driving products and solutions, enhanced delivery capabilities and increased customer base and customer recognition. In particular, three large-scale autonomous mining truck projects we delivered were accepted by customers in the six months ended June 30, 2025.

V2X

Our revenue from V2X products and solutions decreased from RMB74.2 million in the six months ended June 30, 2024 to RMB9.2 million in the six months ended June 30, 2025, primarily because (i) the prior period recorded revenue from a national-level V2X pilot zones project, the Chongqing V2X Project, which contributed a substantial share of revenue and did not recur in the same period of 2025, and (ii) uncertainty regarding the implementation of industry policies and standards, which affected potential customers' procurement decisions and led to temporary softening of market demand.

Intelligent Perception Solutions

Our revenue from intelligent perception solutions decreased from RMB28.2 million in the six months ended June 30, 2024 to RMB20.5 million in the six months ended June 30, 2025, primarily because we did not record revenue from sales of our TAPS in the six months ended June 30, 2025, mainly due to temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

Cost of sales

Our cost of sales increased from RMB214.1 million in the six months ended June 30, 2024 to RMB338.3 million in the six months ended June 30, 2025, primarily due to an increase in cost of sales from intelligent driving.

Autonomous Driving

Our cost of sales from autonomous driving increased from RMB130.9 million in the six months ended June 30, 2024 to RMB319.4 million in the six months ended June 30, 2025, primarily due to the increase in material and processing costs resulting from increased sales volume.

V2X

Our cost of sales from V2X decreased from RMB68.5 million in the six months ended June 30, 2024 to RMB7.1 million in the six months ended June 30, 2025, generally in line with the fluctuations in revenue.

Intelligent Perception Solutions

Our cost of sales from intelligent perception solutions decreased from RMB14.7 million in the six months ended June 30, 2024 to RMB11.9 million in the six months ended June 30, 2025, generally in line with the decrease in revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased from RMB44.4 million in the six months ended June 30, 2024 to RMB69.7 million in the six months ended June 30, 2025. Our gross profit margin remained relatively stable at 17.2% and 17.1%, respectively, in the six months ended June 30, 2024 and 2025.

Our gross profit margin decreased from 24.7% in 2024 to 17.1% in the six months ended June 30, 2025, primarily due to changes in revenue structure, including a higher proportion of revenue from autonomous mining products and solutions, which have relatively lower margins. In addition, the gross profit margin for autonomous mining products and solution decreased from 22.2% in 2024 to 15.5% in the six months ended June 30, 2025, mainly due to a decrease in certain project prices under strong customer bargaining power. Furthermore, we recorded a relatively high gross profit margin of closed-environment autonomous logistics truck solution in 2024, primarily driven by certain projects that were predominantly based on technology and

software services rather than hardware, which did not occur in the six months ended June 30, 2025. We also recorded a decrease in gross profit margin for intelligent perception, mainly due to changes in our solution mix, as we did not record revenue from sales of TAPS, which carries a relatively higher gross margin, in the six months ended June 30, 2025, mainly because of temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

Autonomous Driving

Our gross profit margin for autonomous driving remained relatively stable at 16.1% and 15.6%, respectively, in the six months ended June 30, 2024 and 2025, primarily due to the combined effect of an increase in gross profit margin of autonomous mining products and solutions and a decrease of closed-environment autonomous logistics truck solution. The gross profit margin of autonomous mining products and solutions increased from 14.3% in the six months ended June 30, 2024, to 15.5% in the same period of 2025, mainly driven by economies of scale resulting from increased sales volume. In contrast, closed-environment autonomous logistics truck solution had a relatively high gross profit margin in the six months ended June 30, 2024, primarily because the projects delivered in such period were predominantly based on technology and software services rather than hardware, resulting in a relatively higher margin.

V2X

Our gross profit margin for V2X increased from 7.7% in the six months ended June 30, 2024 to 23.1% in the six months ended June 30, 2025, primarily due to the relatively low gross profit margin from the Chongqing V2X project in the six months ended June 30, 2024, which did not occur during the same period in 2025. See "Business — Our Offerings — Our Major Projects" and "— Description of Major Components of Our Results of Operations — Cost of Sales" for details of this project. The gross margin for the six months ended June 30, 2024 and 2025 was more susceptible to individual project impacts due to relatively smaller revenue contributions compared to full-year operations.

Intelligent Perception Solutions

Our gross profit margin for intelligent perception solutions decreased from 48.0% in the six months ended June 30, 2024 to 42.0% in the six months ended June 30, 2025, primarily due to changes in our solution mix, as we did not record revenue from sales of our TAPS, which carries a relatively higher gross margin, in the six months ended June 30, 2025, mainly due to temporary fluctuations in demand from certain customers and the impact of project acceptance cycles.

The high gross margin of our TAPS is primarily attributable to its advanced performance and the premium pricing it commands as the only product in China capable of providing independent safety perception for trains.

Other income

Our other income decreased from RMB5.8 million in the six months ended June 30, 2024 to RMB0.9 million in the six months ended June 30, 2025, primarily due to (i) a decrease in super-input VAT credit as the application process for such credit had not yet been completed following the change of our registered name on January 8, 2025, and (ii) a decrease in government grants, as certain non-recurring grants related to our business operations and research and development activities did not occur.

Other gains/(losses), net

We recorded net other gains of RMB0.4 million in the six months ended June 30, 2025 as compared to net other losses of RMB0.1 million in the six months ended June 30, 2024, primarily due to change in fair value of financial assets at FVTPL in relation to our long term equity investment.

Impairment losses

Our impairment losses increased from RMB5.3 million in the six months ended June 30, 2024 to RMB84.3 million in the six months ended June 30, 2025, primarily due to (i) impairment losses of RMB56.9 million for financial guarantee contract liabilities and other receivables arising from Customer K's default under its finance lease agreement, and (ii) an increase in impairment losses of RMB26.2 million related to trade and notes receivables, mainly attributable to (a) revenue growth, which led to an increase in trade and notes receivable balances, and (b) the aging of trade receivables from Customer L, which resulted in impairment losses of RMB5.8 million. See "Business — Customers — Major Customers — Transactions with Customer K" and "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Trade and Notes Receivables, Current Portion."

Research and development expenses

Our research and development expenses increased from RMB35.3 million in the six months ended June 30, 2024 to RMB151.3 million in the six months ended June 30, 2025, primarily due to share-based payments of RMB107.7 million incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024.

Selling expenses

Our selling expenses increased from RMB23.6 million in the six months ended June 30, 2024 to RMB44.3 million in the six months ended June 30, 2025, primarily due to share-based payments of RMB21.0 million incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024.

General and administrative expenses

Our general and administrative expenses increased from RMB56.1 million in the six months ended June 30, 2024 to RMB199.7 million in the six months ended June 30, 2025, primarily due to (i) share-based payments of RMB137.7 million incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024, and (ii) **[REDACTED]** expenses incurred in the six months ended June 30, 2025.

Finance costs, net

Our finance costs increased by 12.7% from RMB63.2 million in the six months ended June 30, 2024 to RMB71.3 million in the six months ended June 30, 2025, primarily due to (i) a decrease in interest income from term deposits, and (ii) an increase in financial cost on financial instruments with preferred rights at amortized cost.

Income tax credit

Our income tax credit increased from RMB10.9 million in the six months ended June 30, 2024 to RMB24.8 million in the six months ended June 30, 2025.

Loss for the period

As a result of the foregoing, our loss for the period increased from RMB122.6 million in the six months ended June 30, 2024 to RMB455.1 million in the six months ended June 30, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased significantly from RMB132.6 million in 2023 to RMB410.0 million in 2024, due to increases in revenue generated from autonomous driving, V2X and intelligent perception solutions.

Autonomous Driving

Our revenue from autonomous driving increased significantly from RMB74.4 million in 2023 to RMB254.9 million in 2024, primarily due to an increase in revenue from our autonomous mining products and solutions, attributable to increased sales volume resulting from our continual improvements in autonomous driving products and solutions, enhanced delivery capabilities and increased customer base and customer recognition.

V2X

Our revenue from V2X products and solutions increased significantly from RMB36.8 million in 2023 to RMB101.6 million in 2024, primarily due to (i) revenue recognition in 2024 from projects implemented in the previous period, (ii) the accelerated expansion of business scale and business model has reached its fast expansion stage after the commercialization, and (iii) increased sales volume driven by the growth of customer demand.

Intelligent Perception Solutions

Our revenue from intelligent perception solutions increased significantly from RMB21.4 million in 2023 to RMB53.6 million in 2024. This was primarily due to the increased sales volume of in-vehicle intelligent perception and safety management solution resulting from the successful commercialization of intelligent perception projects with major automotive OEMs, especially factory-installation of our in-vehicle intelligent perception and safety management solution, as we started to generate revenue from such business in June 2023, with business expansion thereafter.

Cost of sales

Our cost of sales increased significantly from RMB105.8 million in 2023 to RMB308.6 million in 2024, which was generally in line with our revenue growth.

Autonomous Driving

Our cost of sales from autonomous driving increased from RMB59.9 million in 2023 to RMB196.0 million in 2024, primarily due to the increase in material and processing costs resulting from increased sales volume.

V2X

Our cost of sales from V2X increased from RMB30.3 million in 2023 to RMB84.7 million in 2024, generally in line with the increase in revenue.

Intelligent Perception Solutions

Our cost of sales from intelligent perception solutions increased from RMB15.6 million in 2023 to RMB27.9 million in 2024, primarily due to the increased sales volume of in-vehicle intelligent perception and safety management solution.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased significantly from RMB26.8 million in 2023 to RMB101.4 million in 2024. Our gross profit margin increased from 20.2% in 2023 to 24.7% in 2024 mainly as a result of increased gross profit margins in intelligent driving and intelligent perception solutions. In particular:

Autonomous Driving

Our gross profit margin for autonomous driving increased from 19.5% in 2023 to 23.1% in 2024, primarily due to (i) economies of scale resulting from increased sales volume, and (ii) the significant increase in gross profit margin of closed-environment autonomous logistics truck solution, as the projects delivered in 2024 were predominantly based on technology and software services instead of hardware, resulting in a relatively higher gross profit margin.

V2X

Our gross profit margin for V2X remained relatively stable at 17.7% and 16.6% in 2023 and 2024, respectively.

Intelligent Perception Solutions

Our gross profit margin for intelligent perception solutions increased from 27.0% in 2023 to 47.9% in 2024, primarily because (i) 2023 marked our initial commercialization of delivery intelligent perception solutions, during which we undertook relatively higher development costs for project implementation, and (ii) the increased average selling price in train autonomous perception system and the relatively stable average selling price in in-vehicle intelligent safety management solution.

Other income

Our other income decreased by 33.4% from RMB11.2 million in 2023 to RMB7.5 million in 2024, primarily due to a decrease in government grants, as certain non-recurring grants related to our business operations and research and development activities were not occurred in 2024, partially offset by an increase in super-input VAT credit as we are eligible for additional VAT credits amounting to 5% of the current period's creditable VAT input as a result of the VAT reform. See Note 9 to the Accountant's Report included in Appendix I to this document.

Other (losses)/gains, net

We recorded net other losses of RMB19 thousand in 2024 as compared to net other gains of RMB0.8 million in 2023, primarily due to change in fair value of financial assets at FVTPL in relation to our long term equity investment.

Impairment losses

We recorded reversal of net impairment losses of RMB**[REDACTED]** and impairment losses of RMB29.0 million in 2023 and 2024, respectively, primarily due to (i) reversal of impairment losses on trade and notes receivables in relation to the Jurong Project in 2023 and (ii) impairment loss in 2024: (a) RMB15.6 million of our impairment losses were related to trade and notes receivables, which were in line with our revenue growth, RMB6.6 million of which was also related to customers with impairment losses for deposits and payments made on behalf of customers, which mainly include customers for whom we made payments on behalf of; (b) RMB6.3 million of our impairment losses were related to our financial guarantee contract liabilities in relation to customers who purchased autonomous mining trucks from us through finance lease arrangements (see "Business — Customers — Finance Lease Arrangements"), including Customer K, as well as two other customers who are mine operators ("**Customer Y and Customer Z**"); and (c) RMB7.1 million of our impairment losses were related to our other

receivables, mainly related to our loans to Customer K (RMB3.2 million) (see "— Prepayments and other receivables — current portion"), with the remaining attributed to deposits (RMB4.0 million) and payments made on behalf of customers (reversal of RMB0.1 million).

During the Track Record Period, the revenue recognized from customers associated with impairment loss related to our financial guarantee contract liabilities was nil, RMB8.9 million, RMB153.4 million, RMB152.3 million and nil in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The table below sets forth the breakdown of the aforementioned revenue by customer for the indicated period:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Customer Y[(1)]	—	4,425	—	—	—
Customer Z[(2)]	—	4,425	—	—	—
Customer K	—	—	153,361	152,299	—
Total	**—**	**8,850**	**153,361**	**152,299**	**—**

Notes:

(1) Customer Y was founded in 2006 and registered in Henan. It primarily engages in blasting operations and the extraction of non-coal mining mineral resources.

(2) Customer Z was founded in 2010 and registered in Henan. It primarily engages in blasting operations and the extraction of non-coal mining mineral resources.

The revenue recognized from customers associated with impairment loss for deposits and payments made on behalf of customers was RMB2.8 million, RMB39.5 million, RMB280.9 million, RMB243.0 million and RMB25.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The table below sets forth the breakdown of the aforementioned revenue by customer for the indicated period:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Customer K	—	—	153,361	152,299	—
Customer L[(1)]	—	—	60,133	60,133	—
Customer J	—	8,373	11,723	—	—
Customer G	—	14,660	—	—	7,591
Customer B	2,750	11	—	—	—
Customer X[(2)]	—	—	395	395	—
Customer W[(3)]	—	11,691	43,999	21,422	18,209
Customer Q[(4)]	—	—	8,718	8,718	42
Customer R[(5)]	—	4,743	2,522	—	—
Customer S[(6)]	—	—	2	—	—
Total	**2,750**	**39,477**	**280,853**	**242,967**	**25,842**

Notes:

(1) We recorded trade receivables aged over six months of RMB2.3 million, RMB2.3 million, RMB28.5 million, RMB2.3 million and RMB28.5 million to Customer L in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The trade receivable of RMB2.3 million in 2022 was generated from a V2X project, for which revenue was recognized in 2020. The revenue from Customer L in 2024 was recognized in the first half of the year and derived from the Chongqing V2X Project. See "— Discussion of Key Items of Consolidated Statement of Financial Position — Net Current Assets — Trade and Notes Receivables."

(2) Customer X was founded in 2021 and registered in Jiangsu. It primarily provides comprehensive smart lighting and smart transportation products and solutions.

(3) Customer W was founded in 2007 and registered in Sichuan. It primarily engages in the manufacturing of vehicles.

(4) Customer Q is a provincial public university in Changsha, Hunan, China.

(5) Customer R is a public university in Chongqing, China.

(6) Customer S was founded in 2021 and registered in Hunan. It primarily engages in the manufacturing and sale of mechanical and electrical equipment.

Save for Customer K, the proportion of related impairment losses to revenue generated from such customers was low during the Track Record Period.

We applied the IFRS 9 simplified approach to measure expected credit losses for trade receivables and contract assets and applied the IFRS 9 general approach to measure expected credit losses for financial guarantee contract liabilities, notes receivables and other receivables. The main reason for different approaches used in (i) trade receivables and contract assets, and (ii) financial guarantee contract liabilities, notes receivables and other receivables is the varying nature of these receivables. Generally, trade receivables and contract assets are often short-term and high volume with no significant financing component. Therefore, the simplified approach is adopted. In contrast, financial guarantee contract liabilities, notes receivables and other receivables often have longer terms, necessitating a more detailed assessment of credit risk over time. Therefore, the general approach is adopted. See Note 3 to the Accountant's Report in Appendix I to this document.

The provision for impairment of financial instruments is not contingent upon the actual occurrence of credit losses but is based on the expected potential losses arising from future default events. The expected credit loss rates are determined by referencing historical settlement, combined with the current aging structure of balances, economic policies, macroeconomic indicators, industry risks, and other relevant factors. It is an industry norm to recognize impairment provisions in relation to finance lease arrangements, according to CIC. The impairment provisions recognized will likely differ from actual credit loss amounts incurred in the future. As of the Latest Practicable Date, we have one customer who is in default with respect to certain payment obligations under its finance lease agreement. See "Business — Customers — Major Customers — Transactions with Customer K."

Research and development expenses

Our research and development expenses significantly increased from RMB90.4 million in 2023 to RMB193.2 million in 2024, primarily due to share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024.

Selling expenses

Our selling expenses increased by 105.2% from RMB31.4 million in 2023 to RMB64.4 million in 2024, primarily due to (i) share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024, and (ii) an increase in marketing expenses resulting from our enhanced marketing efforts for METAMINE solution, which was in line with our revenue growth and commercialization strategies during the same period.

General and administrative expenses

Our general and administrative expenses increased by 207.4% from RMB97.8 million in 2023 to RMB300.7 million in 2024, primarily due to (i) share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on September 23, 2024, (ii) an increase in employee benefits expenses resulting from regular compensation adjustments, and (iii) **[REDACTED]** expenses incurred in 2024.

Finance costs, net

Our finance costs increased by 12.1% from RMB112.9 million in 2023 to RMB130.7 million in 2024, primarily due to an increase in financial cost on financial instruments with preferred rights at amortized cost.

Income tax credit

Our income tax credit decreased by 19.2% from RMB35.1 million in 2023 to RMB28.3 million in 2024, primarily due to a decrease in deductible tax losses.

Loss for the year

As a result of the foregoing, our loss for the period slightly increased from RMB255.1 million in 2023 to RMB580.8 million in 2024.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased significantly from RMB31.1 million in 2022 to RMB132.6 million in 2023, primarily due to increases in revenue generated from our autonomous driving, V2X and intelligent perception solutions.

Autonomous Driving

Our revenue from autonomous driving increased significantly from RMB28.0 million in 2022 to RMB74.4 million in 2023, primarily due to an increase in revenue from our autonomous mining products and solutions, attributable to increased sales volumes resulting from our continual improvements in autonomous driving products and solutions.

V2X

Our revenue from V2X products and solutions increased significantly from RMB3.1 million in 2022 to RMB36.8 million in 2023, primarily due to (i) revenue recognition in 2023 from projects implemented in the previous year, and (ii) the accelerated expansion of business scale and business model has reached its fast expansion stage after the commercialization.

Intelligent Perception Solutions

We started to generate revenue from sales of train autonomous perception system and in-vehicle intelligent perception and safety management solution and recorded revenue of RMB21.4 million in 2023.

Cost of sales

Our cost of sales increased significantly from RMB37.1 million in 2022 to RMB105.8 million in 2023, which was generally in line with our revenue growth.

Autonomous Driving

Our cost of sales from autonomous driving increased from RMB35.0 million in 2022 to RMB59.9 million in 2023, generally in line with the increase in revenue.

V2X

Our cost of sales from V2X increased from RMB2.0 million in 2022 to RMB30.3 million in 2023, generally in line with the increase in revenue.

Intelligent Perception Solutions

We record cost of sales of RMB15.6 million in intelligent perception solutions in 2023, as we started to generate revenue from sales of train autonomous perception system and in-vehicle intelligent perception and safety management solution.

Gross profit/(loss) and gross profit/(loss) margin

As a result of the foregoing, we recorded gross profit of RMB26.8 million in 2023 as compared to gross loss of RMB6.0 million in 2022. We recorded gross profit margin of 20.2% in 2023 as compared to gross loss in 2022. Our gross profit margin overturned from 2022 to 2023,

primarily due to (i) economies of scale from accumulated R&D, (ii) potential synergies from the R&D of Project Jurong spilling over to other similar projects, and (iii) business expansion following the launch of the higher-margin intelligent perception solutions in 2023.

Autonomous Driving

Our autonomous driving overturned from gross loss in 2022 to gross profit margin of 19.5% in 2023. This improvement was primarily due to (i) the gross loss in Jurong Project, our first large-scale implementation of an autonomous mining project with sophisticated requirements and significant manpower investment, which incurred a gross loss in 2022 because we adopted competitive pricing to secure market entry, (ii) in 2023, our autonomous driving began to benefit from economies of scale and a shorter project implementation, which decreased our average unit costs, (iii) the increased average selling price in 2023, and (iv) the shift of our closed-environment autonomous logistics truck solution from a gross loss to a gross profit. The gross margin of closed-environment autonomous logistics truck solution was vulnerable to the gross loss of certain individual project in 2022 due to the relatively limited business scale at initial commercialization stage, while in 2023, the gross margin recovery to a reasonable level benefiting from economies of scales as the number of projects increased and the business scale expanded.

V2X

Our gross profit margin for V2X decreased from 33.5% in 2022 to 17.7% in 2023, primarily due to (i) our competitive pricing strategy to enhance market penetration, (ii) relatively higher cost of sales resulting from the extension of acceptance period for certain projects and (iii) we are still at a ramp-up stage.

Intelligent Perception Solutions

2023 marked our initial commercialization of delivery intelligent perception solutions, and we recorded gross profit margin of 27.0% from intelligent perception solutions.

Other income

Our other income increased by 51.2% from RMB7.4 million in 2022 to RMB11.2 million in 2023, primarily due to an increase in government grants we received related to our business operation and research and development activities.

Other gains, net

Our net other gains increased significantly from RMB0.1 million in 2022 to RMB0.8 million in 2023, primarily due to gain in fair value of financial assets at FVTPL in relation to our long term equity investment, gain on lease termination in relation to the replacement of leased properties by one of our subsidiaries and disposal of property, plant and equipment resulting from the disposal of our spare vehicles in 2023.

Impairment losses

We recorded reversal of impairment losses of RMB**[REDACTED]** in 2023 as compared to impairment losses of RMB5.1 million in 2022, primarily due to reversal of impairment losses on trade and notes receivables in relation to the Jurong Project in 2023.

Research and development expenses

Our research and development expenses decreased by 18.2% from RMB110.5 million in 2022 to RMB90.4 million in 2023, primarily due to decreases in employee benefits expenses and depreciation and amortization, which reflects the **[REDACTED]** of our R&D needs as we advanced towards commercialization.

Selling expenses

Our selling expenses increased by 35.7% from RMB23.1 million in 2022 to RMB31.4 million in 2023, primarily due to increases in employee benefits expenses and marketing expenses, which was in line with our revenue growth and commercialization strategies during the same period.

General and administrative expenses

Our general and administrative expenses increased by 41.8% from RMB69.0 million in 2022 to RMB97.8 million in 2023, primarily due to (i) an increase in employee benefits expenses resulting from our increased headcount and regular compensation adjustments, and (ii) an increase in depreciation and amortization in relation to the reclassification of our industrial park from construction in progress into fixed assets.

Finance costs, net

Our finance costs increased by 16.8% from RMB96.7 million in 2022 to RMB112.9 million in 2023, primarily due to an increase in financial cost on financial instruments with preferred rights at amortized cost.

Income tax credit

Our income tax credit decreased by 12.1% from RMB39.9 million in 2022 to RMB35.1 million in 2023, primarily due to a decrease in deductible tax losses.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 3.0% from RMB263.0 million in 2022 to RMB255.1 million in 2023.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	331,756	332,792	309,612	297,313
Right-of-use assets	44,497	42,683	41,093	43,020
Intangible assets	2,575	2,292	1,756	1,942
Deferred tax assets	117,252	152,318	180,653	205,423
Prepayments and other receivables	3,881	17,486	10,542	11,230
Term deposits	190,101	5,177	—	—
Trade receivables	—	—	—	39,880
Financial assets at FVTPL	525	2,116	2,541	3,398
Total non-current assets	**690,587**	**554,864**	**546,197**	**602,206**
Non-current liabilities				
Trade payables	—	—	—	20,251
Borrowings	101,800	3,700	83,900	94,800
Lease liabilities	1,875	608	332	180
Financial instruments with preferred rights at amortized cost	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities	**1,729,597**	**1,770,333**	**1,978,850**	**115,231**

Property, plant and equipment

Our property, plant and equipment primarily consisted of buildings, vehicles, machinery and equipment, office equipment and others, tested field and related equipment, construction in progress and leasehold improvements. Our property, plant and equipment remained relatively stable at RMB331.8 million as of December 31, 2022 and RMB332.8 million as of December 31, 2023, Our property, plant and equipment further decreased by 7.0% from RMB332.8 million as of December 31, 2023 to RMB309.6 million as of December 31, 2024, primarily due to regular depreciation and impairment on buildings. Our property, plant and equipment remained relatively stable at RMB309.6 million as of December 31, 2024 and RMB297.3 million as of June 30, 2025.

Right-of-use assets

Our right-of-use assets primarily consisted of leasehold land and leasehold buildings. Our right-of-use assets amounted to RMB44.5 million, RMB42.7 million, RMB41.1 million and RMB43.0 million, as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The fluctuations in right-of-use assets primarily reflect regular depreciation and the renewal of our lease agreements.

Deferred tax assets

Our deferred tax assets primarily consisted of lease liability, unrealized intercompany profits, impairment allowance, provision, tax losses, deferred income and ROU asset. Our deferred tax assets increased from RMB117.3 million as of December 31, 2022 to RMB152.3 million as of December 31, 2023 and further increased to RMB180.7 million as of December 31, 2024 and increased to RMB205.4 million as of June 30, 2025, primarily due to increases in impairment allowances and tax losses.

Prepayments and other receivables, non-current portion

Our non-current prepayments and other receivables consisted of (i) prepayment for acquisition of property, plant and equipment, and (ii) loans to a third party. Our non-current prepayments and other receivables amounted to RMB3.9 million, RMB17.5 million, RMB10.5 million and RMB11.2 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The increase from 2022 to 2023 was primarily due to (i) an increase in prepayment for acquisition of property, plant and equipment in relation to our industrial park, and (ii) the loans to a third party of RMB6.8 million incurred in 2023 in relation to our loans to Customer K, which did not occur in 2022. The decrease from 2023 to 2024 was primarily due to the re-classification of such loans from non-current other receivables to current other receivables based on the

remaining term to maturity. See Note 24 to the Accountant's Report in Appendix I to this document. Our non-current prepayments and other receivables remained relatively stable at RMB10.5 million as of December 31, 2024 and RMB11.2 million as of June 30, 2025.

Trade receivables, non-current portion

Our non-current trade receivables primarily consist of our trade receivables due in more than one year. We did not record any non-current trade receivables as of December 31, 2022, 2023, or 2024. As of June 30, 2025, we recorded RMB39.9 million in non-current trade receivables, which related to Customer M under our autonomous mining products and solutions. To facilitate our market expansion while addressing the substantial upfront costs typically associated with autonomous mining products and solutions projects, we have agreed with Customer M on a 24-month installment payment arrangement. According to CIC, the aforementioned payment arrangement is not unusual in the industry.

We believe that there is no recoverability issue for our non-current trade receivables on the basis that (i) Customer M is a well-established company in the mining engineering industry with a strong credit reputation, (ii) as of June 30, 2025, Customer M has consistently made payments in accordance with the contractual schedule, and (iii) we have made sufficient provision for trade receivables.

Trade payables, non-current portion

Our non-current trade payables primarily consist of our trade payables due in more than one year. We did not record any non-current trade payables as of December 31, 2022, 2023, and 2024. As of June 30, 2025, we recorded RMB20.3 million in non-current trade payables, which related to our procurement of mining trucks for the project we cooperated with Supplier L.

Net Current Assets/(Liabilities)

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

	As of December 31,			As of June 30,	As of September 30,
	2022	2023	2024	2025	2025
	(RMB in thousands)				(unaudited)
Current assets					
Inventories	123,465	174,227	96,544	170,521	137,626
Trade and notes receivables	30,772	58,680	137,360	417,946	433,677
Prepayments and other receivables	56,082	90,426	117,920	160,724	158,301
Contract assets	2,887	9,834	12,251	20,286	22,489
Financial assets at FVTPL	30,130	—	10,005	—	—
Financial assets at FVTOCI	395	9,799	290	18,543	8,877
Income tax recoverable	3	458	454	498	498
Restricted bank deposits	27,806	27,819	10,481	22,105	22,105
Term Deposits	—	147,411	5,328	5,402	5,402
Cash and cash equivalents	381,678	234,663	306,402	186,225	133,968
Total current assets	**653,218**	**753,317**	**697,035**	**1,002,250**	**922,943**
Current liabilities					
Trade and notes payables	41,530	70,689	63,299	377,708	308,135
Contract liabilities	46,757	86,124	42,011	49,314	65,065
Borrowings	44,606	123,834	153,842	230,884	233,874
Lease liabilities	4,566	2,980	3,661	5,937	6,793
Other payables and accruals	76,728	106,465	101,707	133,831	144,624
Income tax payables	—	9	2	—	—
Provisions	1,938	4,743	17,735	35,217	36,753
Financial instruments with preferred rights at amortised cost	—	—	—	1,962,541	1,997,450
Total current liabilities	**216,125**	**394,844**	**382,257**	**2,795,432**	**2,792,694**
Net current assets/(liabilities)	**437,093**	**358,473**	**314,778**	**(1,793,182)**	**(1,869,751)**

Our net current assets decreased from RMB437.1 million as of December 31, 2022 to RMB358.5 million as of December 31, 2023, primarily due to (i) a decrease in cash and cash equivalents, (ii) an increase in borrowings, and (iii) an increase in contract liabilities, partially offset by an increase in prepayments and other receivables.

Our net current assets decreased from RMB358.5 million as of December 31, 2023 to RMB314.8 million as of December 31, 2024, primarily due to (i) a decrease in term deposits as a result of the maturity of significant term deposits within 2024, and (ii) a decrease in inventory resulting from the re-classification from contract costs in progress into cost of sales, partially offset by (i) an increase in cash and cash equivalents, and (ii) a decrease in contract liabilities.

We recorded net current liabilities of RMB1,793.2 million as of June 30, 2025 compared with net current assets of RMB314.8 million as of December 31, 2024, primarily due to (i) the reclassification of financial instruments with preferred rights at amortised cost of RMB1,962.5 million from non-current liabilities to current liabilities in relation to our Series A financing to Series C+ financing, (ii) a decrease in cash and cash equivalents, and (iii) increases in trade and notes payables and borrowings, partially offset by an increase in trade and notes receivables. The increases in trade and notes receivables and trade and notes payables reflect the growth of our business. We expect to turn into net current asset position upon **[REDACTED]**, taking into account the re-designation of the financial instruments with preferred rights at amortized cost with carrying amount of RMB1,962.5 million as of June 30, 2025 from net current liabilities to equity as a result of the automatic conversion into ordinary Shares.

To further improve our financial position, (i) we plan to enhance our working capital management efficiency, improve the management of trade receivables and strengthen our efforts in trade receivable collection, (ii) we expect to enhance our bargaining power over our suppliers as we scale up our business, and we plan to negotiate better credit terms with our suppliers for extended payment cycles, and (iii) we plan to continue strengthening our safety inventory management and enhancing inventory turnover efficiency. During the Track Record Period, our inventory turnover days have consistently declined, demonstrating ongoing improvements in operational performance. We also expect to be able to benefit from economics of scale as we scale up, and will consider broadening our sources of financing after the **[REDACTED]**, which will further improve our working capital sufficiency and financial position.

Inventories

Our inventories primarily consisted of contract costs in progress, raw materials, finished goods and consigned-processing-material. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Contract costs in progress[(1)]	88,364	151,691	55,196	124,402
Raw material	35,146	31,526	41,027	45,775
Finished goods	6,228	6,885	7,936	7,982
Consigned-processing-material	966	3,104	58	53
Less: provision	7,239	18,979	7,673	7,691
Total	**123,465**	**174,227**	**96,544**	**170,521**

Note:

(1) Contract costs in progress mainly include the direct materials, employee costs and manufacturing costs to be consumed in the process of service rendering related to the sales contracts.

Our inventories increased by 41.1% from RMB123.5 million as of December 31, 2022 to RMB174.2 million as of December 31, 2023, primarily due to an increase in contract costs in progress resulting from an increase in the number of ongoing orders during the same period. Our inventories decreased by 44.6% from RMB174.2 million as of December 31, 2023 to RMB96.5 million as of December 31, 2024, primarily due to the re-classification from contract costs in progress into cost of sales along with the eventual project acceptance, in particular, certain V2X projects, during the same period. Our inventories increased from RMB96.5 million as of December 31, 2024 to RMB170.5 million as of June 30, 2025, primarily due to an increase in contract costs in progress resulting from an increase in the number of ongoing orders and larger order sizes for autonomous mining products and solutions.

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Inventory turnover days[(1)]	988.5	513.6	160.1	71.0

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year/period and multiplied by 365/180 days.

We recorded relatively higher inventory turnover days in 2022, primarily due to the extension of acceptance period in relation to certain V2X projects in 2022, leading to increased contract costs in progress rather than cost of sales, and the correspondent delay in revenue recognition further brought down the revenue during that year. Being in the early stage of our commercialization, our inventory was more sensitive to fluctuations in the project acceptance period. Our inventory turnover days decreased from 988.5 days in 2022 to 513.6 days in 2023, primarily due to project acceptance of the aforementioned V2X projects. Our inventory turnover days further decreased from 513.6 days in 2023 to 160.1 days in 2024, primarily due to improvements in our inventory management. Our inventories turnover days decreased from 160.1 days in 2024 to 71.0 days in the six months ended June 30, 2025, primarily due to improvements in our inventory management and increased sales of our autonomous mining products and solutions.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within one year	99,029	126,605	86,014	141,973
Over one year but less than two years	27,393	50,354	5,812	24,852
Over two years but less than three years	2,700	14,352	4,374	2,053
Over three years	1,582	1,895	8,017	9,334
Total	**130,704**	**193,206**	**104,217**	**178,212**

We believe we have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We regularly review our inventories and recoverability to identify items with low sales or usage value and make impairment provisions accordingly. Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises contract costs in progress, raw materials, consigned-processing-material and finished goods. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. We assess impairment to inventories from time to time during the Track Record Period and may make provision to 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.

Our inventories are primarily aged one year or less. As of June 30, 2025, our inventories aged over three years primarily consist of raw materials for autonomous logistics truck solution, with a balance of approximately RMB9.3 million, including vehicle computers and chips. We have been closely monitoring the recoverability of these inventories. Considering the market demand, maintainability and adaptability of the aforementioned raw materials, supply chain stability, and our strategic business planning, we believe there are no material recoverability issues for these raw materials. However, in accordance with the principle of prudence, we conducted a comprehensive impairment assessment and recognized sufficient impairment provision for the inventories aged over three years with total impairment charge of RMB6.6 million to ensure the financial statements reflect our economic value accurately.

Taking into account (i) our anticipation of the market demand, (ii) our continuous efforts in supply chain management and sales plans, (iii) inventories aged over one year mainly include contract costs in progress and finished goods, which have no validity period, (iv) as of June 30, 2025, we have not identified any material projects fail to be accepted, and (v) our inventory turnover days showed a declining trend during the Track Record Period, our Directors are of the view that we have made sufficient impairment provision for inventories during the Track Record Period and we did not identify any recoverability issue for our inventories.

As of September 30, 2025, RMB73.9 million, or 41.5% of our inventories as of June 30, 2025, had been consumed or sold.

Trade and notes receivables, current portion

Our trade and notes receivables primarily represent receivables in relation to our autonomous driving, V2X and intelligent perception solutions. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	34,464	52,880	148,831	402,742
Notes receivables	3,114	8,475	6,754	57,724
Less: provision for impairment	6,806	2,675	18,225	42,520
Total	**30,772**	**58,680**	**137,360**	**417,946**

Our trade and notes receivables increased significantly from RMB30.8 million as of December 31, 2022 to RMB58.7 million as of December 31, 2023 and further increased to RMB137.4 million as of December 31, 2024, primarily due to an increase in our sales in intelligent driving and project acceptance of certain V2X projects during the same period. Our trade and notes receivables increased from RMB137.4 million as of December 31, 2024 to RMB417.9 million as of June 30, 2025, primarily due to (i) an increase in sales of autonomous mining products and solutions, mainly reflecting the concentrated revenue recognition from three large-scale autonomous mining truck projects involving Customers M, N and O in the second quarter of 2025, with trade receivables amounting to RMB151.0 million, RMB85.4 million, and RMB40.1 million, respectively, and (ii) the 24-month credit term and monthly installment payment arrangement with Customer M and Customer P.

The following table sets out an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Up to three months	29,863	34,825	66,076	321,650
Three to six months	6	2,014	18,726	2,833
Six to nine months	431	6,530	28,271	37,850
Nine to 12 months	82	1,632	1,424	17,334
Over 12 months	4,082	7,879	34,334	64,752
Total	**34,464**	**52,880**	**148,831**	**444,419**

The following table set forth the maturity profile of receivables in the respect of Customer K and Customer L.

Customers	Receivables from	Receivables amount as of June 30, 2025	Maturity profile as of June 30, 2025
		(RMB in thousands)	
Customer K	Purchase agreement with us	1,200	Overdue for more than nine months but less than twelve months
	Deposit agreement with us	15,200	RMB5.0 million overdue for less than three months RMB10.2 million not yet due, including RMB5.0 million due on September 30, 2025 and RMB5.2 million due on December 31, 2025.
	Loan agreement with us	13,110	Not yet due (due on December 31, 2025)

Customers	Receivables from	Receivables amount as of June 30, 2025	Maturity profile as of June 30, 2025
		(RMB in thousands)	
Customer L	Purchase agreement with us	28,544	RMB14.8 million overdue for more than twelve months; RMB13.7 million not yet due (maturity date to be determined by the project progress)

We typically set forth the trading terms with our customers in the relevant sales contracts. During the Track Record Period, we usually grant our customers credit terms of up to 180 days. For certain projects, we have provided longer credit terms or installment-based payment arrangements for certain key customers. We seek to maintain strict control over our outstanding receivables. Our finance and risk control departments are responsible for minimizing credit risks. Overdue balances are reviewed regularly by senior management. To manage risks associated with trade receivables, we maintain frequent communications with our customers to ensure effective credit control. We believe that the credit risk inherent in our outstanding trade receivable balances is low.

The following table sets forth our trade receivables turnover days for the years indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Trade receivables turnover days[(1)]	244.9	120.2	89.8	121.7

Note:

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (excluding provision for impairment) for a year/period divided by revenue for the relevant year and multiplied by 365/180 days. Given the non-current trade receivables of RMB39.9 million recorded as of June 30, 2025, the trade receivables turnover days (including the balance of non-current trade receivables as of June 30, 2025) in the six months ended June 30, 2025 is 130.9 days.

Our trade receivables turnover days decreased from 244.9 days in 2022 to 120.2 days in 2023, primarily due to (i) the relatively longer trade receivables turnover days in 2022, which were mainly driven by the project acceptance and revenue recognition of the Jurong project in December 2022, resulting in a relatively higher ending balance of our trade receivables in the same year, while the total revenue in 2022 was relatively lower, and our enhanced efforts in receivables

management. Our trade receivables turnover days further decreased to 89.8 days in 2024, primarily due to the growth of our business scale and our enhanced efforts in receivables management. Our trade receivables turnover days increased from 89.8 days in 2024 and 121.7 days in the six months ended June 30, 2025, primarily due to a higher proportion of trade receivables recognized during the period that remained within their agreed payment terms.

As of September 30, 2025, RMB23.4 million, or 5.3% of our trade receivables as of June 30, 2025, had been settled. As of the same date, RMB20.2 million, or 16.9% of our trade receivables aged over six months and RMB0.6 million, or 0.9% of our trade receivables aged over one year as of June 30, 2025, had been settled. As of the Latest Practicable Date, none of our trade receivables as of June 30, 2025 from Customer L and Customer F have been settled.

We apply the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging. The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") and the growth rate of information technology industry to be the most relevant factor in Mainland China in the credit risk assessment, and accordingly adjust the historical loss rates based on expected changes in these factors. See Note 3 to the Accountant's Report in Appendix I to this document.

Our Directors believe there is no recoverability issue for our trade receivables, including those aged over six months and over one year, primarily because: (i) we assess our customers' credit quality carefully and regularly, taking into account their business background, the general risks associated with their industries, their financial position, past experience and other factors; (ii) we did not experience any recoverability issues for our trade receivables throughout the Track Record Period because our trade receivables are mainly due from customers with good credit profiles and no history of material defaults on their payment obligations was noted in the past; (iii) our trade receivables over six months increased from RMB4.6 million as of December 31, 2022 to RMB16.0 million as of December 31, 2023, primarily due to (a) the lengthy internal settlement processes of our major customers, who are leading industry players with good credit, and (b) the extended payment processes of our certain customers' end customers. These factors do not indicate any systematic recoverability issues; (iv) our trade receivables over six months further increased from RMB16.0 million as of December 31, 2023 to RMB64.0 million as of December 31, 2024, primarily due to increased trade receivables from Customer L, an SOE customer, in relation to our Chongqing V2X Project, for which revenue and corresponding trade receivables were only

recognized after customer acceptance in May 2024; (v) our trade receivables over six months but within one year increased from RMB29.7 million as of December 31, 2024 to RMB55.2 million as of June 30, 2025, primarily due to (a) an increase from Customer A's trade receivables, which was settled as of September 30, 2025, and (b) the extended payment processes of Customer F's end customers, which does not indicate any systematic recoverability issues; (vi) our trade receivables over one year increased from RMB7.9 million as of December 31, 2023 to RMB34.3 million as of December 31, 2024, primarily due to the aforementioned reason in relation to Customer F. This factor does not indicate any systematic recoverability issues; (vii) our trade receivables over one year increased from RMB34.3 million as of December 31, 2024 to RMB64.8 million as of June 30, 2025, primarily because Customer L, as an SOE customer, has a long payment cycle as required by their internal financial management and payment approval processes; (viii) we have dedicated internal teams which are responsible for close and regular monitoring of the credit profiles, operating and financial conditions of our customers and taking appropriate proactive follow-up actions to ensure the customers' payments are made as scheduled; (ix) we also closely monitor the recoverability status of trade receivables, especially for those long-aging trade receivables, and enhance our collection efforts as appropriate; and (x) we have made sufficient provision for trade receivables.

As of June 30, 2025, our trade receivables from Customer L amounted to RMB28.5 million, and we believe there is no recoverability issue for the outstanding trade receivables, primarily because: (i) Customer L, as as an SOE customer, has a long payment cycle as required by their internal financial management and payment approval processes; and (ii) we have maintained ongoing communication with Customer L regarding the payment schedule, and as of the Latest Practicable Date, Customer L has agreed to settle approximately RMB10.0 million of the outstanding balance through three separate installments scheduled for November and December 2025, and January 2026; nevertheless, as a prudent measure, we have made provision of impairment of RMB9.2 million, representing 32.4% of the outstanding trade receivables from Customer L as of June 30, 2025.

Prepayments and other receivables

Our prepayments and other receivables primarily consisted of (i) prepayments made to the third-party suppliers, (ii) prepayments made on behalf of customers, (iii) value-added tax recoverable, and (iv) deposits. The following table sets out a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Prepayments made to the third party suppliers	9,321	16,145	35,402	86,928
Prepayment made to the related-party suppliers	—	—	—	235
Prepayments for **[REDACTED]** expenses	—	—	2,689	1,223
Prepayments made to the ultimate holding company of the Company	3,660	660	—	—
Deferred **[REDACTED]** expenses	—	—	2,049	3,637
Value-added tax recoverable	28,835	31,471	29,051	30,648
Deposits	4,767	9,765	27,338	26,843
Payments made on behalf of customers	8,696	27,849	14,175	15,136
Loan to a third party	—	3,075	12,875	13,110
Loans to employees	822	1,966	2,030	2,059
Amount due from the employee	179	43	71	1,461
Amount due from the third party	77	29	25	25
	56,357	**91,003**	**125,705**	**181,305**
Less: provision for impairment	(275)	(577)	(7,785)	(20,581)
Total	**56,082**	**90,426**	**117,920**	**160,724**

Our prepayments and other receivables increased by 61.1% from RMB56.1 million as of December 31, 2022 to RMB90.4 million as of December 31, 2023, primarily due to (i) an increase in payments on behalf of customers in relation to receivables arising from the request from one of our V2X customers to purchase certain products on their behalf, (ii) an increase in value-added tax recoverable, and (iii) an increase in prepayments made to the third party suppliers in relation to payment for mining trucks. Our prepayments and other receivables increased from RMB90.4 million as of December 31, 2023 to RMB117.9 million as of December 31, 2024 primarily due to the combined effect of (i) an increase in deposits, reflecting our expanded business scale and the deposit of RMB15.2 million incurred in relation to Customer K, (ii) an increase in prepayments

made to the third party suppliers in relation to payment for mining trucks, and (iii) a decrease in payments made on behalf of customers, primarily due to the fulfillment of their payment obligations. Our prepayments and other receivables increased by 36.3% from RMB117.9 million as of December 31, 2024 to RMB160.7 million as of June 30, 2025, primarily due to increased prepayments made to the third party suppliers in relation to our autonomous mining products and solutions.

Our payments made on behalf of customers mainly represent payments made by us at the request of our certain V2X customers and one autonomous driving customer for the purchase of certain project related ancillary products and services from third-party suppliers on their behalf, primarily including software development services and autonomous driving related hardware. Our payments on behalf of customers were aimed at providing administrative convenience for the end customers and reducing their communication costs with multiple suppliers. According to CIC, such arrangements is in line with industry norm. Such payments are generally settled in a lump sum upon acceptance of the relevant project by the customer or in installments during the implementation of the relevant project, which are subject to our customers' receipt of payment from their end-customers. See "Business — Customers — Autonomous Driving" and "Business — Customers — V2X Products and Solutions."

The following table sets forth an aging analysis of our payments made on behalf of customers that are yet to be settled as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within one year	8,676	26,268	4,941	5,563
Over one year but less than two years	20	1,561	7,973	8,593
Over two years but less than three years	—	20	1,261	960
Over three years but less than four years	—	—	—	20
Total	**8,696**	**27,849**	**14,175**	**15,136**

Our outstanding payments made on behalf of customers over one year increased from RMB1.6 million in 2023 to RMB9.2 million in 2024, mainly in relation to payments made on behalf of Customer G and in line with aging trend of our trade receivables from Customer G. Following the acceptance of our projects by Customer G in February and December 2023, the majority of our trade receivables from, and payments made on behalf of, Customer G, have been settled as of June 30, 2025 with the remaining amounts in the process of being settled.

As of December 31, 2022, 2023, 2024 and June 30, 2025, we recorded loans to employees of RMB0.8 million, RMB2.0 million, RMB2.0 million and RMB2.1 million, respectively, because we provided loans to certain core employees for the purpose of purchasing properties as part of our employee incentive program. In the loan agreements we entered into with these core employees, we clearly specify the loan amount and purpose as well as repayment method.

As of December 31, 2023, 2024 and June 30, 2025, we recorded current loans to a third party of RMB3.1 million, RMB12.9 million and RMB13.1 million, respectively, because we provided loans to Customer K, our largest customer in 2024, to facilitate the commercialization of our first large-scale autonomous mining project in Northwest China. See "Business — Our Offerings — Our Major Projects" for details of this project. In August 2024, we and Customer K entered into a supplementary agreement, the total principal amounts of RMB12.4 million will be repayable in December 2025 with the interests. See "Business — Customers — Major Customers." In the loan agreements we entered into with it, we clearly specify the loan amount, interest rate and purpose as well as repayment method. We are entitled to monitor the use of the loan and assess its repayment capacity. If the loan is not used in accordance with the agreement, we are entitled to recall the entire loan and impose penalty interest. We also entered into a guarantee agreement with Customer K's legal representative, who was also the project manager for Customer K, requiring the representative to assume joint and several liability as guarantor of the loan agreement. As advised by our PRC Legal Advisor, the loans granted by us to our employees and a third party was in compliance with relevant PRC laws and regulations. As of the Latest Practicable Date, we were not been subject to administrative or criminal penalties by the relevant regulatory bodies for such loan arrangements, or were filed for investigation for violating the relevant laws and regulations on private lending.

As of June 30, 2025, our prepayments and other receivables, including deposit and loans to third party, from Customer K amounted to RMB28.3 million, and our trade receivables from Customer K amounted to RMB1.2 million as of the same date. Although Customer K has default under its finance lease arrangement, we cannot currently conclude that there is a recoverability issue with the aforementioned receivables, as (i) the operation and production of Customer K's autonomous mining project on its existing mining faces continued as of the Latest Practicable Date, (ii) the loan of RMB13.1 million and deposit of RMB5.2 million have not yet reached their maturity date of December 31, 2025, and (iii) we are actively pursuing collection and maintaining communication with Customer K regarding the overdue trade receivables of RMB1.2 million and deposit of RMB5.0 million as of June 30, 2025; nevertheless, as a prudent measure, we have made impairment provisions of RMB20.2 million for trade receivables and prepayments and other receivables from Customer K as of June 30, 2025, representing 68.3% of the outstanding amounts as of June 30, 2025.

As of September 30, 2025, RMB11.5 million, or 6.0% of our prepayments and other receivables as of June 30, 2024, had been settled.

Trade and notes payables, current portion

Our trade and notes payables primarily consisted of notes payables and trade payables, mainly representing our obligation to pay for goods or services that have been purchased from suppliers in the ordinary course of business. During the Track Record Period, our suppliers generally granted us credit periods of up to 90 days. For certain projects, we have negotiated extended credit terms or installment-based payment arrangements with suppliers to match the payment arrangements agreed upon with our customers. The following table sets out a breakdown of our trade and note payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Notes payables	2,256	29,600	—	12,092
Trade payables	39,274	41,089	63,299	365,616
Total	**41,530**	**70,689**	**63,299**	**377,708**

Our trade and notes payables increased from RMB41.5 million as of December 31, 2022 to RMB70.7 million as of December 31, 2023, primarily due to an increase in our procurement as we expanded our business and production scale. Our trade and notes payables decreased by 10.5% from RMB70.7 million as of December 31, 2023 to RMB63.3 million as of December 31, 2024, primarily due to the maturity of significant notes payable within 2024, partially off set by an increase in trade payables reflecting our business growth. Our trade and notes payables significantly increased from RMB63.3 million as of December 31, 2024 to RMB377.7 million as of June 30, 2025, primarily due to (i) an increase in our procurement of mining trucks from Supplier F and L, with trade payable amounting to approximately RMB164.8 million and RMB98.9 million, respectively, as we expanded our business scale and supported the aforementioned three large-scale autonomous mining truck projects, (ii) the collection progress of receivables from these three projects as payments to suppliers are generally made after the corresponding customer payments have been received, and (iii) the 18-month credit term and monthly installment payment arrangement with Supplier L.

The following table sets out an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Up to six months	27,935	23,526	32,411	342,907
Six to 12 months	3,094	7,278	17,336	14,549
Over 12 months	8,245	10,285	13,552	28,411
Total	**39,274**	**41,089**	**63,299**	**385,867**

The following table set forth the maturity profile of payables in the respect of Customer K and Customer L.

Customers related	Payables from	Payables amount as of June 30, 2025	Maturity profile as of June 30, 2025
		(RMB in thousands)	
Customer K related	Contract between us and the Supplier H for mining trucks, which were subsequently provided to Customer K	13,048	Overdue for more than 12 months
	Contracts with suppliers to procure products or services for the METAMINE solution, which were subsequently provided to Customer K	N/A(1)	N/A(1)
Customer L related	Contracts with suppliers to procure products or services for V2X, which were subsequently provided to Customer L	N/A(1)	N/A(1)

Note:

(1) The suppliers involved in the contracts with us to procure products or services for Customer K or Customer L are numerous and scattered, and these procurements are not directly linked to specific sales orders. Therefore the aggregate payable amount cannot be quantified. Accordingly, the maturity profile of the payables involved as of the Latest Practicable Date cannot be determined.

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Trade payables turnover days[(1)]	300.4	138.6	61.7	114.1

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 365/180 days. Given the non-current trade payables of RMB20.3 million as of June 30, 2025, the trade payables turnover days (including the balance of non-current trade payables as of June 30, 2025) in the six months ended June 30, 2025 is 119.5 days.

Our trade payables turnover days decreased from 300.4 days in 2022 to 138.6 days in 2023 and further decreased to 61.7 days in 2024, primarily due to the settlement of certain major projects in the respective period, leading to a decreased balance of trade payables. Our trade payables turnover days increased from 61.7 days in 2024 to 114.1 days in the six months ended June 30, 2025, primarily due to extended credit terms granted by certain suppliers following the expansion of our business.

As of September 30, 2025, RMB102.7 million, or 26.6% of our trade payables as of June 30, 2025, had been settled.

Other payables and accruals

Our other payables and accruals primarily consisted of (i) payables for purchases of PPE, (ii) other tax payables, (iii) payroll and welfare payables, (iv) other payable arising from the transaction of ancillary services, and (v) accrued **[REDACTED]** expenses. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Payables for purchases of PPE	40,168	38,755	39,986	39,106
Payroll and welfare payables	30,384	25,370	27,030	14,311
Other payable arising from the transaction of ancillary services	419	34,523	11,837	13,633
Financial guarantee contracts liability	—	186	6,452	50,515
Amount due to third parties	500	3,562	6,111	501
Other taxes payable	1,791	264	3,689	1,957
Accrued **[REDACTED]** expenses	—	—	3,941	11,676
Accruals	1,008	2,379	2,661	2,132
Repayable government grants	2,360	—	—	—
Payables for purchases of intangible assets	98	—	—	—
Transaction costs payable	—	1,426	—	—
Total	**76,728**	**106,465**	**101,707**	**133,831**

Our other payables and accruals increased by 38.8% from RMB76.7 million as of December 31, 2022 to RMB106.5 million as of December 31, 2023, primarily due to an increase in other payable arising from the business of V2X products and solutions in response to the request from one of our V2X customers to purchase certain products on their behalf. Our other payables and accruals decreased by 4.5% from RMB106.5 million as of December 31, 2023 to RMB101.7 million as of December 31, 2024, primarily due to a decrease in other payable arising from the business of V2X products and solutions resulting from our settlements to aforementioned amount in 2024, partially offset by an increase in financial guarantee contracts liability in relation to our finance lease arrangement in the same period. Our other payables and accruals increased by 31.6% from RMB101.7 million as of December 31, 2024 to RMB133.8 million as of June 30, 2025, primarily due to (i) an increase in financial guarantee contracts liability arising from Customer K's default under its finance lease agreement, and (ii) an increase in accrued **[REDACTED]** expenses, partially offset by a decrease in payroll and welfare payables following the payment of bonuses for the previous year. See "Business — Customers — Major Customers — Transactions with Customer K."

As of September 30, 2025, RMB9.7 million, or 10.7% of our other payables and accruals as of June 30, 2025, had been settled.

Contract liabilities

Our contract liabilities primarily represented advance payments from our customers for products that have not yet been provided to such customers. Our contract liabilities increased from RMB46.8 million as of December 31, 2022 to RMB86.1 million as of December 31, 2023, primarily due to an increase in advance payments from our customers as a result of the increase in our sales of autonomous driving and V2X during the same period. Our contract liabilities decreased from RMB86.1 million as of December 31, 2023 to RMB42.0 million as of December 31, 2024, primarily due to part of contract liabilities as of December 31, 2023 was recognized as revenue in 2024. Our contract liabilities increased from RMB42.0 million as of December 31, 2024 to RMB49.3 million as of June 30, 2025, primarily due to an increase in advance payments from our customers as a results of the increase in our sales of intelligent driving during the same period.

As of September 30, 2025, RMB**[REDACTED]**, or 7.4% of our contract liabilities as of June 30, 2025 had been settled.

Provision

Our provision represents warranties from sales of our products and solutions. Our provision increased from RMB1.9 million as of 2022 to RMB4.7 million as of December 2023 and further increased to RMB17.7 million as of December 31, 2024, primarily as a result of the increased completion of acceptance on METAMINE solution and V2X projects in 2023 and 2024. Our provision increased from RMB17.7 million as of December 31, 2024 to RMB35.2 million as of June 30, 2025, primarily due to the increased completion of acceptance on METAMINE solution.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, bank borrowings and capital contribution from shareholders. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations and the net **[REDACTED]** from the **[REDACTED]**. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Cash Flow

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

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Operating cash flows before movements in working capital	(167,826)	(136,889)	(89,004)	(45,291)	(39,520)
Change in working capital	(35,227)	(59,417)	(58,705)	(2,819)	168,688
Income taxes paid	—	(455)	(26)	(9)	(2)
Net cash used in operating activities	(203,053)	(196,761)	(147,735)	(42,481)	(208,210)
Net cash generated from/(used in) investing activities	(302,384)	58,972	125,122	104,878	7,654
Net cash generated from/(used in) financing activities	386,326	(9,226)	94,325	34,919	80,401
Cash and cash equivalents at beginning of year/period	500,789	381,678	234,663	234,663	306,402
Cash and cash equivalents at end of year/period	**381,678**	**234,663**	**306,402**	**331,979**	**186,225**

Net Cash Flows Used in Operating Activities

In the six months ended June 30, 2025, we had net cash used in operating activities of RMB208.2 million, which represents our loss before income tax of RMB479.8 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of (a) share-based payment expenses of RMB266.6 million, and (b) finance costs of RMB73.5 million, and (ii) changes in working capital, primarily comprising increase in trade and notes receivables and other receivables and prepayments and financial assets at FVTOCI of RMB420.3 million, partially offset by increase in trade and notes payables and other payables of 340.0 million.

In 2024, we had net cash used in operating activities of RMB147.7 million, which represents our loss before income tax of RMB609.2 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of (a) share-based payment expenses of RMB319.9 million, and (b) finance costs of RMB135.7 million, and (ii) changes in working capital, primarily comprising of (a) increase in trade and notes receivables and other receivables and prepayments and financial assets at FVTOCI of RMB109.9 million, and (b) decrease in contract liabilities of RMB44.1 million, partially offset by decrease in inventories.

In 2023, we had net cash used in operating activities of RMB196.8 million, which represents our loss before income tax of RMB290.1 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of (a) finance costs of RMB121.1 million, and (b) depreciation of property, plant and equipment of RMB21.5 million, and (ii) changes in working capital, primarily comprising of (a) increase in trade and notes receivables and other receivables and financial assets at FVTOCI of RMB63.4 million, and (b) increase in inventories of RMB62.6 million, partially offset by (a) increase in trade and notes payables and other payables of RMB61.2 million, and (b) increase in contract liabilities of RMB39.4 million.

In 2022, we had net cash used in operating activities of RMB203.1 million, which represents our loss before income tax of RMB302.9 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of (a) finance costs of RMB105.6 million and (b) depreciation of property, plant and equipment of RMB16.7 million, and (ii) changes in working capital, primarily comprising of (a) increase in inventories of RMB51.5 million, and (b) increase in trade and notes receivables and other receivables and prepayments and financial assets at FVTOCI of RMB35.5 million, partially offset by increase in contract liabilities of RMB28.6 million

Our net cash used in operating activities decreased from RMB203.1 million in 2022 to RMB196.8 million in 2023, and further decreased to RMB147.7 million in 2024. Despite these net operating cash outflows during the Track Record Period, we expect improving our cash position primarily through:

- continuously increasing revenue by (a) investing in our technologies and expanding our product and solution offerings, (b) expanding our customer base and enhancing penetration within existing customers. Following the same initiatives, our revenue increased from RMB31.1 million in 2022 to RMB132.6 million in 2023, and further to RMB410.0 million in 2024, with a CAGR of 263.1%. In addition, we plan to explore overseas market opportunities in regions such as Australia, Europe, and South America to further expand our business;

- improving gross profit margin by optimizing cost structure and focusing higher-value-added products and solutions. We will focus on innovation in our proprietary technology and our product and solution portfolio to continuously improve the gross profit margin, thereby creating more value for our customers and sustaining our profitability. Furthermore, we will enhance supply chain management and seek long-term partnerships to reduce average procurement costs and maintain our delivery capabilities;

- improving operating efficiency to keep operating expenses at a reasonable level relative to our revenue scale. As our business expands and commercialization matures, we benefit from economies of scale. Our selling expenses, general and administrative expenses, and research and development costs as a percentage of revenue have all shown a decreasing trend throughout the Track Record Period. We will continue to actively monitor our operating expenses and leverage our existing experience to optimize resource allocation and further enhance efficiency; and

- enhancing working capital efficiency through improved receivables collection and better inventory management.

Net Cash Flows Generated from/(Used in) Investing Activities

In the six months ended June 30, 2025, we had net cash generated from investing activities of RMB7.7 million, which was primarily attributable to (i) proceeds received at the maturity of financial assets at FVTPL of RMB10.0 million, and (ii) repayment from restricted bank deposits of RMB9.8 million, partially offset by placement of restricted bank deposits of RMB9.9 million .

In 2024, our net cash flows generated from investing activities was RMB125.1 million, which was primarily attributable to repayment from term deposits of RMB140.0 million, partially offset by (i) purchase of financial assets at FVTPL of RMB10.5 million, and (ii) placement of restricted bank deposits of RMB10.2 million.

In 2023, our net cash flows generated from investing activities was RMB59.0 million, which was primarily attributable to (i) repayment from term deposits of RMB40.0 million, and (ii) proceed received at the maturity of financial assets at FVTPL of RMB30.0 million, partially offset by purchase of property, plant and equipment of RMB29.7 million.

In 2022, our net cash flows used in investing activities was RMB302.4 million, which was primarily attributable to (i) purchase of property, plant and equipment of RMB152.6 million, (ii) purchase of term deposits of RMB105.0 million, and (iii) purchase of financial assets at FVTPL of RMB30.5 million.

Net Cash Flows Generated from/(Used in) Financing Activities

In the six months ended June 30, 2025, we had net cash generated from financing activities of RMB80.4 million, which was primarily attributable to proceeds from bank borrowings of RMB158.6 million, partially offset by repayment of bank borrowings of RMB72.7 million.

In 2024, our net cash flows generated from financing activities were RMB94.3 million, primarily attributable to proceeds from bank borrowings of RMB238.9 million, partially offset by repayment of bank borrowings of RMB128.7 million.

In 2023, our net cash flows used in financing activities were RMB9.2 million, primarily attributable to repayment of bank borrowings of RMB44.5 million, primarily offset by (i) proceeds from bank borrowings of RMB25.7 million and (ii) proceeds from issuance of shares with preferred rights of RMB24.0 million.

In 2022, our net cash flows generated from financing activities were RMB386.3 million, primarily attributable to (i) proceeds from issuance of shares with preferred rights of RMB270.3 million, and (ii) proceeds from bank borrowings of RMB146.1 million, primarily offset by transaction costs for acquisition of capital contributions from investors of RMB19.9 million.

Cash Conversion Cycle Analysis

Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days we take to convert our investments in inventory and other resources into cash flows from sales, was 933.0 days, 495.2 days, 188.2 days and 78.6 days in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade receivables turnover days, then subtracting trade payables turnover days.

Our cash conversion cycle has shown a significant improvement over the Track Record Period, decreasing from 933.0 days in 2022 to 78.6 days in the six months ended June 30, 2025. The improvement during the Track Record Period was primarily attributable to the fact that the decrease in our inventory turnover days and trade receivables turnover days far exceeded the decrease in trade payables turnover days, particularly the substantial decrease in inventory turnover days. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets/(Liabilities)."

The improvement of cash conversion cycle reflects our enhanced operational efficiency and improved working capital management. However, the cash conversion cycle in the six months ended June 30, 2025 remains relatively prolonged. A prolonged cash conversion cycle can increase working capital requirements and pressure liquidity, particularly during periods of rapid growth or large-scale project execution. While we have mitigated these risks through the following prudent working capital management policies:

i we proactively negotiate with customers and suppliers to optimize credit terms. For example, we negotiate with suppliers to settle payments only after receiving payments from customers for certain projects, thereby effectively alleviating cash flow pressure; or the installment payment arrangements between our major customers and suppliers are generally aligned in both timing and amount, ensuring that monthly cash inflows are sufficient to cover corresponding cash outflows;

ii for large-scale projects, we plan funding in advance and coordinate the use of available committed unutilized bank facilities to ensure smooth project execution;

iii we conduct regular monthly monitoring of the aging and balances of our receivables and payables, as well as inventory levels, to enable timely adjustments to our business operation strategies;

iv we utilize diversified funding channels, and in addition to cash inflows from operations, we also maintain strong banking credit lines to support working capital needs.

In the six months ended June 30, 2025, we granted 24-month credit terms and monthly installment payment arrangements to Customer M and Customer P, primarily because these customers, as well-known local mining operators, have strong bargaining power. Such credit terms and installment arrangements for these strategic customers help us strengthen customer relationships and secure long-term or large-scale contracts in a competitive market.

Going forward, we still plan to primarily adopt payment arrangements that require stage payment or bullet payment within a relatively short credit period. However, we will also conduct prudent assessments of potential customers who require monthly installment payments and long credit terms, including their credit status, the operational status of their existing projects, and their financial condition. At the same time, even when we provide certain customers with long credit periods and monthly installment payment arrangements, we also negotiate with suppliers to adopt similar credit periods and installment arrangements, in order to avoid cash flow mismatches and reduce our liquidity pressure.

Based on the aforementioned working capital management policies, and the following consideration, we believe we have sufficient liquidity to support our business and to ensure the viability of our operations:

i. as of October 31, 2025, our committed unutilized bank facilities amounted to RMB460.0 million, providing a substantial liquidity buffer to meet our working capital requirements, including daily operations, procurement settlements and short-term funding needs. We will continue to source additional borrowings and means of trade financing methods to further increase our liquidity buffer as our business expands.

ii. the increases in trade and notes receivables and trade and notes payables as of June 30, 2025 were primarily attributable to the concentrated revenue recognition from three large-scale autonomous mining truck projects in the second quarter of 2025. We have agreed upon matched monthly installment or stage payment arrangements with the relevant customers and suppliers for these projects. As a result, the increases are not expected to have any material adverse impact on our liquidity or our daily operations.

iii. we have been endeavoring to strike a balance between cash inflows and outflows on project basis. Our trade receivables turnover days for the six months ended June 30, 2025 (121.7 days) were slightly higher than our trade payables turnover days for the same period (114.1 days). The difference of 7.6 days appears to be manageable.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
Workforce employment[(1)]	150,652	155,767	151,640	85,897	83,033
Direct production costs, including materials[(2)]	75,507	164,809	144,293	121,843	49,135
R&D costs[(3)]	10,797	6,985	7,710	1,764	2,562
Product marketing	11,172	14,759	29,170	17,148	56,736
[REDACTED] expenses	—	—	12,937	—	2,401
Total	**248,128**	**342,320**	**345,750**	**226,652**	**193,867**

Notes:

(1) Workforce employment represents staff costs mainly including salaries and wages.

(2) Direct production costs, including materials, mainly represent raw material and consumables costs.

(3) R&D costs mainly represent testing fees and technical service expenses.

INDEBTEDNESS

As of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, our indebtedness included borrowings, lease liabilities, contingent liabilities or guarantees, and financial instruments with preferred rights at amortized cost. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2022	2023	2024	2025	2025
	(RMB in thousands)				(unaudited)
Current					
Borrowings	44,606	123,834	153,842	230,884	233,874
Lease liabilities	4,566	2,980	3,661	5,937	6,793
Financial instruments with preferred rights at amortized cost	—	—	—	1,962,541	1,997,450
Non-current					
Borrowings	101,800	3,700	83,900	94,800	94,300
Lease liabilities	1,875	608	332	180	592
Contingent liabilities or guarantees	—	186	6,452	50,515	50,470
Financial instruments with preferred rights at amortized cost	1,625,922	1,766,025	1,894,618	—	—
Total	**1,778,769**	**1,897,333**	**2,142,805**	**2,344,857**	**2,383,479**

Except for our indebtedness as disclosed above as of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured.

Borrowings

As of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, we had borrowings of RMB146.4 million, RMB127.5 million, RMB237.7 million, RMB325.7 million and RMB328.2 million, respectively, mainly representing secured and unsecured bank loans primarily to supplement our working capital. Our borrowings are all denominated in Renminbi. The effective interest rate on our bank loans ranged from 2.5% to 5.1% during the Track Record Period. As of October 31, 2025, our committed unutilized bank facilities amounted to RMB460.0 million. The following table sets forth our interest-bearing borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2022	2023	2024	2025	2025
	(RMB in thousands)				
					(unaudited)
Borrowings included in current liabilities					
Secured and unguaranteed bank borrowings	34,512	90,528	39,822	47,689	47,710
Unsecured and unguaranteed bank borrowings	10,013	23,225	114,020	181,171	186,164
Secured and guaranteed bank borrowings	81	10,081	—	—	—
Other borrowings	—	—	—	2,024	—
	44,606	**123,834**	**153,842**	**230,884**	**233,874**
Borrowings included in non-current liabilities					
Secured and unguaranteed bank borrowings	91,800	3,700	83,900	75,800	75,800
Secured and guaranteed bank borrowings	10,000	—	—	—	—
Unsecured and unguaranteed bank borrowings	—	—	—	19,000	18,500
	101,800	**3,700**	**83,900**	**94,800**	**94,300**
Total borrowings	**146,406**	**127,534**	**237,742**	**325,684**	**328,174**

Our Directors confirm that, there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, our total lease liabilities (including current and non-current portions) amounted to RMB6.4 million, RMB**[REDACTED]**, RMB4.0 million, RMB6.1 million and RMB7.4 million, respectively.

Our total lease liabilities decreased from RMB6.4 million as of December 31, 2022 to RMB**[REDACTED]** as of December 31, 2023, primarily in relation to the expiration and renewal of leased properties. Our total lease liabilities remained relatively stable at RMB**[REDACTED]** as of December 31, 2023, RMB4.0 million as of December 31, 2024. Our total lease liabilities further increased from RMB4.0 million as of December 31, 2024 to RMB6.1 million as of June 30, 2025 and RMB7.4 million as of September 30, 2025, primarily due to renewal of leased properties.

Contingent Liabilities or Guarantees

As of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, our total contingent liabilities or guarantees amounted to nil, RMB0.2 million, RMB6.5 million, RMB50.5 million and RMB50.5 million, respectively.

Our contingent liabilities or guarantees increased from RMB0.2 million as of December 31, 2023 to RMB6.5 million as of December 31, 2024, primarily in relation to our financial guarantee contracts liability. Our contingent liabilities or guarantees further increased from RMB6.5 million as of December 31, 2024 to RMB50.5 million and RMB50.5 million, as of June 30, 2025 and September 30, 2025, respectively, primarily due to Customer K's default under its finance lease agreement. See "Business — Customers — Major Customers — Transactions with Customer K."

Financial Instruments with Preferred Rights at Amortized Cost

As of December 31, 2022, 2023, 2024 and June 30, 2025 and September 30, 2025, our financial instruments with preferred rights at amortized cost amounted to RMB1,625.9 million, RMB1,766.0 million, RMB1,894.6 million, RMB1,962.5 million and RMB1,997.5 million, respectively, primarily in relation to our Series A financing to Series C+ financing.

No Other Outstanding Indebtedness

Save as disclosed above, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of September 30, 2025, being our indebtedness statement date. After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material change in our indebtedness since September 30, 2025.

CONTINGENT LIABILITIES

Save as disclosed above, as of December 31, 2022, 2023, 2024 and June 30 and September 30, 2025, we did not have any material contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Gross profit/(loss) margin (%)[(1)]	(19.3)	20.2	24.7	17.1
Adjusted net loss margin (Non-IFRS Measure) (%) [(2)]	(511.5)	(103.7)	(30.9)	(27.2)
Current ratio[(3)]	3.0	1.9	1.8	0.4
Quick ratio[(4)]	2.5	1.5	1.6	0.3
Cash ratio[(5)]	1.9	0.6	0.8	0.1

Notes:

(1) Gross profit/(loss) margin equals gross profit/(loss) divided by revenue and multiplied by 100%.

(2) Adjusted net loss margin (Non-IFRS Measure) equals adjusted net loss margin (Non-IFRS Measure) for the year (non-IFRS measure) divided by revenue for the year and multiplied by 100%. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to, the analysis of our results of operations or financial condition as reported under the IFRS.

(3) Current ratio equals current assets divided by current liabilities as of the same date.

(4) Quick ratio equals current assets less inventories divided by current liabilities as of the same date.

(5) Cash ratio equals the sum of cash and cash equivalents and financial assets at FVTPL recorded as current assets divided by the total current liabilities as of the same date.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by adding back intangible assets acquired from a third party and capitalized in connection with R&D software and deducting amortization expense of capitalized intangible assets included in R&D expenditure. The table below sets forth our annual and total R&D expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
R&D expenses	110,507	90,396	193,181	35,339	151,317
Adjustments:					
Add: Intangible assets acquired from a third party and capitalized in connection with R&D software	999	38	341	318	—
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	239	337	335	156	193
Annual R&D expenditure	111,267	90,097	193,187	35,501	151,124
Total R&D expenditure			**394,551[(1)]**		**186,625**

Note:

(1) Total R&D expenditure for the three financial years prior to **[REDACTED]**.

The table below sets forth our annual and total operating expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
R&D expenses	110,507	90,396	193,181	35,339	151,317
Selling expenses	23,148	31,404	64,439	23,611	44,288
General and administrative expenses	68,969	97,827	300,721	56,070	199,678
Adjustments:					
Add: Intangible assets acquired from a third party and capitalized in connection with R&D software	999	38	341	318	—
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	239	337	335	156	193
Annual total operating expenditure	203,384	219,328	558,347	115,182	395,090
Total operating expenditure			**981,059[(1)]**		**510,272**

Note:

(1) Total R&D expenditure for the three financial years prior to **[REDACTED]**.

The table below sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Annual R&D expenditure ratio[(1)]	54.7	41.1	34.6	30.7	38.3
Total R&D expenditure ratio			**40.2[(2)]**		**36.6**

Notes:

(1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure for the three financial years prior to **[REDACTED]** by total operating expenditure for the three financial years prior to **[REDACTED]**.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of purchase of property, plant and equipment and purchase of intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Purchase of property, plant and equipment	152,611	29,713	1,393	1,065
Purchase of intangible assets	808	699	684	705
Total	**153,419**	**30,412**	**2,077**	**1,770**

In 2022, 2023, 2024 and in the six months ended June 30, 2025, our capital expenditures were RMB153.4 million, RMB30.4 million, RMB2.1 million and RMB1.8 million, respectively. We funded these expenditures mainly with cash generated from our operation and financing activities.

Following the **[REDACTED]**, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, and the net **[REDACTED]** received from the **[REDACTED]**. See "Future Plans and Use of Proceeds." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

In March 2023, we entered into an agreement to invest in 9.7% equity interests of Chengdu Cidi Rongchuang Entrepreneurship Investment Partnership (Limited Partnership) with a total investment of RMB9.8 million.

Our Company paid the investment of RMB1 million, RMB0.5 million and RMB0.5 million in November 2023, December 2024 and January 2025, respectively. The committed amount will be due for payment before August 2030. See Note 35 to the Accountant's Report included in Appendix I to this document.

As of June 30, 2025, we have commitment to inject capital to our subsidiary, Anhui CiDi Engineering Technology Co., Ltd., amounting to RMB2.55 million. The committed amount will be due for payment before May 2029.

Save as disclosed above, during the Track Record Period, we did not have any material capital commitments.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 35 of the Accountant's Report included in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountant's Report included in Appendix I to this document 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 our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. 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 that engages in leasing, hedging or research and development services with us.

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

AVISTA Valuation Advisory Limited, an independent property valuer, has valued certain of our property interests as of September 30 and is of the opinion that the total estimated value in existing state as at such date was RMB315.1 million. The full text of the letter, summary of valuation and valuation certificates with regard to such property interests are set out in Appendix III to this document. A reconciliation of the net book value of our properties as of June 30, 2025, as set out in the Accountants' Report in Appendix I to this document to their fair value as of September 30, 2025 as stated in the property valuation report set out in Appendix III to this document is set out below:

	RMB'000
Net book value as of June 30, 2024	**317,476**
Addition during the period from July 1, 2025 to September 30, 2025	—
Less: Depreciation during the period from July 1, 2025 to September 30, 2025	3,875
Net book value as of September 30, 2025	**313,601**
Net valuation surplus	1,469
Valuation of properties owned by our Group as of September 30, 2025 as set out in the property valuation report in Appendix III to this document	**315,070**

FINANCIAL RISKS MANAGEMENT

We are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 3 of the Accountant's Report included in Appendix I to this document.

Market Risk

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Our businesses are principally conducted in RMB.

As of December 31, 2022, 2023, 2024 and June 30, 2025, we were not exposed to significant foreign exchange risk. We regularly monitor our foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk.

Cash flow and fair value interest rate risk

Our interest rate risk primarily arises from borrowings, financial instruments with preferred rights at amortized cost, financial assets measured at FVTPL, cash and cash equivalents, restricted bank deposits and term deposits. Those carried at floating rates expose us to cash flow interest rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28 of the Accountant's Report included in Appendix I to this document. We did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for each reporting period.

As of December 31, 2022, 2023, 2024 and June 30, 2025, we were not exposed to significant interest rate risk. We regularly monitor our interest rate risk to ensure there is no undue exposure to significant interest rate risk.

Credit Risk

We are exposed to credit risk in relation to our cash and cash equivalents, restricted bank deposits, term deposits, trade and notes receivables, contract assets, other receivables, financial assets at FVTOCI and financial guarantee contracts liability. The carrying amount of each class of the above assets represents our maximum exposure to credit risk in relation to the corresponding class of assets.

Credit risk of cash and cash equivalents, restricted bank deposits and term deposits

To manage this risk, our domestic subsidiaries only make transactions with state-owned banks or reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

Credit risk of trade and notes receivables and contract assets

We apply the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") and the growth rate of information technology industry to be the most relevant factor in Mainland China in the credit risk assessment, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes receivables were mainly bank acceptance notes aged less than six months. We measure credit risk using probability of default, exposure at default and loss given default. We have assessed that the expected credit losses rate for bank acceptance notes receivables are immaterial, and thus the loss allowance is immaterial.

Credit risk of other receivables

Other receivables mainly comprise payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee. The management of our Company makes individual assessment on the recoverability of payments made on behalf of customers, amount due from the third parties, amount due from the employee deposits, loan to a third party and loans to the employee based on historical settlement records and past experiences. We measure credit risk using probability of default, exposure at default and loss given default.

For impairment on payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

Credit risk of financial assets at FVTOCI

Financial assets at FVTOCI comprise receivables financing. Receivables financing mainly represents bills of acceptance issued by banks for the sale of goods. We expect that the change of fair value associated with bank bills of acceptance is considered to be immaterial since they have original maturities of six months or less and the accepting banks are state-owned banks and other large listed banks with good reputation and high credit rating.

Credit risk of financial guarantee contracts liability

The management of our Company makes individual assessment on the expected credit losses of financial guarantee contracts. We measure credit risk using probability of default, exposure at default and loss given default.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. We historically financed our working capital requirements through borrowing from bank, issue of financial instruments with preferred rights at amortized cost.

Management monitors rolling forecasts of our liquidity reserve on the basis of expected cash flows.

For financial instruments with preferred rights at amortized cost, please refer to Note 29 of the Accountant's Report included in Appendix I to this document for more details.

DIVIDENDS

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, including our future operating cash flows in respective periods, cash and cash equivalents, financial assets at FVTPL, term deposits, restricted bank deposits, available equity financing and committed unutilized bank facilities, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of property, plant and equipment, (iii) purchase of intangible assets, (iv) repayment of lease liabilities, (v) interest paid on lease liabilities, and (vi) interest paid on bank borrowings. Our historical cash burn rate was RMB30.6 million, RMB20.1 million, RMB13.5 million and RMB36.2 million in 2022, 2023, 2024 and June 30, 2025, respectively, mainly representing our investment in R&D activities. In 2022, we recorded significant capital expenditure in purchase of property, plant and equipment, primarily due to the construction of our industrial park, which was substantially completed by the end of 2022. The relatively higher cash burn rate in the six months ended June 30, 2025 was primarily attributable to (i) the comparatively lower cash burn rate in 2024, which mainly resulted from payments received in 2024 for the project carried out in collaboration with Customer K, and (ii) increased operating cash outflows driven by the expansion of our business scale, including the increase in inventories due to the increased number of ongoing orders and larger order sizes for autonomous mining products and solutions.

We had (i) cash and cash equivalents of RMB134.0 million, (ii) committed unutilized bank facilities of RMB345.0 million, and (iii) financial assets at FVTPL, term deposits and restricted bank deposits of RMB27.5 million as of September 30, 2025. We estimate that we will receive net **[REDACTED]** of approximately RMB**[REDACTED]** after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** in this document. Assuming that the average cash burn rate going forward will be similar to the cash burn rate level in the six months ended June 30, 2025, based on the underlying assumptions that (i) the number of our employees will not increase significantly, particularly in the R&D department, (ii) we do not expect substantial capital investment, and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our cash and cash equivalents, financial assets at FVTPL, term deposits, restricted bank deposits and committed unutilized bank facilities totaling RMB506.5 million as of September 30, 2025, will be able to maintain our financial viability for **[REDACTED]** months from **[REDACTED]** to **[REDACTED]** or, if we take into account **[REDACTED]**% of the estimated net **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes) together with the foregoing liquidity resources totaling **[REDACTED]** million, **[REDACTED]** months from **[REDACTED]** to **[REDACTED]**

or, if we also take into account the estimated net **[REDACTED]** from the **[REDACTED]** together with the foregoing liquidity resources totaling **[REDACTED]** million, **[REDACTED]** months from **[REDACTED]** to **[REDACTED]**. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**) and no exercise of the **[REDACTED]**), representing **[REDACTED]** of the gross proceeds (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** million, of which RMB**[REDACTED]** million was charged to the consolidated statements of profit or loss as general and administrative expenses and RMB**[REDACTED]** million will be deducted from equity. We expect to incur **[REDACTED]** expenses of approximately RMB**[REDACTED]** million, of which approximately RMB**[REDACTED]** is expected to be recognized in the consolidated statements of profit or loss as general administrative expenses and approximately RMB**[REDACTED]** million is expected to be recognized as a deduction in equity directly upon the **[REDACTED]**. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our **[REDACTED]** expenses are comprised of (i) **[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, and (ii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB**[REDACTED]** and other fees and expenses of approximately RMB**[REDACTED]**.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since June 30, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since June 30, 2025, that would materially affect the information as set out in the Accountant's Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** commissions and other estimated **[REDACTED]** expenses payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for our research and development in the next five years, including:

  Investments in R&D of next-generation intelligent driving platform

  i. approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for the R&D team of our next-generation intelligent driving platform, which is expected to further accelerate the continuous advancement of our commercial vehicle intelligent driving technology and core algorithms. We plan to (i) expand our R&D team by recruiting top scientists and engineers from around the world, as well as talent from renowned universities in intelligent driving technology; (ii) remunerate our existing R&D personnel to ensure the stability and continuity of our R&D progress; and (iii) offer our R&D personnel comprehensive professional training to enhance their interdisciplinary and multi-dimensional technological application skills.

  ii. approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for the integration of software, hardware and algorithms of our next-generation intelligent driving platform. Our need for cloud computing resources and R&D and testing equipment and software is increasing with the ongoing accumulation of data and scenarios, coupled with the continuous improvement of training algorithms. Therefore, leveraging our existing R&D platform, we intend to invest further in upgrading our technical infrastructure, including, but not limited to, cloud service resources to enhance our data storage capability and software systems to enhance our algorithm, software and hardware

development capabilities. Such initiative will enhance our intelligent driving computing power and algorithm capabilities, improve the modularity of algorithms and product configurations, and optimize our R&D and solution-testing processes, promoting the continuous expansion of intelligent driving solution applications. Through these investments, our business synergies can be further strengthened as autonomous driving and V2X are closely related technological systems that share a range of technologies, including active sensing, line-of-sight perception, object detection, deep learning, edge computing and cloud platform technologies.

Investments in V2X and intelligent perception upgrading projects

i. approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for the R&D team of our V2X and an intelligent perception upgrading, which is expected to provide customers with more advanced solutions in V2X and intelligent perception by optimizing the performance of software and hardware equipment such as sensor suites, intelligent processing units, and intelligent dispatching systems. We plan to (i) recruit experienced R&D and testing personnel for hardware and software systems; (ii) remunerate our existing R&D personnel to ensure the stability and continuity of our R&D progress; and (iii) offer our R&D personnel comprehensive professional training to enhance their interdisciplinary and multi-dimensional technological application skills.

ii. approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for the upgrading of our R&D software and hardware equipment. We plan to purchase and enhance computing resources and other hardware to improve the performance of intelligent perception suites, including LiDAR, visual sensors, and millimeter-wave radars. In addition, we plan to utilize such equipment to explore localized alternatives for V2X intelligent processing, further develop the intelligent scheduling system and software function modules, optimize the core algorithm of multi-sensor fusion, enhance deep embedded optimization, and reduce the cost of kit products such as computing power units and sensors.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for improvement of our commercialization capabilities in China and overseas and further strengthening our cooperation with domestic and global customers, including:

  (i) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for enhancement of sales and marketing capabilities and delivery capabilities, including (i) expanding our sales and service network, improving the quality of services, and enhancing product customization to meet customer needs for

intelligent driving applications, (ii) increasing brand awareness by (a) recruiting more marketing and sales personnel with industry expertise to strengthen our sales and marketing team, and (b) actively engaging in marketing activities, such as exhibitions and conferences and (iii) enhancing our engineering and delivery teams by recruiting technical experts with specialized backgrounds in autonomous driving, aiming to elevate the quality and standards of our deliveries and technical support capabilities to align with our expanding business scale. Such efforts will allow us to engage more OEMs, expand our customer base and scale our business; and

(ii) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for enhancing the international footprint by (i) expanding the overseas sales channel and sales network, recruiting experienced sales personnel in overseas markets and improving the efficiency of overseas sales and marketing activities; and (ii) building an overseas localization service team, covering operation, engineering and delivery, and customer on-site technical support, to improve our localization service capabilities.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for potential investment, and merger and acquisition opportunities aimed at further integrating upstream and downstream resources in the industrial chain. We will strategically seek appropriate investment and M&A opportunities to expand our business both upstream and downstream within the industry chain, aiming to effectively integrate our business resources, ensuring supply chain stability and enhancing our delivery capabilities across various application scenarios. Our potential investment and acquisition targets include (i) suppliers with robust R&D and delivery capabilities in hardware, software systems, and key components for intelligent driving, and (ii) suppliers with strong production and delivery capabilities in intelligent driving vehicles and V2X hardware.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be employed as working capital and for general corporate uses.

In the event that the **[REDACTED]** is set at the **[REDACTED]** or the minimum **[REDACTED]** of the indicative **[REDACTED]**, the net **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** million, respectively.

The additional net **[REDACTED]** that we would receive if the **[REDACTED]** were exercised in full would be (i) HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the **[REDACTED]** of the indicative **[REDACTED]**), (ii) HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being

the mid-point of the indicative **[REDACTED]**) and (iii) HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the minimum **[REDACTED]** of the indicative **[REDACTED]**).

To the extent that the net **[REDACTED]** from the **[REDACTED]** are either more or less than expected, we will adjust our allocation of the net **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net **[REDACTED]** from the **[REDACTED]**.

[REDACTED]

[REDACTED]

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The following is the text of a report set out on pages I-1 to I-126, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of 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.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CiDi INC. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND PING AN OF CHINA CAPITAL (HONG KONG) COMPANY LIMITED

Introduction

We report on the historical financial information of CiDi Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-5 to I-126, which comprises the consolidated statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 2025, and the statements of financial position of the Company as at 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 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 for each of the periods then ended (the "**Track Record Period**") and material accounting policy information and other explanatory information (together the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-5 to I-126 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**Document**") in connection with the initial **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of 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 ("**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.

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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 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, 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 Company's financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 2025, the Group's financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of stub period comparative historical financial information

We have reviewed the stub period comparative historical financial information of the 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 six months ended 30 June 2024 and other explanatory information (together the "**Stub Period Comparative Historical Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical 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". 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 Historical 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 2.1 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 and the Stub Period Comparative Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-5 have been made.

Dividends

We refer to Note 41 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

[BDO Limited]
Certified Public Accountants

[•]
Practising Certificate [•]
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION OF THE 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 Group for the Track Record Period, on which the Historical Financial Information is based, were audited by BDO Limited 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 Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	6	31,056	132,604	410,035	258,461	408,036
Cost of sales	7	(37,051)	(105,781)	(308,595)	(214,082)	(338,328)
Gross (loss)/profit		(5,995)	26,823	101,440	44,379	69,708
Other income	9	7,406	11,199	7,455	5,798	861
Other gains/(losses), net	10	115	801	(19)	(102)	401
Impairment losses	11	(5,092)	3,589	(29,038)	(5,280)	(84,280)
Selling expenses	7	(23,148)	(31,404)	(64,439)	(23,611)	(44,288)
General and administrative expenses	7	(68,969)	(97,827)	(300,721)	(56,070)	(199,678)
Research and development expenses	7	(110,507)	(90,396)	(193,181)	(35,339)	(151,317)
Operating loss		(206,190)	(177,215)	(478,503)	(70,225)	(408,593)
Finance income	12	8,958	8,179	5,063	3,372	2,267
Finance costs	12	(105,642)	(121,100)	(135,716)	(66,618)	(73,519)
Finance costs — net	12	(96,684)	(112,921)	(130,653)	(63,246)	(71,252)
Loss before income tax		(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Income tax credit	13	39,877	35,057	28,312	10,904	24,759
Loss for the year/period		(262,997)	(255,079)	(580,844)	(122,567)	(455,086)
Other comprehensive income for the year/period						
Item that may be reclassified subsequently to profit or loss:						
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		—	—	21	—	(14)
Total comprehensive loss for the year/period		(262,997)	(255,079)	(580,823)	(122,567)	(455,100)
Loss for the year/period attributable to:						
The equity holders of the Company		(262,997)	(255,079)	(580,709)	(122,567)	(454,486)
Non-controlling interests		—	—	(135)	—	(600)
		(262,997)	(255,079)	(580,844)	(122,567)	(455,086)
Total comprehensive loss for the year/period attributable to:						
The equity holders of the Company		(262,997)	(255,079)	(580,688)	(122,567)	(454,500)
Non-controlling interests		—	—	(135)	—	(600)
		(262,997)	(255,079)	(580,823)	(122,567)	(455,100)
Loss per share attributable to the equity holders of the Company *(in RMB)*						
Basic and diluted loss per share for loss attributable to the equity holders of the Company *(in RMB)*	14	[(16.16)]	[(15.67)]	[(35.67)]	[(7.53)]	[(27.92)]

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment ("**PPE**")	*16*	331,756	332,792	309,612	297,313
Right-of-use assets ("**ROU assets**")	*17*	44,497	42,683	41,093	43,020
Intangible assets	*18*	2,575	2,292	1,756	1,942
Deferred tax assets	*19*	117,252	152,318	180,653	205,423
Prepayments and other receivables	*24*	3,881	17,486	10,542	11,230
Term deposits	*27*	190,101	5,177	—	—
Trade receivables	*26*	—	—	—	39,880
Financial assets at fair value through profit or loss ("**FVTPL**")	*22*	525	2,116	2,541	3,398
Total non-current assets		690,587	554,864	546,197	602,206
Current assets					
Inventories	*20*	123,465	174,227	96,544	170,521
Trade and notes receivables	*26*	30,772	58,680	137,360	417,946
Prepayments and other receivables	*24*	56,082	90,426	117,920	160,724
Contract assets	*25*	2,887	9,834	12,251	20,286
Financial assets at FVTPL	*22*	30,130	—	10,005	—
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	*23*	395	9,799	290	18,543
Income tax recoverable		3	458	454	498
Restricted bank deposits	*27*	27,806	27,819	10,481	22,105
Term deposits	*27*	—	147,411	5,328	5,402
Cash and cash equivalents	*27*	381,678	234,663	306,402	186,225
Total current assets		653,218	753,317	697,035	1,002,250
Total assets		1,343,805	1,308,181	1,243,232	1,604,456
Current liabilities					
Trade and notes payables	*30*	41,530	70,689	63,299	377,708
Contract liabilities	*6(b)*	46,757	86,124	42,011	49,314
Borrowings	*28*	44,606	123,834	153,842	230,884
Lease liabilities	*17*	4,566	2,980	3,661	5,937
Other payables and accruals	*31*	76,728	106,465	101,707	133,831
Income tax payables		—	9	2	—
Provision	*32*	1,938	4,743	17,735	35,217
Financial instruments with preferred rights at amortized cost	*29*	—	—	—	1,962,541
Total current liabilities		216,125	394,844	382,257	2,795,432
Net current assets/(liabilities)		437,093	358,473	314,778	(1,793,182)
Total assets less current liabilities		1,127,680	913,337	860,975	(1,190,976)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION — CONTINUED

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Trade payables	*30*	—	—	—	20,251
Borrowings	*28*	101,800	3,700	83,900	94,800
Lease liabilities	*17*	1,875	608	332	180
Financial instruments with preferred rights at amortized cost	*29*	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities		1,729,597	1,770,333	1,978,850	115,231
Total liabilities		1,945,722	2,165,177	2,361,107	2,910,663
Net liabilities		(601,917)	(856,996)	(1,117,875)	(1,306,207)
Capital and reserves					
Capital and reserves attributable to owners of the Company:					
Paid-in capital	*37*	38,279	38,381	—	—
Share capital	*38*	—	—	38,381	38,381
Treasury stock	*39*	(1,468,141)	(1,492,141)	(1,492,141)	(1,492,141)
Reserves	*39*	1,436,517	1,460,415	1,221,580	1,488,201
Accumulated losses		(608,572)	(863,651)	(885,560)	(1,340,046)
Capital and reserves attributable to owners of the Company		(608,572)	(863,651)	(1,117,740)	(1,305,605)
Non-controlling interests		—	—	(135)	(602)
Total deficit		(601,917)	(856,996)	(1,117,875)	(1,306,207)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*16*	16,933	12,293	8,459	7,079
Right-of-use assets	*17*	2,288	2,921	2,782	5,590
Intangible assets	*18*	2,575	2,292	1,756	1,942
Deferred tax assets	*19*	112,988	147,051	174,786	199,123
Investment in subsidiaries	*15*	103,939	119,259	126,908	137,008
Prepayments and other receivables	*24*	234,240	172,674	190,000	190,500
Term deposits	*27*	190,101	5,177	—	—
Trade receivables	*26*	—	—	—	34,363
Financial assets at FVTPL	*22*	525	2,116	2,541	3,398
Total non-current assets		663,589	463,783	507,232	579,003
Current assets					
Inventories	*20*	122,221	158,169	79,025	154,255
Trade and notes receivables	*26*	32,017	61,666	148,386	450,507
Prepayments and other receivables	*24*	79,493	164,231	258,852	303,374
Contract assets	*25*	2,887	8,404	11,444	19,208
Financial assets at FVTPL	*22*	30,130	—	10,005	—
Financial assets at FVTOCI	*23*	—	7,849	290	6,393
Income tax recoverable		3	3	3	3
Restricted bank deposits	*27*	27,806	27,819	9,796	13,312
Term deposits	*27*	—	147,411	5,328	5,402
Cash and cash equivalents	*27*	269,589	145,688	244,392	134,892
Total current assets		564,146	721,240	767,521	1,087,346
Total assets		1,227,735	1,185,023	1,274,753	1,666,349
Current liabilities					
Trade and notes payables	*30*	50,334	82,829	75,974	394,433
Contract liabilities	*6(b)*	39,822	67,623	21,750	29,984
Borrowings	*28*	39,475	33,711	153,842	225,880
Lease liabilities	*17*	2,955	1,641	2,811	5,590
Other payables and accruals	*31*	32,022	38,469	52,852	87,170
Provision	*32*	1,846	4,587	16,595	34,040
Financial instruments with preferred rights at amortised cost	*29*	—	—	—	1,962,541
Total current liabilities		166,454	228,860	323,824	2,739,638
Net current assets/(liabilities)		397,692	492,380	443,697	(1,652,292)
Total assets less current liabilities		1,061,281	956,163	950,929	(1,073,289)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY — CONTINUED

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Trade payables	*30*	—	—	—	20,251
Borrowings	*28*	11,800	3,700	83,900	94,800
Lease liabilities	*17*	—	—	—	—
Financial instruments with preferred rights at amortised cost	*29*	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities		1,637,722	1,769,725	1,978,518	115,051
Total liabilities		1,804,176	1,998,585	2,302,342	2,854,689
Net liabilities		(576,441)	(813,562)	(1,027,589)	(1,188,340)
Capital and reserves					
Paid-in capital	*37*	38,279	38,381	—	—
Share capital	*38*	—	—	38,381	38,381
Treasury stock	*39*	(1,468,141)	(1,492,141)	(1,492,141)	(1,492,141)
Reserves	*39*	1,436,517	1,460,415	1,221,559	1,488,127
Accumulated losses		(583,096)	(820,217)	(795,388)	(1,222,707)
Total deficit		(576,441)	(813,562)	(1,027,589)	(1,188,340)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company							
	Paid-in capital	Share capital	Treasury stock *(Note 39)*	Reserves *(Note 39)*	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	37,028	—	(1,197,841)	1,167,468	(345,575)	(338,920)	—	(338,920)
Comprehensive loss								
Loss for the year	—	—	—	—	(262,997)	(262,997)	—	(262,997)
Total comprehensive loss for the year	—	—	—	—	(262,997)	(262,997)	—	(262,997)
Transactions with owners in their capacity as owners								
Capital contributions from the equity holders of the Company	1,251	—	—	269,049	—	270,300	—	270,300
Effect of financial instruments with preferred rights at amortised cost	—	—	(270,300)	—	—	(270,300)	—	(270,300)
Total transactions with owners in their capacity as owners for the year	1,251	—	(270,300)	269,049	—	—	—	—
As at 31 December 2022	38,279	—	(1,468,141)	1,436,517	(608,572)	(601,917)	—	(601,917)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in capital	Share capital	Treasury stock *(Note 39)*	Reserves *(Note 39)*	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	38,279	—	(1,468,141)	1,436,517	(608,572)	(601,917)	—	(601,917)
Comprehensive loss								
Loss for the year	—	—	—	—	(255,079)	(255,079)	—	(255,079)
Total comprehensive loss for the year	—	—	—	—	(255,079)	(255,079)	—	(255,079)
Transactions with owners in their capacity as owners								
Capital contributions from the equity holders of the Company	102	—	—	23,898	—	24,000	—	24,000
Effect of financial instruments with preferred rights at amortised cost	—	—	(24,000)	—	—	(24,000)	—	(24,000)
Total transactions with owners in their capacity as owners for the year	102	—	(24,000)	23,898	—	—	—	—
As at 31 December 2023	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in capital	Share capital	Treasury stock *(Note 39)*	Reserves *(Note 39)*	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)
Comprehensive loss								
Loss for the year	—	—	—	—	(580,709)	(580,709)	(135)	(580,844)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	21	—	21	—	21
Total comprehensive loss for the year	—	—	—	21	(580,709)	(580,688)	(135)	(580,823)
Transactions with owners in their capacity as owners								
Conversion into a joint stock company *(Note 38(a))*	(38,381)	38,381	—	(558,800)	558,800	—	—	—
Share-based payment *(Note 40)*	—	—	—	319,944	—	319,944	—	319,944
Total transactions with owners in their capacity as owners for the year	(38,381)	38,381	—	(238,856)	558,800	319,944	—	319,944
As at 31 December 2024	—	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in capital	Share capital	Treasury stock *(Note 39)*	Reserves *(Note 39)*	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)
Comprehensive loss								
Loss for the period	—	—	—	—	(122,567)	(122,567)	—	(122,567)
Total comprehensive loss for the period	—	—	—	—	(122,567)	(122,567)	—	(122,567)
As at 30 June 2024 (Unaudited)	38,381	—	(1,492,141)	1,460,415	(986,218)	(979,563)	—	(979,563)

	Attributable to the equity holders of the Company							
	Paid-in capital	Share capital	Treasury stock *(Note 39)*	Reserves *(Note 39)*	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	—	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)
Comprehensive loss								
Loss for the period	—	—	—	—	(454,486)	(454,486)	(600)	(455,086)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	(14)	—	(14)	—	(14)
Total comprehensive loss for the period	—	—	—	(14)	(454,486)	(454,500)	(600)	(455,100)
Transactions with owners in their capacity as owners								
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control *(Note 15(a)(d))*	—	—	—	67	—	67	133	200
Share-based payment *(Note 40)*	—	—	—	266,568	—	266,568	—	266,568
Total transactions with owners in their capacity as owners for the year	—	—	—	266,635	—	266,635	133	266,768
As at 30 June 2025	—	38,381	(1,492,141)	1,488,201	(1,340,046)	(1,305,605)	(602)	(1,306,207)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Operating activities						
Loss before income tax		(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Adjustments for:						
Depreciation of property, plant and equipment	*7*	16,708	21,479	25,582	12,938	12,473
Amortisation of intangible assets	*7*	1,053	1,430	1,459	758	778
Depreciation of right-of-use assets	*7*	5,966	7,116	7,612	4,016	3,708
Impairment losses under expected credit losses ("**ECL**") model	*11*	5,092	(3,589)	29,038	5,280	84,280
Loss/(gain) on disposal of/written off property, plant and equipment	*10*	15	(120)	20	7	1
Gain on lease termination	*10*	—	(90)	(80)	(7)	—
Provision for inventories	*7*	5,235	11,825	3,673	753	985
Share-based payment expenses	*8*	—	—	319,944	—	266,568
Change in fair value of financial assets at FVTPL	*10*	(129)	(591)	70	102	(396)
Interest income from financial assets at FVTPL	*12*	(258)	(11)	—	—	(16)
Interest income from trade receivables with significant financing components		—	—	—	—	(1,288)
Interest income from term deposits	*12*	(4,276)	(5,215)	(2,499)	(2,124)	(74)
Interest income from loan to a third party	*12*	—	(71)	(377)	(161)	(221)
Interest income from loan to a related party of the Company	*12*	—	(16)	—	—	—
Finance costs	*12*	105,642	121,100	135,716	66,618	73,519
Exchange gain, net		—	—	(6)	—	8
Operating cash flows before movements in working capital		(167,826)	(136,889)	(89,004)	(45,291)	(39,520)
(Increase)/Decrease in inventories	*20*	(51,487)	(62,586)	74,011	57,906	(74,963)
Increase in trade and notes receivables, other receivables and prepayments and financial assets at FVTOCI	*23, 24, 26*	(35,475)	(63,358)	(109,937)	(29,903)	(420,322)
Decrease/(Increase) in contract assets	*25*	1	(6,852)	(2,581)	1,259	(9,240)
(Increase)/Decrease in restricted bank deposits	*27*	(672)	(27,142)	27,102	27,070	(11,489)
Increase/(Decrease) in trade and notes payables and other payables	*30, 31*	23,847	61,154	(3,187)	(37,941)	340,023
Increase/(Decrease) in contract liabilities		28,559	39,367	(44,113)	(15,572)	7,303
Cash (used in)/generated from operations		(203,053)	(196,306)	(147,709)	(42,472)	(208,208)
Income taxes paid		—	(455)	(26)	(9)	(2)
Net cash (used in)/generated from operating activities		(203,053)	(196,761)	(147,735)	(42,481)	(208,210)

CONSOLIDATED STATEMENTS OF CASH FLOWS — CONTINUED

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Investing activities						
Proceeds from disposal of property, plant and equipment		30	169	14	4	—
Purchase of property, plant and equipment		(152,611)	(29,713)	(1,393)	(584)	(1,065)
Purchase of intangible assets		(808)	(699)	(684)	(42)	(705)
Purchase of financial assets at FVTPL		(30,500)	(1,000)	(10,500)	—	(500)
Advance to a third party		—	(9,800)	(2,600)	—	—
Advance to a related party of the Company		—	(3,000)	—	—	—
Repayment from a related party of the Company		—	3,000	—	—	—
Placement of term deposits		(105,000)	—	—	—	—
Repayment from term deposits		—	40,000	140,000	100,000	—
Proceeds received at the maturity of financial assets at FVTPL		—	30,000	—	—	10,000
Proceeds of lease deposits		—	—	289	—	—
Interest income received from financial assets at FVTPL		258	141	—	—	60
Interest income received from term deposits		—	2,727	9,760	5,500	—
Interest income received from a related party of the Company		—	17	—	—	—
Placement of restricted bank deposits		(27,100)	—	(10,170)	—	(9,910)
Repayment from restricted bank deposits		13,347	27,130	406	—	9,774
Net cash (used in)/generated from investing activities		(302,384)	58,972	125,122	104,878	7,654
Financing activities						
Proceeds from issuance of shares with preferred rights		270,300	24,000	—	—	—
Transaction costs for acquisition of capital contributions from investors		(19,891)	—	(1,440)	(1,440)	—
Proceeds from capital contributions from non-controlling interests	*15(a), (d)*	—	—	—	—	200
Proceeds from a factoring company		—	—	—	—	2,000
Proceeds from bank borrowings	*33*	146,143	25,700	238,900	140,500	158,600
Repayment of bank borrowings	*33*	—	(44,543)	(128,700)	(98,400)	(72,700)
Interest paid on bank borrowings	*33*	(3,017)	(5,754)	(6,950)	(3,479)	(4,540)
Repayment of lease liabilities	*33*	(6,859)	(8,421)	(5,518)	(2,194)	(2,944)
Interest paid on lease liabilities	*33*	(350)	(208)	(165)	(68)	(32)
Payments for **[REDACTED]** expenses		—	—	(1,802)	—	(183)
Net cash generated from/(used in) financing activities		386,326	(9,226)	94,325	34,919	80,401
Net (decrease)/increase in cash and cash equivalents		(119,111)	(147,015)	71,712	97,316	(120,155)
Cash and cash equivalents at beginning of year/period		500,789	381,678	234,663	234,663	306,402
Effect of exchange rate changes		—	—	27	—	(22)
Cash and cash equivalents at the end of year/period, represented by bank balances and cash		381,678	234,663	306,402	331,979	186,225

II NOTES TO HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

CiDi Inc. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 16 October 2017 as a limited liability company. The Company's registered office and the principal place of business activities is located at Building A3 and A4, Hunan Inspection and Testing Specialty Industrial Park, No. 336, Xueshi Road, Yuelu District, Changsha City, Hunan Province, the PRC.

Upon approval by the shareholders' general meeting held on 28 May 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Changsha Intelligent Driving Institute (長沙智能駕駛研究院有限公司)" to "CiDi Inc. (希迪智駕(湖南)股份有限公司)" in July 2024. On 8 January 2025, the Company's registered name was further changed from "CiDi Inc. (希迪智駕(湖南)股份有限公司)" to "CiDi Inc. (希迪智駕科技股份有限公司)".

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Company is Li Zexiang.

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in providing autonomous driving products and solutions for commercial vehicles.

The detailed information of major subsidiaries was disclosed in Note 15.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

The statutory financial statements have not yet been issued for the years ended 31 December 2022, 31 December 2023 and 31 December 2024. There is no statutory requirement to issue the audit report for the PRC company.

2.1 Basis of Preparation

The Historical Financial Information of the Group have been prepared based on the accounting policies set out in Note 2.2 which conform with IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**").

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at FVTPL and financial assets at FVTOCI, which are carried at fair value.

The Group is in the development phase and has been incurring losses from operations since incorporation. The Group incurred losses of RMB455,086,000 for the period ended 30 June 2025. Also, the Group's net cash used in operating activities was RMB208,210,000 for the period ended 30 June 2025, attributable primarily to significant R&D expenditures. As at 30 June 2025, the Group has cash and cash equivalents of RMB186,225,000, net current liabilities of RMB1,793,182,000 and net liabilities of RMB1,306,207,000, attributable primarily to the financial instruments with preferred rights at amortized cost with an amount of RMB1,962,541,000. The Group's ability to continue as a going concern is primarily dependent on the ability to generate adequate cash flows from business operations and to raise external equity and debt financing to fund its continuous operations.

Management of the Group has prepared a cash flow projection covering a period of not less than 12 months from 30 June 2025. The cash flow projection has taken into account management's plan to improve the Group's operating performance and cash flows by expanding its customer base and increasing revenues, and to raise additional funds through external debt financing. Subject to the result of external debt financing, management will implement measures to optimize its operating efficiency, including but not limited to control the expenditures, to improve the Group's liquidity and financial position. The directors of the Company, after making due inquiries and considering the basis of management's projection and measures described above, believe that the Group's cash and cash equivalents and anticipated funding from financing are sufficient to fund its operating expenses and capital expenditure requirements, and the Group is able to meet its payment obligations, for the next twelve months from 30 June 2025. Therefore, the Historical Financial Information has been prepared on a going concern basis.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual periods beginning on or after 1 January 2027

[3] The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings

per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except for this, no material impact on the financial performance and positions of the Group is expected when they become effective.

2.2 Material accounting policy information

2.2.1 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises contract costs in progress, raw materials, consigned-processing-material and finished goods. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.2 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.3 Revenue recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, the Group assesses the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

1) Autonomous driving solutions

Revenue generated from sales of autonomous driving solutions which combines the unmanned electric mining trucks and logistics trucks with remote control cockpit and solutions with proprietary algorithms and software for use in closed environments, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the solutions.

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving solutions is reported on a gross basis.

The Group generally offers assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. The Group accounts for the warranty in accordance with IAS 37 (Note 32).

After the sales contracts have been signed, partial consideration will be collected by the Group. The Group began to stock up after collecting the prepayments. Before the solutions are delivered to the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected during the credit period of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period of six months to one year.

2) Autonomous driving products

Revenue generated from sales of autonomous driving products for use in closed environments which could be installed in the electric trucks, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the products has been transferred to the customer, generally upon the acceptance of the products.

The Group controls the specified goods before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving products is reported on a gross basis.

The Group generally has the right to collect certain of the contract price of the products from the customers upon their acceptance of the products. The remaining payments are settled after the end of the standard warranty period. The Group usually offers a warranty period for one year.

*3) Vehicle to everything ("**V2X**") products and solutions*

The Group provides V2X products and solutions to its customers. Revenue is recognized when control over the products and solutions have been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Group as well as control the products and solutions until the products and solutions are delivered to the customer. The products and solutions generally have no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until the products and solutions are accepted by the customer. Therefore, revenue is recognized at a point in time when the products and solutions are accepted by the customer.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. The Group provides significant service to the V2X products and solutions and is responsible for the overall management of the contract, the Group is the principal in the transaction and recognizes revenue in the gross amount of consideration to which it is entitled from the customer.

After the sales contracts have been signed, partial consideration will be collected by the Group. Then, after the products and solutions are delivered to the designated location of customers and are initial accepted by the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected after the final acceptance of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period from one year to three years.

4) Commission income

The Group acts in the capacity of an agent rather than as the principal in the transaction of ancillary services relating to procurement of the peripheral software development services related to V2X. Revenue generated from these services is reported on a net basis.

5) Intelligent perception

Revenue generates from sales of intelligent perception solutions is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the solutions has been transferred to the customer, generally upon the acceptance of the products and solutions.

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of intelligent perception solutions is reported on a gross basis.

The consideration will be collected once through bank acceptance notes after the settlements with customers monthly. The Group usually offers a warranty period from one year to three years.

6) Contract assets and liabilities

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer. A receivable is recorded when the Group has an unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2.2.4 Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency for Company and its subsidiaries incorporated in the People's Republic of China ("**PRC**") is RMB. The Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within "Other gains/(losses), net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVTOCI are recognized in OCI.

2.2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the year/period in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimate useful lives as follows:

Buildings	10–20 years
Vehicles	4 years
Machinery and equipment	5 years
Office equipment, computers and others	5 years
Tested field and related equipment	5 years
Leasehold improvements	shorter of the term of the lease or the estimated useful lives of the assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains/(losses), net" in the consolidated statements of profit or loss and other comprehensive income.

Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

*2.2.8 **Intangible assets***

(a) Software

Acquired software is initially capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Software is stated at historical cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Group amortizes software with a limited useful life using the straight-line method over the following periods:

Software	3 years

When determining the useful life, the management of the Group has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

*(b) Research and development ("**R&D**")*

The Group incurs significant costs and efforts on research and development activities. Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for use or sale;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset and an appropriate portion of relevant overheads.

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred and development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period.

During the Track Record Period, the Group's R&D expenditures incurred did not meet the capitalization principle above and were expensed as incurred.

2.2.9 Impairment of non-financial assets

Non-financial assets, including PPE, ROU assets, intangible assets, prepayments for acquisition of PPE and investment in subsidiaries, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in "Finance income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortized cost or financial assets at FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in "Other gains/(losses), net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in "Other gains/(losses), net" in the consolidated statements of profit or loss and other comprehensive income as applicable.

(d) Impairment

The Group performs impairment assessment under ECL model on financial assets which are measured at amortized cost and contract assets. 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 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 Group always recognizes lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed collectively and individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each 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 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; and
- 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 Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The 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.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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 reorganization.

(iv) Write-off policy

The 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, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) 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.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

*2.2.11 **Financial guarantee contracts***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized over the guarantee period.

*2.2.12 **Trade receivables***

Trade receivables are amounts due from customers for the products and solutions rendered in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 26 for further information about the Group's accounting for trade receivables and Note 3.1 (b) for a description of the Group's credit risk management.

*2.2.13 **Financial instruments with preferred rights at amortized cost***

A contract that contains an obligation for the Group to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem, the financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged or canceled after the settlement by the Group has been made. The carrying amount of the financial instruments are reclassified to equity when and only when, the Group's obligation (i.e. the redemption obligation) have expired, with the corresponding credit to the treasury stocks.

*2.2.14 **Cash and cash equivalents***

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2.15 Paid-in capital/Share capital and treasury stocks

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury stocks are equity instruments deducted from equity when the Group reacquires its own equity instruments.

The ordinary shares with preferred rights are recognized as paid-in capital/share capital with the excess of the nominal values of the shares in capital reserve upon the proceed received, and initially reclassified from equity to financial liabilities (i.e. financial instruments with preferred rights at amortized cost) with the corresponding debit to the treasury stocks.

2.2.16 Trade and notes payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year/period which are unpaid. Trade and notes payables are classified as current liabilities unless payment is not due within 12 months after each reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.2.17 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party

and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of profit or loss and other comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after each reporting period.

2.2.18 Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.19 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made.

Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

2.2.20 Leases

The Group mainly leases buildings and a piece of leasehold land as lessee. Lease terms are negotiated on an individual basis and contain various different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to

produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g., term, country, currency and security.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and making a corresponding adjustment to the right-of-use asset for all other lease modifications. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.2.21 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

For government grants based on the performance appraisal, if the relevant department has the rights to suspend or recover the grants, the government grants will be recognized in the consolidated statements of financial position as "Deferred income" when received. If the performance appraisal are achieved, the government grants will be transferred in the consolidated statements of profit or loss and other comprehensive income as "Other income". If subsequently some or the entire amount becomes repayable unexpectedly, the repayment is accounted for as a change in estimate and the repayable portion of the credit previously recognized is reversed and recognized in the period in which the Group concludes that it is no longer reasonably assured that the terms for forgiveness will be met.

*2.2.22 **Finance income***

Interest income is presented as the finance income where it is earned from financial assets at FVTPL, trade receivables with significant financing components, bank deposits, term deposits, loans to a third party and loan to a related party of the Company, see Note 12 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

*2.2.23 **Loss per share***

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, and
- by the weighted average number of ordinary shares outstanding during the financial year/period.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

*2.2.24 **Provision***

Provision for product warranties is recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provision is not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period.

*2.2.25 **Share-based payment***

The fair value of awarded shares granted to employees and consultants under the share option scheme less amount paid by employees and consultants is recognized as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognized in equity in the employee share-based compensation reserve. The fair value of the shares is measured at the grant date. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group's businesses are principally conducted in RMB.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group was not exposed to significant foreign exchange risk. The Group regularly monitors its foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk primarily arises from borrowings, financial instruments with preferred rights at amortized cost, financial assets measured at FVTPL, cash and cash equivalents, restricted bank deposits and term deposits. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for each reporting period.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group was not exposed to significant interest rate risk. The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, term deposits, trade and notes receivables, contract assets, other receivables, financial assets at FVTOCI and financial guarantee contracts liability. The carrying amount of each class of the above assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of assets.

(i) Credit risk of cash and cash equivalents, restricted bank deposits and term deposits

To manage this risk, the Group's domestic subsidiaries only make transactions with state-owned banks or reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

(ii) Credit risk of trade and notes receivables and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables without a significant financing component and contract assets. To measure the expected credit losses, other than trade receivables with significant financing components that are subject to individual evaluation, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") and the growth rate of information technology industry to be the most relevant factor in Mainland China in the credit risk assessment, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes receivables were mainly bank acceptance notes aged less than six months. The Group measures credit risk using probability of default, exposure at default and loss given default. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the expected credit loss for bank acceptance notes receivables is RMB0.08 million, RMB0.11 million, RMB0.14 million and RMB1.42 million respectively.

The loss allowance of trade receivables and contract assets as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 was determined as follows:

As at 31 December 2022, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022						
Gross carrying amount	29,886	12	466	82	7,847	38,293
Loss allowance	(5,273)	(2)	(82)	(14)	(2,298)	(7,669)
Expected loss rate *(in %)* . .	17.64	17.64	17.64	17.64	29.29	20.03

As at 31 December 2023, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
Gross carrying amount	39,820	2,055	7,481	2,558	11,647	63,561
Loss allowance	(977)	(50)	(183)	(63)	(2,136)	(3,409)
Expected loss rate *(in %)* . .	2.45	2.45	2.45	2.45	18.54	5.36

In the opinion of directors, the expected loss rate decreased due to the improving financial positions of these debtors.

As at 31 December 2024, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
Gross carrying amount	70,222	24,256	30,520	1,606	35,488	162,092
Loss allowance	(4,164)	(1,438)	(1,809)	(95)	(11,583)	(19,089)
Expected loss rate *(in %)* . .	5.93	5.93	5.93	5.93	32.64	11.78

As at 30 June 2025, the loss allowance of trade receivables and contract assets assessed under collective basis and individual basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2025						
Gross carrying amount	166,319	3,316	41,478	22,856	68,204	302,173
Loss allowance	(10,802)	(215)	(2,694)	(1,484)	(22,871)	(38,066)
Expected loss rate *(in %)* . .	6.49	6.49	6.49	6.49	33.53	12.60

Individual basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2025						
Gross carrying amount	164,747	—	—	—	—	164,747
Loss allowance	(7,048)	—	—	—	—	(7,048)
Expected loss rate *(in %)* . .	4.28	—	—	—	—	4.28

The movements in provision for impairment of trade receivables and contract assets are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Loss allowance				
At beginning of the year/period	2,895	7,669	3,409	19,089
Provision/(reversal) for trade and notes receivables and contract assets, net	4,774	(4,260)	15,680	26,149
Trade receivables written off	—	—	—	(124)
At end of the year/period	7,669	3,409	19,089	45,114

(iii) Credit risk of other receivables

Other receivables mainly comprise payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee. The management of the Group makes individual assessment on the recoverability of payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee based on historical settlement records and past experiences. The Group measures credit risk using probability of default, exposure at default and loss given default.

For impairment on payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

On that basis, movements on the Group's provision for impairment of other receivables are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Provision for impairment				
At beginning of the year/period.	35	275	726	7,785
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income *(note)* .	240	451	7,059	12,796
At end of the year/period	275	726	7,785	20,581

Note: As at 30 June 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the loans to the end customer, Anhui Beishan (as defined in the note 31(e) to the Historical Financial Information). In making the assessment, the Group considered Anhui Beishan is having significant financial difficulty and is unlikely to pay its creditors, including the Group, in full, and concluded the default event has occurred. Accordingly, the loss allowance for loans to the end customer provided by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB12,796,000 has been recognized in the profit or loss during the period ended 30 June 2025.

(iv) Credit risk of financial assets at FVTOCI

Financial assets at FVTOCI comprise receivables financing. Receivables financing mainly represents bills of acceptance issued by banks for the sale of goods. The Group expects that the change of fair value associated with bank bills of acceptance is considered to be immaterial since they have original maturities of six months or less and the accepting banks are state-owned banks and other large listed banks with good reputation and high credit rating.

(v) Credit risk of financial guarantee contracts liability

The management of the Group makes individual assessment on the expected credit losses of financial guarantee contracts. The Group measures credit risk using probability of default, exposure at default and loss given default.

On that basis, movements on the Group's expected credit losses of financial guarantee contracts are as follow:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Provision for impairment				
At beginning of the year/period.	—	—	186	6,452
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income *(note)* .	—	186	6,266	44,063
At end of the year/period	—	186	6,452	50,515

Note: As at 30 June 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the financial guarantee contracts entered with Haitong Unitrust (as defined in the note 31(e) to the Historical Financial Information). In making the assessment, the Group considered the heightened credit risk information of Anhui Beishan (as defined in the note 31(e) to the Historical Financial Information), including Anhui Beishan's actual significant deterioration in the financial condition and forward-looking information that is available without undue cost or effort. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB44,063,000 has been recognized in the profit or loss during the period ended 30 June 2025.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. The Group historically financed its working capital requirements through borrowing from bank, issue of financial instruments with preferred rights at amortized cost (Note 29).

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at each year/period end to the contractual maturity date for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is immaterial.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2022					
Trade and notes payables	41,530	—	—	—	41,530
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) *(Note 31)*	41,185	—	—	—	41,185
Borrowings (including interest accrual up to maturity)	50,056	102,695	1,666	—	154,417
Lease liabilities	4,698	1,271	664	—	6,633
As at 31 December 2023					
Trade and notes payables	70,689	—	—	—	70,689
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) *(Note 31)*	78,452	—	—	—	78,452
Borrowings (including interest accrual up to maturity)	127,137	3,830	—	—	130,967
Lease liabilities	3,050	614	—	—	3,664

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024					
Trade and notes payables	63,299	—	—	—	63,299
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) *(Note 31)*	68,327	—	—	—	68,327
Borrowings (including interest accrual up to maturity)	159,715	38,295	48,764	—	246,774
Lease liabilities	3,701	338	—	—	4,039
As at 30 June 2025					
Trade and notes payables	379,674	20,354	—	—	400,028
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) *(Note 31)*	115,431	—	—	—	115,431
Borrowings (including interest accrual up to maturity)	238,089	74,718	23,154	—	335,961
Lease liabilities	6,014	181	—	—	6,195

For financial instruments with preferred rights at amortized cost, please refer to Note 29 for more details.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the paid-in capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares.

The Group considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the plans and measures as described in Note 2.1 to the Historical Financial Information.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

(i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2022				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	525	525
— Structured deposits	—	30,130	—	30,130
Financial assets at FVTOCI				
— Receivables financing	—	—	395	395
	—	30,130	920	31,050

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	1,116	1,116
— Unlisted debt investment	—	—	1,000	1,000
Financial assets at FVTOCI				
— Receivables financing	—	—	9,799	9,799
	—	—	11,915	11,915

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	929	929
— Unlisted debt investment	—	—	1,612	1,612
— Structure deposits	—	10,005	—	10,005
Financial assets at FVTOCI				
— Receivables financing	—	—	290	290
	—	10,005	2,831	12,836

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2025				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	1,022	1,022
— Unlisted debt investment	—	—	2,376	2,376
Financial assets at FVTOCI				
— Receivables financing.	—	—	18,543	18,543
	—	—	21,941	21,941

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other technique, such as asset based approach, is used to determine fair value for the remaining financial instrument.

There were no changes in valuation techniques during the Track Record Period.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movements in level 3 items for the years ended 31 December 2022 and 31 December 2023 and 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025:

	Financial assets at FVTPL	Financial assets at FVTOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2022	67	556	623
Acquisitions	500	6,881	7,381
Disposals	(41)	(7,042)	(7,083)
FV change	(1)	—	(1)
As at 31 December 2022	525	395	920
As at 1 January 2023	525	395	920
Acquisitions	1,000	20,774	21,774
Disposals	—	(11,370)	(11,370)
FV change	591	—	591
As at 31 December 2023	2,116	9,799	11,915
As at 1 January 2024	2,116	9,799	11,915
Acquisitions	500	62,705	63,205
Disposals	—	(72,214)	(72,214)
FV change	(75)	—	(75)
As at 31 December 2024	2,541	290	2,831
As at 1 January 2024	2,116	9,799	11,915
Acquisitions	—	41,675	41,675
Disposals	—	(44,721)	(44,721)
FV change	(102)	—	(102)
As at 30 June 2024 (Unaudited)	2,014	6,753	8,767
As at 1 January 2025	2,541	290	2,831
Acquisitions	500	92,825	93,325
Disposals	—	(74,572)	(74,572)
FV change	357	—	357
As at 30 June 2025	3,398	18,543	21,941

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value				Valuation techniques and key inputs	Significant unobservable inputs	Relationship of key assumptions to fair value
	As at 31 December			As at 30 June			
	2022	2023	2024	2025			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Financial assets at FVTPL							
Unlisted equity investments.	525	1,116	929	1,022	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2022: RMB13,500,000, 31 December 2023: RMB30,131,000, 31 December 2024: RMB25,080,000 and 30 June 2025: RMB27,591,000).	The higher the equity value, the higher the fair value.
Unlisted debt investment	—	1,000	1,612	2,376	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2023: N/A, 31 December 2024: RMB31,432,000 and 30 June 2025: RMB36,590,000).	The higher the equity value, the higher the fair value.
Financial assets at FVTOCI							
Receivables financing	395	9,799	290	18,543	Present value of the contracted cash inflow of the discount rate that reflect the market credit risk.	N/A	N/A

For unlisted equity investments: as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB50,000, RMB112,000, RMB93,000 and RMB102,000 higher/lower respectively.

For unlisted debt investment: as at 31 December 2024 and 30 June 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB161,000 and RMB246,000 higher/lower respectively. As at 31 December 2023, the net assets value of the underlying investments of the unlisted debt investment mainly consist of cash.

The receivables financing of the Group mainly consists of bank acceptance bills of the reputable banks in the PRC which contains 6 state-owned banks and 9 listed joint-stock commercial banks. The receivables financing is relatively high credit ratings with the short remaining terms. The Group considers that the fair value of receivables financing approximately equals to its contracted face value.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Historical Financial Information requires the use of accounting estimates which, by definition, will seldom exactly equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months period are addressed below.

(a) Estimation of the fair value of financial assets at FVTPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period, Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(b) Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgment and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, (iii) is subject to inventory risk, and (iv) has discretion in establishing prices.

(c) Inventory provision

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.2.1. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(d) Income taxes and deferred income taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involved management's judgements and estimations about the timing and the amount of taxable profits of the companies who had tax losses. During the Track Record Period, in the opinion of directors, deferred tax assets have been recognized in respect of these accumulated tax losses and other deductible temporary differences based on the fact that the Group is probable to generate sufficient taxable profits in the foreseeable future.

(e) Warranty provision

The Group provides product warranties on all new goods based on the contracts with its customers at the time of sale of goods. The Group accrues a warranty reserve for the goods sold by multiplying the expected unit costs for warranty services by the sales volume, which includes the best estimate of projected costs to repair or replace items under warranties. These estimates are

primarily based on the estimates of the nature, frequency and average costs of future claims. These estimates are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty provision in the future. Warranty cost is recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income. The Group re-evaluates the adequacy of the warranty accrual on a regular basis.

(f) Impairment assessment of financial assets and financial guarantee contracts liability

The loss allowances for financial assets at amortized cost, contract assets and financial guarantee contracts liability are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details are disclosed in Note 3.1(b).

(g) Impairment assessment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit's fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

5 SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision maker of the Group who reviews the operating results of the Group's business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as the majority of the revenue and operating losses of the Group are derived within PRC and the majority of the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers contributing over 10% of the total revenue of the Group during the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and six months ended 30 June 2025 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Customer A	—	—	37%	59%	—
Customer B	78%	—	—	—	—
Customer C	—	31%	11%	—	—
Customer D	—	11%	11%	*	*
Customer E	—	—	15%	23%	—
Customer F	—	—	—	—	47%
Customer G	—	—	—	—	19%
Customer H	—	—	—	—	20%

* Less than 10%

6 REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue from customers and recognized at point in time					
Autonomous driving					
— Autonomous mining products and solutions	27,187	64,132	246,635	152,456	375,820
— Autonomous logistics trucks solutions	811	10,286	8,252	3,587	2,544
	27,998	74,418	254,887	156,043	378,364
V2X products and solutions	3,058	36,812	101,591	74,237	9,179
Intelligent perception	—	21,374	53,557	28,181	20,493
	31,056	132,604	410,035	258,461	408,036

Revenue on a gross or net basis for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
On a gross basis	31,056	131,556	408,894	258,273	407,646
On a net basis	—	1,048	1,141	188	390
	31,056	132,604	410,035	258,461	408,036

Revenue by location of the customers for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
East China	25,116	27,337	195,146	155,248	3,639
South-Central China	4,171	59,928	85,371	9,095	18,704
Southwest China	177	18,685	108,336	81,942	19,490
Northwest China	—	23	9,402	3,587	93,951
Northern China	1,592	26,512	11,725	8,589	272,037
Northeast China	—	119	55	—	—
Overseas	—	—	—	—	215
	31,056	132,604	410,035	258,461	408,036

(b) Contract liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The Group

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group recognized contract liabilities of RMB46,757,000, RMB86,124,000, RMB42,011,000 and RMB49,314,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the year/period	918	24,141	60,803	36,570	12,201

The Company

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Company recognized contract liabilities of RMB39,822,000, RMB67,623,000, RMB21,750,000 and RMB29,984,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the year/period	617	17,213	59,731	34,631	9,965

(c) Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2022 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	RMB'000	*RMB'000*	*RMB'000*
Within one year	45,794	33,101	5,840
More than one year but not more than two years	8,216	72,819	—
More than two years	696	2,675	—
	54,706	108,595	5,840

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2023 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	RMB'000	*RMB'000*	*RMB'000*
Within one year	206,930	102,520	29,346
More than one year but not more than two years	1,367	18,157	33,189
More than two years	512	2,576	52,410
	208,809	123,253	114,945

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	RMB'000	*RMB'000*	*RMB'000*
Within one year	742,356	31,289	114,963
More than one year but not more than two years	440,225	1,433	151,358
More than two years	—	1,509	167,172
	1,182,581	34,231	433,493

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 30 June 2025 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	RMB'000	*RMB'000*	*RMB'000*
Within one year	794,053	8,921	13,436
More than one year but not more than two years	1,235,213	5,469	46,474
More than two years	1,151,068	12,464	215,697
	3,180,334	26,854	275,607

7 EXPENSES BY NATURE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Employee benefits expenses *(Note 8)*	155,075	151,209	474,180	72,513	336,295
Raw materials and consumables used	28,209	79,931	254,806	178,370	315,438
Changes in inventories of contract costs in progress, consigned-processing-material and finished goods	(15,224)	(3,573)	6,184	9,071	(2,114)
Provision for inventories *(Note 20)*	5,235	11,825	3,673	753	985
Outsourcing labor costs	477	512	1,427	1,328	2,229
Office and traveling expenses	19,909	23,445	25,114	10,816	12,924
Depreciation of property, plant and equipment *(a)*	16,708	21,479	25,582	12,938	12,473
Amortization of intangible assets *(b)*	1,053	1,430	1,459	758	778
Depreciation of right-of-use assets *(c)*	5,966	7,116	7,612	4,016	3,708
Short-term lease expenses *(Note 17)*	287	1,463	346	172	364
Legal, consulting and other professional fees	13,102	13,787	21,516	12,616	5,558
Marketing expenses	7,358	11,146	15,500	12,806	13,034
Warranty	970	4,366	12,282	10,886	18,905
[REDACTED] expenses	—	—	11,896	—	9,379
Others	550	1,272	5,359	2,059	3,655
	239,675	325,408	866,936	329,102	733,611

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Research and development expenses	9,866	7,003	5,686	2,714	2,794
General and administrative expenses	4,578	12,308	18,906	9,739	9,327
Selling expenses	1,377	1,420	730	360	185
Costs of inventories	887	748	260	125	167
	16,708	21,479	25,582	12,938	12,473

(b) Amortization of the Group's intangible assets has been recognized as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Research and development expenses	240	337	335	156	193
General and administrative expenses	813	1061	867	489	579
Selling expenses	—	—	10	5	1
Cost of inventories	—	32	247	108	5
	1,053	1,430	1,459	758	778

(c) Depreciation of the Group's right-of-use assets has been recognized as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Research and development expenses	3,031	2,667	2,683	1,439	1,654
General and administrative expenses	1,856	3,067	3,649	2,005	1,486
Selling expenses	439	501	796	339	339
Cost of inventories	640	881	484	233	229
	5,966	7,116	7,612	4,016	3,708

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	115,737	111,477	111,843	50,370	48,829
Share-based compensation expenses *(Note 40)*	—	—	319,944	—	266,568
Pension obligations, housing funds, medical insurances and other social insurances	28,742	30,247	31,468	15,130	16,268
Other employee benefit expenses	10,596	9,485	10,925	7,013	4,630
	155,075	151,209	474,180	72,513	336,295

(a) Pension obligations, housing funds, medical insurances and other social insurances

The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's full time employees in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government and liabilities in respect of benefits schemes are limited to the contribution payable in each year/period.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, include 2, 2, 2, 1 (unaudited) and 2 directors respectively, whose emoluments are disclosed in Note 8(c). The emoluments payable to the remaining individuals during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	3,354	3,209	4,015	2,834	1,308
Share-based compensation expenses	—	—	32,188	—	47,084
Pension obligations, housing funds, medical insurances and other social insurances	263	310	357	235	187
	3,617	3,519	36,560	3,069	48,579

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Emolument bands					
HK$500,001 to HK$1,000,000	—	—	—	2	—
HK$1,000,001 to HK$1,500,000	3	3	—	2	—
HK$4,000,001 to HK4,500,000	—	—	1	—	—
HK$12,000,001 to HK$12,500,000	—	—	—	—	1
HK$16,000,001 to HK$16,500,000	—	—	1	—	—
HK$18,000,001 to HK$18,500,000	—	—	—	—	1
HK$19,500,001 to HK$20,000,000	—	—	1	—	—
HK$21,500,001 to HK$22,000,000	—	—	—	—	1
	3	3	3	4	3

(c) Details of emoluments in respect of the directors and supervisors of the Company

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2022 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Ma Wei *(Note i)*	—	1,213	599	4	—	1,816
Mr. Ying Long *(Note ii)*	—	960	464	44	—	1,468
	—	2,173	1,063	48	—	3,284

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2023 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Ma Wei *(Note i)*	—	2,400	653	15	—	3,068
Mr. Ying Long *(Note ii)*	—	1,040	128	12	—	1,180
Mr. Hu Albert Sibo *(Note iii)*	—	180	61	38	—	279
	—	3,620	842	65	—	4,527

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 31 December 2024 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Ma Wei *(Note i)*	—	2,400	600	15	—	3,015
Mr. Hu Albert Sibo *(Note iii)*	—	786	130	173	12,305	13,394
	—	3,186	730	188	12,305	16,409
Supervisors						
Mr. Zhu Jianneng *(Note iv)*	—	210	100	72	4,416	4,798
Mr. Sheng Weitian *(Note v)*	—	282	43	73	2,731	3,129
	—	492	143	145	7,147	7,927

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 30 June 2024 (unaudited) are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000 (Unaudited)	*RMB'000* (Unaudited)	*RMB'000* (Unaudited)	*RMB'000* (Unaudited)	*RMB'000* (Unaudited)	*RMB'000* (Unaudited)
Directors						
Mr. Ma Wei *(Note i)*	—	1,200	—	7	—	1,207
Mr. Hu Albert Sibo *(Note iii)*	—	390	2	85	—	477
	—	1,590	2	92	—	1,684
Supervisors						
Mr. Zhu Jianneng *(Note iv)*	—	30	—	8	—	38
Mr. Sheng Weitian *(Note v)*	—	40	3	8	—	51
	—	70	3	16	—	89

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 30 June 2025 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Mr. Ma Wei *(Note i)*	—	1,200	7	7	—	1,214
Mr. Hu Albert Sibo *(Note iii)*	—	450	2	87	13,877	14,416
	—	1,650	9	94	13,877	15,630
Supervisors						
Mr. Zhu Jianneng *(Note iv)*	—	210	—	55	4,360	4,625
Mr. Sheng Weitian *(Note v)*	—	246	1	56	3,184	3,487
	—	456	1	111	7,544	8,112

Notes:

(i) Mr. Ma Wei was appointed as a director in October 2017.

(ii) Mr. Ying Long was appointed as a director in October 2017 and his appointment contract was terminated by the board of directors in October 2023.

(iii) Mr. Hu Albert Sibo was appointed as a director in October 2023.

(iv) Mr. Zhu Jianneng was appointed as a supervisor in May 2024.

(v) Mr. Sheng Weitian was appointed as a supervisor in May 2024.

(d) Directors' retirement benefits and termination benefits

No director's retirement or termination benefit subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(e) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(f) Information about borrowings, quasi-borrowings and other dealings in favour of directors, controlled bodies corporate by and controlled entities with such directors

No borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(g) Directors' material interest in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

9 OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Government grants *(a)*	7,265	10,979	5,096	3,494	730
Super-input value-added tax ("**VAT**") credit *(b)*	—	18	2,215	2,161	1
Others	141	202	144	143	130
	7,406	11,199	7,455	5,798	861

(a) The government grants mainly represent government subsidies for the Group's research and development expenditures.

(b) Super-input VAT credit amounted to Nil, RMB0.2 million, RMB2.2 million, RMB2.1 million (unaudited) and RMB1 thousand for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with Caishui 2023 No. 43 introduced by Ministry of Finance (MOF) and State Taxation Administration (STA) for The People's Republic of China, the Company meet the requirement of the advanced manufacturing industry and are eligible for additional VAT credits by 5% of the current period creditable VAT input from 1 January 2023 to 31 December 2027.

10 OTHER GAINS/(LOSSES), NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Change in fair value of financial assets at FVTPL	129	591	(70)	(102)	396
Gain on lease termination	—	90	80	7	—
(Loss)/gain on disposal of/written off property, plant and equipment	(15)	120	(20)	(7)	(1)
Foreign currency exchange gain/(loss)	1	—	(9)	—	6
	115	801	(19)	(102)	401

11 IMPAIRMENT LOSSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Impairment losses under ECL model, net of reversal					
Trade and notes receivables	(4,838)	4,131	(15,550)	(1,832)	(26,216)
Contract assets	(14)	95	(163)	(283)	(1,205)
Other receivables	(240)	(451)	(7,059)	(274)	(12,796)
Financial guarantee contracts liability	—	(186)	(6,266)	(2,891)	(44,063)
	(5,092)	3,589	(29,038)	(5,280)	(84,280)

Details of financial guarantee contract liability and impairment are set out in notes 31(e) and 3.1(b) to the Historical Financial Information, respectively.

12 FINANCE COSTS — NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Finance income:					
Interest income from financial assets at FVTPL	258	11	—	—	16
Interest income from trade receivables with significant financing components	—	—	—	—	1,288
Interest income from bank deposits	4,424	2,866	2,187	1,087	668
Interest income from term deposits	4,276	5,215	2,499	2,124	74
Interest income from loans to a third party	—	71	377	161	221
Interest income from loan to a related party of the Company	—	16	—	—	—
	8,958	8,179	5,063	3,372	2,267
Finance costs:					
Financial cost on financial instruments with preferred rights at amortized cost *(Note 29)*	(104,136)	(117,528)	(128,593)	(63,119)	(67,923)
Imputed interest expenses on trade payables	—	—	—	—	(982)
Interest expenses on other borrowings	—	—	—	—	(24)
Interest expenses on bank borrowings	(1,156)	(3,364)	(6,958)	(3,431)	(4,558)
Interest expenses on lease liabilities	(350)	(208)	(165)	(68)	(32)
	(105,642)	(121,100)	(135,716)	(66,618)	(73,519)
Finance costs — net	(96,684)	(112,921)	(130,653)	(63,246)	(71,252)

13 INCOME TAX CREDIT

(a) Income tax credit

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current tax	—	9	23	—	11
Deferred tax *(Note 19)*	(39,877)	(35,066)	(28,335)	(10,904)	(24,770)
	(39,877)	(35,057)	(28,312)	(10,904)	(24,759)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong

The Group's subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to 1 April 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars ("**HKD**") 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the Track Record Period, no Hong Kong profits tax has been provided.

Mainland China

In accordance with the Enterprise Income Tax Law ("**EIT Law**"), Foreign Investment Enterprises ("**FIEs**") and domestic companies established in Mainland China are subject to Enterprise Income Tax ("**EIT**") at a rate of 25%.

In December 2019, the Company was qualified as a High and New Technology enterprise ("**HNTE**") and enjoyed a preferential tax rate of 15% from December 2019 to December 2022. In December 2022, the Company re-applies for HNTE status and the application was approved for another three-year period from December 2022 to December 2025. In October 2022, Novodriv Chongqing Ltd., the subsidiary of the Company, was qualified as a HNTE and enjoyed a preferential tax rate of 15% from October 2022 to October 2025. The Company and Novodriv Chongqing Ltd. were both in accumulated loss position for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2025. Pursuant to the relevant

regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company and Novodriv Chongqing Ltd., which are qualified as HNTE, will expire in 10 years.

The subsidiary, Changsha CiDi Intelligent building Co., Ltd, incorporated in the PRC is subject to an enterprise income tax at a rate of 25%.

In accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2021] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2021 to 31 December 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be recognised at 12.5% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2022] No. 13) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2022 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is more than RMB1 million but no more than RMB3 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No. 6) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2023 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, the applicable period of preferential policies related to Cai Shui [2023] No. 6 extended to 31 December 2027. The other subsidiaries incorporated in the PRC are subject to an enterprise income tax at a rate of 5% from 2022 to 2025.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from October 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "**Super Deduction**").

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Loss before income tax	(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Income tax credit computed at the applicable income tax rate of 25%	(75,719)	(72,534)	(152,289)	(33,368)	(119,961)
Tax effect of:					
Preferential tax rate	30,287	29,013	60,916	13,347	47,984
Difference in tax rates of subsidiaries	575	26	(470)	(552)	62
Super Deduction in respect of research and development ("**R&D**") expenditures	(12,124)	(12,097)	(11,417)	(4,857)	(5,952)
Expenses not deductible for taxation purpose	16,771	18,117	68,750	11,377	49,966
Utilization of tax losses which no deferred income tax assets was recognized previously	—	(40)	—	—	—
Tax losses for which no deferred income tax assets were recognized	189	2,601	6,053	3,105	2,788
Temporary differences for which no deferred income tax assets were recognized	144	(143)	145	44	354
Income tax credit	(39,877)	(35,057)	(28,312)	(10,904)	(24,759)

(i) Expenses not deductible for tax purposes mainly represent share-based compensation expenses and financial cost on financial instruments with preferred rights at amortized cost incurred in the Company and the Company's subsidiaries in Mainland China which are not deductible according to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC.

(b) Tax losses

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group did not recognize deferred income tax assets in respect of losses of RMB5.50 million, RMB18.83 million, RMB56.70 million and RMB71.65 million respectively. The tax losses incurred from the Company's subsidiaries in Mainland China that are not recognized as deferred tax assets will expire from 2024 to 2030. Tax losses of the Company's subsidiary incorporated in Hong Kong will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Expiry year					
2024	226	225	225	225	225
2025	468	466	466	466	466
2026	1,200	—	—	—	—
2027	3,605	1,549	2,476	1,902	2,815
2028	—	16,593	16,591	16,593	16,590
2029	—	—	36,941	16,795	36,947
2030	—	—	—	—	14,606
	5,499	18,833	56,699	35,981	71,649

14 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the respective years/periods.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Loss attributable to the equity holders of the Company *(RMB'000)*	(262,997)	(255,079)	(580,709)	(122,567)	(454,486)
Weighted average number of ordinary shares outstanding *(thousand shares)*	[16,278]	[16,278]	[16,278]	[16,278]	[16,278]
Basic loss per share *(expressed in RMB per share)*	[(16.16)]	[(15.67)]	[(35.67)]	[(7.53)]	[(27.92)]

The weighted average number of ordinary shares in issue before the Company's conversion into a joint stock company was determined assuming (1) the paid-in capital of 38,279,000 shares and 38,381,000 shares as at 31 December 2022 and 31 December 2023, respectively, had been fully converted into the Company's issued share capital at the same conversion ratio of 1:1 as upon conversion into joint stock company in July 2024 as if they have been in issue since 1 January 2022 and (2) the contingently redeemable shares, being the ordinary shares after the conversion into joint stock company classified as financial instruments with preferred rights at amortized cost (Note 29), had been excluded. As at 31 December 2022, 2023 and 2024 and 30 June 2024 and 2025, the numbers of contingently redeemable shares are 22,001,000, 22,103,000, 22,103,000, 22,103,000 (unaudited) and 22,103,000, respectively.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, financial instruments with preferred rights issued to investors (Note 29) were not included in the calculation of diluted loss per share because they were antidilutive. Accordingly, diluted loss per share for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 was the same as basic loss per share for the respective year/periods.

15 SUBSIDIARIES

(a) Subsidiaries of the Company

During the Track Record Period and as at the date of this report, the Company has equity interests in the following subsidiaries:

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/Registered Capital	Equity interest attributable to the Company					Principal activities	Place of operation	Note
				As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025	As at report date			
			In thousand								
新驅動重慶智能汽車有限公司 Novodriv Chongqing Ltd.	The PRC, limited liability company	29 May 2020	RMB70,939	100%	100%	100%	100%	[100%]	Research and development	The PRC	
天津希迪智能網聯技術有限公司 Tianjin CiDi Intelligent Network Technology Co., Ltd.	The PRC, limited liability company	14 December 2020	RMB20,000	100%	100%	100%	100%	[100%]	Research and development	The PRC	
長沙希迪銷售服務有限公司 Changsha CiDi Sales Service Co., Ltd.	The PRC, limited liability company	14 May 2019	RMB5,000	100%	N/A	N/A	N/A	N/A	Sales and marketing	The PRC	(b)
長沙希迪智慧建築有限責任公司 Changsha CiDi Intelligent Building Co., Ltd	The PRC, limited liability company	29 July 2019	RMB3,000	100%	100%	100%	100%	[100%]	Constructions	The PRC	(c)
希迪智駕(成都)科技有限公司 CiDi Intelligent Driving (Chengdu) Technology Co., Ltd .	The PRC, limited liability company	1 April 2022	RMB50,000	100%	100%	100%	100%	[100%]	Sales and marketing	The PRC	
柳州希迪科技有限公司 Liuzhou CiDi Intelligent Driving Technology Co., Ltd.	The PRC, limited liability company	17 May 2022	RMB10,000	100%	100%	100%	100%	[100%]	Sales and marketing	The PRC	

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/Registered Capital	Equity interest attributable to the Company					Principal activities	Place of operation	Note
				As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025	As at report date			
			In thousand								
襄陽希迪智能網聯科技有限公司 Xiangyang CiDi Intelligent Network Technology Co., Ltd . .	The PRC, limited liability company	8 October 2022	RMB20,000	100%	100%	100%	100%	[100%]	Sales and marketing	The PRC	
深圳希迪網聯創新科技有限公司 Shenzhen CiDi Intelligent Network Technology Co., Ltd . .	The PRC, limited liability company	23 February 2023	RMB4,000	N/A	100%	100%	86.84%	[86.84%]	Sales and marketing	The PRC	(d)
希迪智駕（海南）科技有限公司 CiDi Intelligent Driving (Hainan) Technology Co., Ltd.	The PRC, limited liability company	17 March 2023	RMB5,000	N/A	100%	100%	100%	[100%]	Sales and marketing	The PRC	
CiDi Auto (HongKong) Limited . .	Hong Kong, limited liability company	9 November 2023	HKD1,000	N/A	100%	100%	100%	[100%]	Sales and marketing	Hong Kong	(f)
安徽希迪工程科技有限公司 Anhui CiDi Engineering Technology Co., Ltd	The PRC, limited liability company	4 June 2024	RMB5,000	N/A	N/A	51%	51%	[51%]	Sales and marketing	The PRC	(g)
廣西希迪智駕科技有限公司 Guangxi CiDi Intelligent Driving Technology Co., Ltd.	The PRC, limited liability company	5 June 2025	RMB40,000	N/A	N/A	N/A	100%	[100%]	Sales and marketing	The PRC	

(a) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) Changsha CiDi Sales Service Co., Ltd was deregistered in November 2023.

(c) In April 2021, the registered capital of Changsha CiDi Intelligent Building Co., Ltd increased RMB1 million of the new shareholder, 長沙智谷高新產業投資有限公司. As at the reporting date, 長沙智谷高新產業投資有限公司 has not yet paid the capital. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital, therefore Changsha CiDi Intelligent Building Co., Ltd was fully consolidated by the Company at each of the reporting periods during the Track Record Period.

(d) In February 2023, CiDi Inc. and 深圳市深科創產業發展有限公司 entered into an agreement to set up a limited company, Shenzhen CiDi Intelligent Network Technology Co., Ltd, which has a register capital of RMB4 million. As at 30 April 2025, 深圳市深科創產業發展有限公司 has paid RMB0.2 million of the register capital, and the Company has paid RMB1.32 million of the register capital reducing its continuing interest to 86.84%. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital. An amount of RMB133,000 (being the proportionate share of the carrying amount of the net assets of Shenzhen CiDi Intelligent Network Technology Co., Ltd) has been transferred to non-controlling interests. The difference of RMB67,000 between the increase in the non-controlling interests and the consideration received of RMB0.2 million has been credited to share premium.

(e) The statutory financial statements of the PRC subsidiaries of Company have not yet been issued for the years ended 31 December 2022, 31 December 2023 and 31 December 2024. There is no statutory requirement to issue the audit report for the PRC company.

(f) As at the reporting date, the statutory financial statements have not yet been issued for the year ended 31 December 2024 for CiDi Auto (HongKong) Limited. The statutory financial statements are not due to issue.

(g) In April 2025, the Company and 安徽智聯互通工程科技有限公司 entered into an agreement to set up a limited company, Anhui CiDi Engineering Technology Co., Ltd, which has a register capital of RMB5 million. As at 30 June 2025, 安徽智聯互通工程科技有限公司 has not yet paid the capital. The equity interest attributable to the Company is 51%.

(h) All the subsidiaries of the Company are directly held by the Company.

(b) Investments in subsidiaries

The Company	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries, at costs	103,939	119,259	126,908	137,008
Provisions for impairment	—	—	—	—
	103,939	119,259	126,908	137,008

16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Vehicles	Machinery and equipment	Office equipment, computers and others	Tested field and related equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost								
As at 1 January 2022	—	13,874	1,214	11,618	13,414	182,489	32,608	255,217
Additions	—	5,507	—	3,412	—	115,833	1,194	125,946
Transfer	—	—	—	—	1,650	(1,650)	—	—
Disposal	—	(84)	—	(148)	—	—	—	(232)
As at 31 December 2022 and 1 January 2023	—	19,297	1,214	14,882	15,064	296,672	33,802	380,931
Additions	—	3,200	26	1,246	—	14,620	3,456	22,548
Transfer	308,718	—	—	—	194	(308,912)	—	—
Write off upon termination of leasehold building	—	—	—	—	—	—	(33,041)	(33,041)
Disposal	—	(584)	—	(17)	—	—	—	(601)
As at 31 December 2023 and 1 January 2024	308,718	21,913	1,240	16,111	15,258	2,380	4,217	369,837
Additions	—	113	—	880	—	1,442	—	2,435
Disposal	—	(71)	(26)	(68)	—	—	—	(165)
Write off upon termination of leasehold building	—	—	—	—	—	—	(953)	(953)
As at 31 December 2024 and 1 January 2025	308,718	21,955	1,214	16,923	15,258	3,822	3,264	371,154
Additions	—	—	23	151	—	—	—	174
Disposal	—	—	—	(22)	—	—	—	(22)
As at 30 June 2025	308,718	21,955	1,237	17,052	15,258	3,822	3,264	371,306

	Buildings	Vehicles	Machinery and equipment	Office equipment, computers and others	Tested field and related equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation and impairment								
As at 1 January 2022	—	4,928	254	5,049	837	—	21,466	32,534
Provided for the year	—	3,672	161	2,572	2,683	—	7,620	16,708
Disposal	—	(62)	—	(5)	—	—	—	(67)
As at 31 December 2022 and 1 January 2023	—	8,538	415	7,616	3,520	—	29,086	49,175
Provided for the year	6,110	4,331	150	2,574	2,941	—	5,373	21,479
Disposal	—	(568)	—	(1)	—	—	—	(569)
Write off upon termination of leasehold building	—	—	—	—	—	—	(33,040)	(33,040)
As at 31 December 2023 and 1 January 2024	6,110	12,301	565	10,189	6,461	—	1,419	37,045
Provided for the year	14,664	4,054	95	1,982	2,960	—	1,827	25,582
Disposal	—	(69)	(5)	(58)	—	—	—	(132)
Write off upon termination of leasehold building	—	—	—	—	—	—	(953)	(953)
As at 31 December 2024 and 1 January 2025	20,774	16,286	655	12,113	9,421	—	2,293	61,542
Provided for the period	7,332	1,944	39	951	1,480	—	727	12,473
Disposal	—	—	—	(22)	—	—	—	(22)
As at 30 June 2025	28,106	18,230	694	13,042	10,901	—	3,020	73,993
Net book value								
As at 31 December 2022	—	10,759	799	7,266	11,544	296,672	4,716	331,756
As at 31 December 2023	302,608	9,612	675	5,922	8,797	2,380	2,798	332,792
As at 31 December 2024	287,944	5,669	559	4,810	5,837	3,822	971	309,612
As at 30 June 2025	280,612	3,725	543	4,010	4,357	3,822	244	297,313

In February 2025, a PRC court issued an asset preservation order on a building owned by the Group. This order was issued in connection with a legal dispute with a supplier with further details set out in note 32(b) to the Historical Financial Information. The order restricts the Group from transferring or disposing of the building pending resolution of the dispute.

The management has assessed that there is impairment indication for the non-financial assets of the Group at the end of each reporting period during the Track Record Period resulting from the unfavourable operating performance of the Group during the Track Record Period. Therefore, the

management has performed impairment assessment for the non-financial assets, which mainly consist of PPE (Note 16), ROU assets (Note 17), intangible assets (Note 18) and prepayments for acquisition of PPE (Note 24) of the Group.

For the purposes of impairment testing, the Group estimates the recoverable amount of a cash-generating unit ("**CGU**") of the Group to which the asset belongs when it is not possible to estimate the recoverable amount individually. The CGU represents the Group's single operation which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amounts of the CGU were determined based on the value in use calculation. The value in use was estimated with reference to the cash flow projections based on the most recent financial budgets approved by the directors covering a period of the remaining useful lives of the CGU (the "**Projection Period**"), which represented the management's best estimate on the ongoing operation of the CGU where the CGU will continue to operate in the foreseeable future and are consistent with past actual outcomes, with pre-tax discount rates of 17%, 16%, 15% and 14% as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively. Cash flows beyond the detailed forecast period are extrapolated using an estimated weighted average growth rate of 3% consistent for all these reporting dates, which does not exceed the long-term average growth rate for the market in which the subsidiaries operates. The total recoverable amounts of the CGU are RMB7,323.3 million, RMB9,796.1 million, RMB13,425.7 million and RMB15,844.7 million as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively.

Based on the result of the assessment, the recoverable amounts of non-financial assets exceed the carrying amounts of non-financial assets at the end of each reporting period during the Track Record Period. No impairment loss has been provided for the non-financial assets of the Group for the Track Record Period.

The Company

	Vehicles	Machinery and equipment	Office equipment, computers and others	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	10,672	439	10,572	29,232	50,915
Additions	4,399	—	2,555	513	7,467
Disposal	(84)	—	(148)	—	(232)
As at 31 December 2022 and 1 January 2023	14,987	439	12,979	29,745	58,150
Additions	3,200	—	931	—	4,131
Additions through intercompany transfer	—	—	97	—	97
Disposal through intercompany transfer	—	—	(52)	—	(52)
Write off upon termination of leasehold building	—	—	—	(29,745)	(29,745)
Disposal	(584)	—	—	—	(584)
As at 31 December 2023 and 1 January 2024	17,603	439	13,955	—	31,997
Additions	113	—	867	—	980
Additions through intercompany transfer	—	—	48	—	48
Disposal through intercompany transfer	(474)	—	(8)	—	(482)
Disposal	(71)	—	(44)	—	(115)
As at 31 December 2024 and 1 January 2025	17,171	439	14,818	—	32,428
Additions	—	23	150	—	173
Additions through intercompany transfer	738	—	236	—	974
Disposal	—	—	(22)	—	(22)
As at 30 June 2025	17,909	462	15,182	—	33,553

	Vehicles	Machinery and equipment	Office equipment, computers and others	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation and impairment					
As at 1 January 2022	4,428	252	4,933	20,116	29,729
Provided for the year	2,873	85	2,262	6,335	11,555
Disposal	(62)	—	(5)	—	(67)
As at 31 December 2022 and 1 January 2023	7,239	337	7,190	26,451	41,217
Provided for the year	3,286	72	2,188	3,295	8,841
Transfer out	—	—	(40)	—	(40)
Disposal	(568)	—	—	—	(568)
Write off upon termination of leasehold building	—	—	—	(29,746)	(29,746)
As at 31 December 2023 and 1 January 2024	9,957	409	9,338	—	19,704
Provided for the year	3,002	17	1,592	—	4,611
Transfer out	(230)	—	(4)	—	(234)
Disposal	(69)	—	(43)	—	(112)
As at 31 December 2024 and 1 January 2025	12,660	426	10,883	—	23,969
Provided for the period	1,727	1	799	—	2,527
Disposal	—	—	(22)	—	(22)
As at 30 June 2025	14,387	427	11,660	—	26,474
Net book value					
As at 31 December 2022	7,748	102	5,789	3,294	16,933
As at 31 December 2023	7,646	30	4,617	—	12,293
As at 31 December 2024	4,511	13	3,935	—	8,459
As at 30 June 2025	3,522	35	3,522	—	7,079

17 LEASES

(a) Amounts recognized in the consolidated statements of financial positions

The consolidated statements of financial positions show the following amounts relating to leases:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
— Leasehold land	38,954	38,118	37,282	36,864
— Leasehold buildings	5,543	4,565	3,811	6,156
	44,497	42,683	41,093	43,020
Lease liabilities				
— Current	4,566	2,980	3,661	5,937
— Non-current	1,875	608	332	180
	6,441	3,588	3,993	6,117

Additions to leased buildings during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2025 were approximately RMB3.2 million, RMB5.9 million, RMB6.5 million and RMB5.6 million, respectively.

For the impairment assessment of right-of-use assets, please refer to Note 16 for more details.

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income

The consolidated statements of profit or loss and other comprehensive income show the following amounts relating to leases:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Depreciation of right-of-use assets	6,743	7,486	7,612	4,016	3,708
Interest expense *(Note 12)*	350	208	165	68	32
Expense relating to short-term leases *(Note 7)*	287	1,463	346	172	364
Gain on lease termination *(Note 10)*	—	90	80	7	—

The total cash outflows for leases during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 were approximately RMB7.50 million, RMB10.09 million, RMB6.03 million, RMB2.43 million (unaudited) and RMB3.34 million, respectively.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Leasehold buildings	2,288	2,921	2,782	5,590
Lease liabilities				
Current	2,955	1,641	2,811	5,590
Non-current	—	—	—	—
	2,955	1,641	2,811	5,590

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Depreciation of right-of-use assets	4,576	5,209	5,702	2,921	2,782
Interest expense	243	96	90	16	15
Expense relating to short-term leases	87	283	207	74	330

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings and a piece of leasehold land for operation. Rental contracts of the leasehold buildings are typically made according to contracts by contracts ranging from one year to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased buildings may not be used as security for borrowing purposes.

18 INTANGIBLE ASSETS

	Acquired software
	RMB'000
The Group/The Company	
Cost	
As at 1 January 2022	4,300
Additions	2,329
As at 31 December 2022 and 1 January 2023	6,629
Additions	1,147
As at 31 December 2023 and 1 January 2024	7,776
Additions	923
As at 31 December 2024 and 1 January 2025	8,699
Additions	964
As at 30 June 2025	9,663
Amortisation and impairment	
As at 1 January 2022	3,001
Provided for the year	1,053
As at 31 December 2022 and 1 January 2023	4,054
Provided for the year	1,430

	Acquired software
	RMB'000
As at 31 December 2023 and 1 January 2024	5,484
Provided for the year	1,459
As at 31 December 2024 and 1 January 2025	6,943
Provided for the period	778
As at 30 June 2025	7,721
Net book value	
As at 31 December 2022	2,575
As at 31 December 2023	2,292
As at 31 December 2024	1,756
As at 30 June 2025	1,942

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the intangible assets of the Group are mainly software which included research and development testing software and office software.

For the impairment assessment of intangible assets, please refer to Note 16 for more details.

19 DEFERRED TAX ASSETS

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	117,741	152,912	181,264	206,782
Set-off with deferred tax liabilities pursuant to set-off provisions	(489)	(594)	(611)	(1,359)
	117,252	152,318	180,653	205,423
Deferred tax liabilities	(489)	(594)	(611)	(1,359)
Set-off with deferred tax assets pursuant to set-off provisions	489	594	611	1,359
	—	—	—	—
	117,252	152,318	180,653	205,423

The followings are the major deferred tax assets and liabilities recognised and movements thereon before offsetting during the Track Record Period:

The Group

	Lease liability	Unrealized intercompany profits	Impairment allowance	Provision for warranties	Tax losses	Deferred income	ROU asset	Fair value adjustment	Significant financing components of trade receivables	Significant financing components of trade payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	1,477	310	734	607	75,024	354	(1,196)	65	—	—	77,375
Credit/(charged) to profit or loss	(948)	(12)	1,554	(316)	39,311	(354)	727	(85)	—	—	39,877
As at 31 December 2022 and 1 January 2023	529	298	2,288	291	114,335	—	(469)	(20)	—	—	117,252
Credit/(charged) to profit or loss	(283)	—	982	449	34,023	—	(36)	(69)	—	—	35,066
As at 31 December 2023 and 1 January 2024	246	298	3,270	740	148,358	—	(505)	(89)	—	—	152,318
Credit/(charged) to profit or loss	273	(291)	1,305	2,761	24,304	—	(28)	11	—	—	28,335
As at 31 December 2024 and 1 January 2025	519	7	4,575	3,501	172,662	—	(533)	(78)	—	—	180,653
Credit/(charged) to profit or loss	399	—	12,208	2,622	9,867	—	(385)	(53)	422	(310)	24,770
As at 30 June 2025	918	7	16,783	6,123	182,529	—	(918)	(131)	422	(310)	205,423

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	113,352	147,579	175,282	200,403
Set-off with deferred tax liabilities pursuant to set-off provisions	(364)	(528)	(496)	(1,280)
	112,988	147,051	174,786	199,123
Deferred tax liabilities	(364)	(528)	(496)	(1,280)
Set-off with deferred tax assets pursuant to set-off provisions	364	528	496	1,280
	—	—	—	—
	112,988	147,051	174,786	199,123

The followings are the major deferred tax assets and liabilities recognised and movements thereon before offsetting during the Track Record Period:

The Company

	Lease liability	Impairment allowance	Provision for warranties	Tax losses	Deferred income	ROU asset	Fair value adjustment	Significant financing components of trade receivables	Significant financing components of trade payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	1,299	722	592	72,992	354	(1,030)	65	—	—	74,994
Credit/(charged) to profit or loss	(855)	1,479	(315)	37,438	(354)	686	(85)	—	—	37,994
As at 31 December 2022 and 1 January 2023	444	2,201	277	110,430	—	(344)	(20)	—	—	112,988
Credit/(charged) to profit or loss	(197)	913	439	33,072	—	(95)	(69)	—	—	34,063
As at 31 December 2023 and 1 January 2024	247	3,114	716	143,502	—	(439)	(89)	—	—	147,051
Credit/(charged) to profit or loss	175	1,354	2,741	23,433	—	21	11	—	—	27,735
As at 31 December 2024 and 1 January 2025	422	4,468	3,457	166,935	—	(418)	(78)	—	—	174,786
Credit/(charged) to profit or loss	417	12,223	2,617	9,442	—	(421)	(53)	422	(310)	24,337
As at 30 June 2025	839	16,691	6,074	176,377	—	(839)	(131)	422	(310)	199,123

20 INVENTORIES

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the inventories held by the Group for sales are shown by category as below:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract costs in progress *(a)*	88,364	151,691	55,196	124,402
Raw material	35,146	31,526	41,027	45,775
Finished goods	6,228	6,885	7,936	7,982
Consigned-processing-material	966	3,104	58	53
Less: provision	(7,239)	(18,979)	(7,673)	(7,691)
	123,465	174,227	96,544	170,521

(a) Contract costs in progress mainly include the direct materials, employee costs and manufacturing costs to be consumed in the process of service rendering related to the sales contracts.

During the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, inventories recognized as cost of sales amounted to RMB36.08 million, RMB101.42 million, RMB296.31 million, RMB203.20 million (unaudited) and RMB319.42 million, respectively, and including provision for inventories recognized as cost of sales amounted to RMB5.24 million, RMB11.83 million, RMB3.67 million, RMB0.75 million (unaudited) and RMB0.99 million, respectively.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract costs in progress	88,270	137,161	38,313	108,298
Raw material	34,002	29,345	40,330	45,729
Finished goods	6,188	5,958	7,747	7,825
Consigned-processing-material	966	3,104	58	53
Less: provision	(7,205)	(17,399)	(7,423)	(7,650)
	122,221	158,169	79,025	154,255

Provision for inventories was recognized for the amount by which the carrying amount of the inventories exceeds its net realizable value and was recorded in "cost of sales" in the consolidated statements of profit or loss and other comprehensive income. Provision for inventories movements for the years ended 31 December 2022 and 31 December 2023, 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025 are as below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
At the beginning of the year/period	2,004	7,239	18,979	18,979	7,673
Provision	5,235	11,825	3,673	753	985
Written off	—	(85)	(14,979)	(7,919)	(967)
At the end of the year/period	7,239	18,979	7,673	11,813	7,691

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at FVTPL *(Note 22)*	30,655	2,116	12,546	3,398
Financial assets at FVTOCI *(Note 23)*	395	9,799	290	18,543
Financial assets at amortized cost:				
— Trade and notes receivables *(Note 26)*	30,772	58,680	137,360	457,826
— Other receivables (excluded prepayments, deferred **[REDACTED]** expenses and VAT recoverable) *(Note 24)*	14,266	48,801	48,729	38,053
— Cash and cash equivalents *(Note 27)*	381,678	234,663	306,402	186,225
— Restricted bank deposits *(Note 27)*	27,806	27,819	10,481	22,105
— Term deposits *(Note 27)*	190,101	152,588	5,328	5,402
	675,673	534,466	521,136	731,552
Financial liabilities				
Financial liabilities at amortized cost:				
— Trade and notes payables *(Note 30)*	41,530	70,689	63,299	397,959
— Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) *(Note 31)*	41,185	78,452	68,327	115,431
— Borrowings *(Note 28)*	146,406	127,534	237,742	325,684
— Lease liabilities *(Note 17)*	6,441	3,588	3,993	6,117
— Financial instruments with preferred rights at amortized cost *(Note 29)*	1,625,922	1,766,025	1,894,618	1,962,541
	1,861,484	2,046,288	2,267,979	2,807,732

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at FVTPL:

- debt investments that do not qualify for measurement at either amortized cost or at FVTOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains or losses through OCI.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Group and the Company				
Financial assets				
Non-current assets				
Financial assets at FVTPL				
— Unlisted equity investments *(a)* . . .	525	1,116	929	1,022
— Unlisted debt investment *(b)*.	—	1,000	1,612	2,376
	525	2,116	2,541	3,398
Current assets				
Financial assets at FVTPL				
— Structured deposits *(c)*	30,130	—	10,005	—
	30,655	2,116	12,546	3,398

(a) In September 2020, the Company entered into an agreement to invest in 5% equity interests of a limited company, 新疆湘疆優品農業科技股份有限公司 (Xinjiang Xiangjiang Youpin Agricultural Technology Co., Ltd.), with a total investment of RMB500,000. The investment of RMB25,000 was paid in September 2020. As a shareholder, the Group has no significant influence based on the fact that no representation on the board of directors or other special rights are over the limited company. Hence, the investment is accounted for as financial assets at FVTPL with changes in the fair value recorded in the consolidated statements of profit or loss and other comprehensive income.

In September 2022, the Company entered into an agreement to invest in 3.7037% equity interests of a limited company, 山東新源高科汽車技術有限公司 (Shandong Xinyuan High Tech Automobile Technology Co., Ltd.), with a total investment of RMB500,000. The consideration was paid fully in September 2022. As a shareholder, the Group has no significant influence based on the fact that no representation on the board of directors or other special rights are over the limited company. Hence, the investment is accounted for as financial assets at FVTPL with changes in the fair value recorded in the consolidated statements of profit or loss and other comprehensive income.

The unlisted equity investments are classified as non-current as the management expects to realise these financial assets after twelve months after each reporting period during the Track Record Period.

(b) In March 2023, the Company entered into an agreement to invest in 9.7% interests of 成都希迪蓉創創業投資合夥企業(有限合夥) (Chengdu CiDi Rongchuang Venture Capital Partnership (Limited Partnership)) with a total investment of RMB9,800,000. The limited partnership funds will focus on the investment portfolio in the industry of autonomous driving etc. The Company paid the investment of RMB1,000,000, RMB500,000 and RMB500,000 in November 2023, December 2024 and January 2025, respectively.

The unlisted debt investment is classified as non-current as the management expects to realise these financial assets after twelve months after each reporting period during the Track Record Period.

(c) Structured deposits measured at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The deposits can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the quoted subscription or redemption prices published by the bank.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Group				
Financial assets at FVTOCI				
— Receivables financing	395	9,799	290	18,543

Receivables financing measured at FVTOCI represents bills of acceptance issued by banks. The Group's business model of financial assets at FVTOCI is achieved both by collecting contractual cash flows and selling of these assets. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, all receivables financing of the Group were due within one year.

During the Track Record Period, the Group has transferred substantially all the risks and rewards of ownership of certain bills receivable endorsed to its suppliers, even if the suppliers have the rights of recourse. The relevant assets and liabilities were derecognized and no longer included in the Historical Financial Information. In the opinion of the directors, the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable.

The Group's maximum exposure that may result from the default of these endorsed bills receivable at the end of each reporting period are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Group				
Endorsed bills for settlement of payables to suppliers	3,377	9,319	27,655	65,427
Outstanding endorsed bills receivable with recourse	3,377	9,319	27,655	65,427

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Company				
Financial assets at FVTOCI — Receivables financing	—	7,849	290	6,393

The Company's maximum exposure that may result from the default of these endorsed bills receivable at the end of each reporting period are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Company				
Endorsed bills for settlement of payables to suppliers	3,377	9,319	27,024	55,324
Outstanding endorsed bills receivable with recourse	3,377	9,319	27,024	55,324

24 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for acquisition of PPE *(e)*	3,881	10,835	10,542	11,230
Loan to a third party *(d)*	—	6,800	—	—
	3,881	17,635	10,542	11,230
Less: loss allowance	—	(149)	—	—
	3,881	17,486	10,542	11,230
Current				
Prepayments made to the third-party suppliers	9,321	16,145	35,402	86,928
Prepayment made to the ultimate holding company of the Company	3,660	660	—	—
Prepayment made to the related-party suppliers	—	—	—	235
Prepayments for **[REDACTED]** expenses	—	—	2,689	1,223
Deferred **[REDACTED]** expenses	—	—	2,049	3,637
Amount due from the employee *(a)*	179	43	71	1,461
Amount due from the third parties	77	29	25	25
Payments made on behalf of customers *(b)*	8,696	27,849	14,175	15,136
Loans to the employees *(c)*	822	1,966	2,030	2,059
Loans to a third party *(d)*	—	3,075	12,875	13,110
VAT recoverable	28,835	31,471	29,051	30,648
Deposits	4,767	9,765	27,338	26,843
	56,357	91,003	125,705	181,305
Less: provision for impairment	(275)	(577)	(7,785)	(20,581)
	56,082	90,426	117,920	160,724

(a) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, amount due from the employee were mainly petty cash. The petty cash was non-trade in nature, unsecured, interest free and repayable on demand.

(b) Payments made on behalf of customers represent receivables on the payments made on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. The receivables are trade in nature, unsecured, interest-free and repayable on demand. The Group assessed whether revenue should be reporting on a gross or net basis for each sales transaction with basis as set out in Note 4(b). For certain sales transactions where the Group acts as agent during the Track Record Period, revenue is recorded on a net basis and the receivables arising from these transactions were recorded in other receivables. The management expects to realize these financial assets within twelve months after each reporting period during the Track Record Period.

(c) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, loans to the employees was non-trade in nature, unsecured, interest bearing ranging from 3% to 3.85% per annum and repayable on demand.

(d) As at 31 December 2023, 31 December 2024 and 30 June 2025, loans to a third party represented the loans to the end customer for its business operation. The loans were non-trade in nature, unsecured, guaranteed by the project leader of customer, the interest-bearing from 3.5% to 5% per annum. According to the loan contracts, the principal amounts of RMB2.6 million, RMB3 million, RMB5 million and RMB1.8 million will be repayable in September 2024, December 2024, June 2025 and December 2025 respectively with the interests. In August 2024, the Company and the borrower entered into a supplementary agreement to extend the repayment dates of the loans, the principal amounts of RMB12.4 million would be repayable in December 2025 with the interests. The result of the modification of the financial assets is considered immaterial. The ECL assessment of the loans to the end customer is set out in note 3.1(b)(iii) to the Historical Financial Information.

(e) For the impairment assessment of prepayments for acquisition of PPE, please refer to Note 16 for more details.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for acquisition of PPE	1,710	23	—	500
Loan to a third party	—	6,800	—	—
Amount due from the subsidiaries *(a)*	232,530	166,000	190,000	190,000
	234,240	172,823	190,000	190,500
Less: loss allowance	—	(149)	—	—
	234,240	172,674	190,000	190,500
Current				
Prepayments made to the third party suppliers	6,490	15,702	35,091	85,061
Prepayment made to the ultimate holding company of the Company	3,660	660	—	—
Prepayments for **[REDACTED]** expenses	—	—	2,689	1,223
Deferred **[REDACTED]** expenses	—	—	2,049	3,637
Amount due from the employee	141	43	71	1,301
Amount due from the subsidiaries *(a)*	61,017	137,241	188,352	192,281
Amount due from the third parties	28	29	25	25
Payments made on behalf of customers	631	121	1,203	1,213
Loans to the employees	822	1,966	2,030	2,059
Loans to a third party	—	3,075	12,875	13,110
VAT recoverable	2,718	1,812	460	2,355
Deposits	4,111	3,726	21,495	21,361
	79,618	164,375	266,340	323,626
Less: provision for impairment	(125)	(144)	(7,488)	(20,252)
	79,493	164,231	258,852	303,374

(a) Amount due from the subsidiaries was unsecured, interest free and repayable on demand or range from two to six years.

25 CONTRACT ASSETS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount	3,829	10,681	13,261	22,501
Impairment	(942)	(847)	(1,010)	(2,215)
	2,887	9,834	12,251	20,286

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality assurance period (1–3 years). Contract assets are recorded as the Group has no right on these amounts of consideration when the revenue is recognised.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount	3,828	9,214	12,332	21,238
Impairment	(941)	(810)	(888)	(2,030)
	2,887	8,404	11,444	19,208

26 TRADE AND NOTES RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade receivables	—	—	—	41,677
Less: provision for impairment *(Note 3.1(b))*	—	—	—	(1,797)
	—	—	—	39,880
Current				
Trade receivables	34,464	52,880	148,831	402,742
Less: provision for impairment *(Note 3.1(b))*	(6,727)	(2,562)	(18,079)	(41,102)
	27,737	50,318	130,752	361,640
Notes receivables	3,114	8,475	6,754	57,724
Less: provision for impairment *(Note 3.1(b))*	(79)	(113)	(146)	(1,418)
	3,035	8,362	6,608	56,306
	30,772	58,680	137,360	417,946

(a) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, notes receivables were mainly bank acceptance notes aged less than one year.

The Group usually grants a credit period of 0 days to 180 days to its customers, and extending to a credit period of 18 months to 24 months for major customers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade receivables based on recognition date of gross trade receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	29,863	34,825	66,076	321,650
3 to 6 months	6	2,014	18,726	2,833
6 to 9 months	431	6,530	28,271	37,850
9 to 12 months	82	1,632	1,424	17,334
over 12 months	4,082	7,879	34,334	64,752
	34,464	52,880	148,831	444,419

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade receivables	—	—	—	35,880
Less: provision for impairment *(Note 3.1(b))*	—	—	—	(1,517)
	—	—	—	34,363
Current				
Trade receivables				
— third parties	32,198	39,302	107,418	345,490
— subsidiaries	3,109	16,153	48,200	83,052
	35,307	55,455	155,618	428,542
Less: provision for impairment	(6,325)	(2,166)	(13,845)	(34,359)
	28,982	53,289	141,773	394,183
Notes receivables				
— third parties	3,114	7,475	6,555	56,724
— subsidiaries	—	1,000	200	1,000
	3,114	8,475	6,755	57,724
Less: provision for impairment	(79)	(98)	(142)	(1,400)
	3,035	8,377	6,613	56,324
	32,017	61,666	148,386	450,507

The Company usually grants a credit period of 0 days to 180 days to its normal customers, and extending to a credit period of 18 months to 24 months for major customers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade receivables based on recognition date of gross trade receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	30,747	43,974	84,623	366,643
3 to 6 months	6	145	16,548	96
6 to 9 months	431	2,640	28,138	27,302
9 to 12 months	82	1,239	1,077	16,472
over 12 months	4,041	7,457	25,232	53,909
	35,307	55,455	155,618	464,422

27 CASH AND CASH EQUIVALENTS/TERM DEPOSITS/RESTRICTED BANK DEPOSITS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	381,678	234,663	306,402	186,225
Term deposits				
— Short-term bank deposits *(a)*	—	147,411	5,328	5,402
— Long-term bank deposits *(a)*	190,101	5,177	—	—
	190,101	152,588	5,328	5,402
Restricted bank deposits *(b)*	27,806	27,819	10,481	22,105

(a) Term deposits were deposits with initial terms of over three months which neither past due nor impaired. The directors of the Company considered that the carrying amount of the term deposits with initial terms of over three months approximated to their fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. Various term deposits were secured for borrowings, please refer to Note 28 for more details.

Short-term bank deposits are bank deposits with maturities over three months but within twelve months and redeemable on maturity. Long-term bank deposits are bank deposits with maturities over twelve months and redeemable on maturity. The effective interest rates for the short-term bank deposits were 2.75% to 3.55% per annum, 3% per annum and 3% per annum for the years ended 31 December 2023, 31 December 2024 and six months ended 30 June 2025, respectively.

(b) As at 31 December 2022, 31 December 2023, 31 December 2024 and June 2025, the restricted deposits were mainly denominated in RMB and held in separate designed bank accounts as security deposits for issuance of bank acceptance bills and bank borrowings and fulfillment of contracts related to autonomous driving.

The restricted deposits for issuance of bank acceptance bills were used to secure the bank acceptance bills issued by the Company, and the restricted period was less than one year.

The restricted deposits for bank borrowings were used to secure the borrowings, and it has been released in 2023 since the borrowings were repaid.

The restricted deposits for fulfillment of contracts were deposited in September 2024 and released in March 2025.

As at 31 December 2024, a bank account with the amount of RMB0.68 million of the Group was frozen by the court in the PRC due to a legal case. The bank account has been released after the legal case terminated in April 2025.

As at 30 June 2025, three bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Further details are set out in note 32(b).

The restricted deposits carry interests at 0.25%, 0.2%–1.3%, 0.1%–0.85% and 0.05 %–1.0% per annum as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	269,589	145,688	244,392	134,892
Term deposits				
— Short-term bank deposits	—	147,411	5,328	5,402
— Long-term bank deposits	190,101	5,177	—	—
	190,101	152,588	5,328	5,402
Restricted bank deposits	27,806	27,819	9,796	13,312

28 BORROWINGS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings included in current liabilities				
Secured and unguaranteed bank borrowings *(a)*	34,512	90,528	39,822	47,689
Unsecured and unguaranteed bank borrowings *(b)*	10,013	23,225	114,020	181,171
Secured and guaranteed bank borrowings *(c)*	81	10,081	—	—
Other borrowings *(d)*	—	—	—	2,024
	44,606	123,834	153,842	230,884
Borrowings included in non-current liabilities				
Secured and unguaranteed bank borrowings *(a)*	91,800	3,700	83,900	75,800
Unsecured and unguaranteed bank borrowings *(b)*	—	—	—	19,000
Secured and guaranteed bank borrowings *(c)*	10,000	—	—	—
	101,800	3,700	83,900	94,800
Total borrowings	146,406	127,534	237,742	325,684

The following table sets out the maturity profile of the total bank borrowings as at each reporting period end:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
On demand or within one year	44,606	123,834	153,842	228,860
More than one year, but not exceeding two years	100,200	3,700	36,000	72,100
More than two years, but not exceeding five years	1,600	—	47,900	22,700
Total	146,406	127,534	237,742	323,660

The following table sets out the maturity profile of other borrowings as at each reporting period end:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
On demand or within one year	—	—	—	2,024

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings included in current liabilities				
Secured and unguaranteed bank borrowings *(a)*	29,381	405	39,822	47,689
Unsecured and unguaranteed bank borrowings *(b)*	10,013	23,225	114,020	176,167
Secured and guaranteed bank borrowings *(c)*	81	10,081	—	—
Other borrowings *(d)*	—	—	—	2,024
	39,475	33,711	153,842	225,880
Borrowings included in non-current liabilities				
Secured and unguaranteed bank borrowings *(a)*	1,800	3,700	83,900	75,800
Unsecured and unguaranteed bank borrowings *(b)*	—	—	—	19,000
Secured and guaranteed bank borrowings *(c)*	10,000	—	—	—
	11,800	3,700	83,900	94,800
Total borrowings	51,275	37,411	237,742	320,680

The following table sets out the maturity profile of the total bank borrowings as at each reporting period end:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
On demand or within one year	39,475	33,711	153,842	223,856
More than one year, but not exceeding two years	10,200	3,700	36,000	72,100
More than two years, but not exceeding five years	1,600	—	47,900	22,700
Total	51,275	37,411	237,742	318,656

The following table sets out the maturity profile of other borrowings as at each reporting period end:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
On demand or within one year	—	—	—	2,024

(a) Secured and unguaranteed bank borrowings

(i) In March 2022, the Company entered into a loan facility agreement with China Minsheng Bank Co., Ltd. Xiangtan Branch which provided the Company a credit limit in an aggregate principal amount of RMB4 million with an interest rate of 4.20% per annum which shall be repaid by March 2023. Borrowings under the loan facility agreement were collateralized by 17 invention patents of the Company with the amount of RMB8.11 million under the appraisal of the valuation professional party during the terms of borrowings. In March 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(ii) In June 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB1.03 million and RMB2.64 million with an interest rate of 4.00% per annum which shall be repaid by June 2023. Borrowings under the loan facility

agreement were collateralized by deposits of the Company with the carrying amount of RMB4 million during the terms of borrowings. In June 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(iii) In June 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB20.46 million with an interest rate of 4.00% per annum which shall be repaid by June 2023. Borrowings under the loan facility agreement were collateralized by deposits of the Company with the carrying amount of RMB22 million during the terms of borrowings. In June 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(iv) In September 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB1.01 million with an interest rate of 4.00% per annum which shall be repaid by September 2023. Borrowings under the loan facility agreement were collateralized by deposits of the Company with the carrying amount of RMB1.1 million during the terms of borrowings. In March 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(v) In November 2022 and in February 2023, the Company entered into the loan facility agreement with China Construction Bank Corporation Hunan Branch Business Department which provided the Company loans aggregated principal amount of RMB2 million and RMB2.5 million respectively with an initial interest rate of 3.95% per annum, which shall be repaid from June 2023 to October 2025 respectively. Borrowings under the loan facility agreement were collateralized by the three-year term deposit of the Company with the carrying amount of RMB5 million during the terms of borrowings. As at 30 June 2025, the principal amount of RMB1 million and related interest were repaid and the interest rate was taken down to 3.40% per annum.

(vi) In June 2022, Changsha CiDi Intelligent Building Co., Ltd, the subsidiary of Company, entered into a loan facility agreement with Changsha Bank Co., Ltd. Xiangjiang New Area Branch which provided Changsha CiDi Intelligent Building Co., Ltd loans aggregated principal amount of RMB95 million with an interest rate of 4.50% per annum, which shall be repaid by June 2024. Borrowings under the loan facility agreement were collateralized by the two-year term deposit of Changsha CiDi Intelligent Building Co., Ltd with the carrying amount of RMB100 million during the terms of borrowings. In June 2024, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(vii) In June 2024, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company a loan with the maximum amount of RMB90 million with an interest rate of 3.20% per annum, which shall be repaid from December 2024 to June 2027. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the period ended 30 June 2025, the borrowings and related interest were repaid according to payment schedule.

(viii) In October 2024 and June 2025, the Company entered into two loan facility agreements with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans with the maximum amount of RMB30 million and RMB27 million with an interest rate of 3.10% per annum, which shall be repaid from April 2025 to November 2027 and December 2025 to June 2028. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the period ended 30 June 2025, the borrowings and related interest were repaid according to payment schedule.

(b) Unsecured and unguaranteed bank borrowings

(i) In January 2022, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 4.3% per annum. In January 2023, the borrowings and related interest were fully repaid.

(ii) In May 2023 and in October 2023, the Company entered into a one-year loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the company the credit limit in the aggregate principal amount of RMB50 million and RMB5 million. As at 31 December 2023, the Company drew down borrowings with the amount of RMB8.2 million under the facility with an interest rate of 4.15% per annum which shall be repaid by June 2024. In June 2024, the borrowings and related interest were fully repaid. In February 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by February 2025. In February 2025, the borrowings and related interest were fully repaid. And the Company drew down bank acceptances from July 2023 to October 2023 with the amount of RMB25.13 million under the facility and the amount paid were fully repaid on 30 June 2024. In July 2024, the Company drew down borrowings with the amount of RMB8.4 million under the facility with an interest rate of 3.50% per annum. The borrowings and related interest were fully repaid in July 2025.

(iii) In December 2023, the Company entered into a one-year loan facility agreement with China CITIC Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In December 2023 and January 2024, the Company drew down borrowings with the amount of RMB5 million and RMB5 million respectively under the facility with an interest rate of 4.0% per annum which shall be repaid by December 2024 and January 2025. In December 2024 and January 2025, the borrowings and related interest were fully repaid.

(iv) In December 2023, the Company entered into a loan facility agreement with Bank of Beijing Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. As at 20 December 2023, 2 January 2024 and 31 January 2024, the Company drew down borrowings with the amount of RMB5 million, RMB4 million and RMB1 million respectively under the facility with an interest rate of 3.85% per annum which shall be repaid by 25 December 2024. In December 2024, the borrowings and related interest were fully repaid. In September 2024 and December 2024, the Company drew down borrowings with the amount of RMB10 million and RMB10 million respectively under the facility with an interest rate of 3.75% and 3.5% per annum which shall be repaid by September 2025 and December 2025. The borrowings of RMB10 million and related interest were repaid in September 2025.

(v) In December 2023, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB10 million. In December 2023 and January 2024, the Company drew down borrowings with the amount of RMB5 million and RMB5 million respectively under the facility with an interest rate of 3.85% per annum which shall be repaid by December 2024. In December 2024 and January 2025, the borrowings and related interest were fully repaid.

(vi) In March 2024, the Company entered into a one-year loan facility agreement with Bank of China Co., Ltd. Hunan Xiangjiang New District branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB5.5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by March 2025. In April 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by April 2025. In March and April 2025, the borrowings and related interest were fully repaid. In June 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which were fully repaid in June 2025.

(vii) In March 2024, the Company entered into a one-year loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by March 2025. In March 2025, the borrowings and related interest were fully repaid.

(viii) In September 2024, the Company entered into a one-year loan facility agreement with Industrial and Commercial Bank of China Limited Changsha Yinxun branch which provided the Company a credit limit in an aggregate principal amount of RMB20 million. In September 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.15% per annum which shall be repaid by September 2025. The borrowings and related interest were fully repaid in September 2025.

(ix) In December 2024, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. In December 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.45% per annum which shall be repaid by December 2025.

(x) In February 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB11.6 million with a fixed interest at 3.1% per annum which shall be repaid by November 2025.

(xi) In February 2025 and June 2025, the Company entered into two loan facility agreements with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB10 million and RMB10 million with a fixed interest at 3.45% and 3.35% per annum which shall be repaid by February 2026 and June 2026, respectively.

(xii) In February 2025, the Company entered into a loan facility agreement with Bank of Hunan Corporation Limited Xiangjiang New Area Branch which provided the Company a credit limit in an aggregate principal amount of RMB15 million. In February 2025, the Company drew down borrowings with the amount of RMB15 million under the facility with an interest rate of 3.5% per annum which shall be repaid by February 2026.

(xiii) In March 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB50 million with a fixed interest at 2.98% per annum which shall be repaid by March 2026.

(xiv) In March 2025, the Company entered into a loan facility agreement with China Construction Bank Corporation Hunan Branch which provided the Company loans aggregated principal amount of RMB20 million with a fixed interest at 2.98% per annum which shall be repaid by March 2027.

(xv) In April 2025, the Company entered into a loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 3.3% per annum which shall be repaid by April 2026.

(xvi) In April 2025, a subsidiary of the Company entered into a loan facility agreement with Bank of Chengdu Co., Ltd. Shawan Branch which provided loans aggregated principal amount of RMB5 million with a fixed interest at 2.5% per annum which shall be repaid by April 2026.

(c) Secured and guaranteed bank borrowings

In October 2022, the Company entered into Maximum Loan Guarantee Delegation Contract with Hanhua Financing Guarantee Co., Ltd. which provided the Company a credit limit in an aggregate principal amount of RMB10 million with the guarantee rate of 2% per annum. In October 2022, Industrial Bank Co., Ltd. Changsha Branch was entrusted by an independent third party, Hunan Xiangjiang Zhongying Investment Management Co., Ltd, to offer the bank borrowing to the Company with an aggregate principal amount of RMB10 million and a fixed interest at 5.00% per annum. Borrowings under the loan facility agreement were collateralized by 10 invention patents of the Company with the amount of RMB30.58 million under the appraisal of the valuation professional party during the terms of borrowings. Hanhua Financing Guarantee Co., Ltd. was the guarantor. As at 31 December 2023, the Company drew down borrowings with the amount of RMB10 million under the facility which shall be repaid by November 2024. In October 2024, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(d) Other borrowings

Other borrowings as at 30 June 2025 were secured by the trade receivables of the Group with an interest rate of 5.1%. The borrowings and related interest were fully repaid in July 2025.

29 FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTIZED COST

The Group/The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current liabilities				
Financial instruments with preferred rights at amortized cost	—	—	—	1,962,541
Non-current liabilities				
Financial instruments with preferred rights at amortized cost	1,625,922	1,766,025	1,894,618	—

Since the date of incorporation, the Company has completed several rounds of financing by issuing ordinary shares with preferred rights to investors, namely, Series A Shares, Series A-1 Shares, Series A-2 Shares, Series A-3 Shares, Series B Shares, Series B+ Shares, Series C Shares and Series C+ Shares.

The movements of financial instruments with preferred rights at amortised cost for the years ended 31 December 2022 and 31 December 2023, 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025 were as follows:

	Financial instruments with preferred rights at amortized cost
	RMB'000
As at 1 January 2022	1,264,220
Effect of financial instruments with preferred rights at amortized cost *(a)*	270,300
Reclassification of transaction cost payable included in other payable and accruals	(12,734)
Finance cost on financial instruments with preferred rights at amortized cost	104,136
As at 31 December 2022	1,625,922

	Financial instruments with preferred rights at amortized cost
	RMB'000
As at 1 January 2023	1,625,922
Effect of financial instruments with preferred rights at amortized cost *(a)*	24,000
Reclassification of transaction cost payable included in other payable and accruals	(1,425)
Finance cost on financial instruments with preferred rights at amortized cost	117,528
As at 31 December 2023	1,766,025
As at 1 January 2024	1,766,025
Finance cost on financial instruments with preferred rights at amortized cost	128,593
As at 31 December 2024	1,894,618
As at 1 January 2024	1,766,025
Financial cost on financial instruments with preferred rights at amortized cost	63,119
As at 30 June 2024 (Unaudited)	1,829,144
As at 1 January 2025	1,894,618
Finance cost on financial instruments with preferred rights at amortized cost	67,923
As at 30 June 2025	1,962,541

(a) Series A financing to Series C+ financing

Series A financing

In January 2018, the Company entered into an investment agreement with certain series A investors, pursuant to which the Company issued and allotted approximately 3,489,000 shares, representing approximately 34.89% of the equity interests of the Company, to series A investors, at a consideration of USD30,000,000 (equals to RMB189,288,000). The proceeds of RMB189,288,000 were received by the Company in February, March and July 2018. The Company had initially recognized the related financial instruments with preferred rights of RMB189,288,000 (present value of the estimated amount to be paid out by the Company) in 2018. In February, March and July 2018, the Company applied a discount rate from 3.53% to 3.56% to derive the present value of the issued financial instruments.

In June 2019, the Company entered into an investment agreement with certain series A-1 investors, pursuant to which the Company issued and allotted approximately 1,595,745 shares, representing approximately 6.00% of the equity interests of the Company, to series A-1 investors,

at a consideration of USD12,000,000 (equals to RMB82,716,000). The proceeds of RMB82,716,000 were received by the Company in June and September 2019. The Company had initially recognized the related financial instruments with preferred rights of RMB82,716,000 (present value of the estimated amount to be paid out by the Company) in 2019. In June and September 2019, the Company applied a discount rate from 6.58% to 7.70% to derive the present value of the issued financial instruments.

In July 2020, the Company entered into investment agreements separately with certain series A-2 investors, pursuant to which the Company issued and allotted approximately 1,632,309 shares, representing approximately 5.78% of the equity interests of the Company, to series A-2 investors, at a consideration of RMB100,139,000. The proceeds of RMB100,139,000 were received by the Company in July and August 2020. The Company had initially recognized the related financial instruments with preferred rights of RMB100,139,000 (present value of the estimated amount to be paid out by the Company) in 2020. In July and August 2020, the Company applied a discount rate from 7.35% to 7.42% to derive the present value of the issued financial instruments.

In December 2020, the Company entered into an investment agreement with certain series A-3 investors, pursuant to which the Company issued and allotted approximately 4,163,269 shares, representing approximately 12.85% of the equity interests of the Company, to series A-3 investors, at a consideration of RMB281,700,000. The proceeds of RMB281,700,000 were received by the Company in December 2020 and January 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB281,700,000 (present value of the estimated amount to be paid out by the Company) in 2020 and 2021 respectively. In December 2020 and January 2021, the Company applied a discount rate from 7.49% to 7.72% to derive the present value of the issued financial instruments.

Series B financing

In March 2021, the Company entered into an investment agreement with certain series B investors, pursuant to which the Company issued and allotted approximately 3,078,248 shares, representing approximately 8.68% of the equity interests of the Company, to series B investors, at a consideration of RMB280,348,000. The proceeds of RMB280,348,000 were received by the Company in March, April and May 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB280,348,000 (present value of the estimated amount to be paid out by the Company) in 2021. In March, April and May 2021, the Company applied a discount rate from 6.91% to 8.09% to derive the present value of the issued financial instruments.

In August 2021, the Company entered into an investment agreement with certain series B+ investors, pursuant to which the Company issued and allotted approximately 1,558,592 shares, representing approximately 4.21% of the equity interests of the Company, to series B+ investors, at a consideration of RMB263,650,000. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB263,650,000 (present value of the estimated amount to be paid out by the Company) in 2021. In August, September, October and November 2021, the Company applied a discount rate from 7.51% to 8.35% to derive the present value of the issued financial instruments.

Series C financing

In January 2022, the Company entered into an investment agreement with certain series C investors, pursuant to which the Company issued and allotted approximately 1,251,089 shares, representing approximately 3.27% of the equity interests of the Company, to series C investors, at a consideration of RMB270,300,000. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022. The Company had initially recognized the related financial instruments with preferred rights of RMB270,300,000 (present value of the estimated amount to be paid out by the Company) in 2022. In March, April and June 2022, the Company applied a discount rate from 7.87% to 8.64% to derive the present value of the issued financial instruments.

In December 2023, the Company entered into an investment agreement with certain series C+ investors, pursuant to which the Company issued and allotted approximately 102,078 shares, representing approximately 0.27% of the equity interests of the Company, to series C+ investors, at a consideration of RMB24,000,000. The proceeds of RMB24,000,000 were received by the Company in December 2023. The Company had initially recognized the related financial instruments with preferred rights of RMB24,000,000 (present value of the estimated amount to be paid out by the Company) in 2023. In December 2023, the Company applied a discount rate of 10.54% to derive the present value of the issued financial instruments.

In accordance with Series A investment agreements to Series C+ investment agreements, Series A Investors to Series C+ Investors had been granted with certain preferred rights (the "**Preferred Rights**") upon capital contribution. These Preferred Rights mainly included the followings:

(b) Key terms

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the shareholders shall, by reason of the shareholders' ownership of the shares, be distributed as follows:

The holders of the ordinary shares with preferred rights shall be entitled to receive for each outstanding ordinary shares with preferred rights held and fully paid, as applicable, the amount equal to one hundred percent of the applicable ordinary shares with preferred rights' issue price, plus all declared but unpaid dividends on such ordinary shares with preferred rights. Upon the liquidation, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights. If there are any assets or funds remaining after the aggregate amount have been distributed or paid in full to the applicable holders of ordinary shares with preferred rights as above, the remaining assets and funds legally available for distribution shall be distributed ratably among the holders of ordinary shares and holders of ordinary shares with preferred rights according to the relative number of ordinary shares on an as-converted basis.

Anti-dilution right

If the Company increases its paid-in capital/share capital at a price lower than the price paid by Series A Investors to Series C+ Investors on a per paid-in capital/share capital basis, Series A Investors to Series C+ Investors have a right to require (i) the Company to issue new paid-in capital/share capital for nil consideration (or lowest price allowed by law) to Series A Investors to Series C+ Investors: or (ii) existing shareholders to transfer the equity interests of the Company directly or indirectly held to Series A Investors to Series C+ Investors for nil consideration (or lowest price allowed by law), so that the total amount paid by Series A Investors to Series C+ Investors divided by the total amount of paid-in capital/share capital obtained is equal to the price

per paid-in capital/share capital in the new issuance. The increased shares should have a limitation which will not cause the percentage of shareholding of the Company held by NovoDriv (HK) Limited Partnership, the ultimate holding company of the Company, (the "**NovoDriv**") below 25%.

The directors of the Company considered that the fair value of the anti-dilution right given to investors was immaterial and therefore no liability was recognised by the Company.

Redemption rights

The Company shall redeem, at the option of any holder of outstanding ordinary shares with preferred rights, all of the outstanding ordinary shares with preferred rights (other than the unpaid shares) held by the requesting holder, at any time after (a) the failure by the Company to complete a Qualified **[REDACTED]** as at 5 February 2026, or (b) the significant violation of the investing agreements, shareholders agreements, articles of association and other related documents by the Company or NovoDriv or NovoDriv Limited or 東莞灣區智能科技有限公司 or 馬濰 or 李澤湘. The redemption price for Series A fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights' purchase price, plus an annual simple interest rate of 4% accrued for the period from the ordinary shares with preferred rights' deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends. The redemption price for Series A-1 fully paid ordinary shares with preferred rights, Series A-2 fully paid ordinary shares with preferred rights, Series A-3 fully paid ordinary shares with preferred rights, Series B fully paid ordinary shares with preferred rights, Series B+ fully paid ordinary shares with preferred rights, Series C fully paid ordinary shares with preferred rights and Series C+ fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights' purchase price, plus an annual simple interest rate of 8% accrued for the period from the ordinary shares with preferred rights' deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends.

Upon the redemption, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights.

If the assets and funds are insufficient for the full payment to redemption of such ordinary shares with preferred rights, then the entire assets and funds legally available for distribution shall be distributed ratably among such holders in proportion. If obtain the consent of all requesting holders, upon the redemption, in order of preference, first to the holders of Series C+ ordinary

shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, A-1 ordinary shares with preferred rights, and Series A ordinary shares with preferred rights, and last to the holders of ordinary shares.

(c) Presentation and Classification

The ordinary shares with preferred rights are classified as financial liabilities. In addition, the Group measures financial instruments with preferred rights at amortized costs and does not bifurcate any embedded derivatives from the host instruments.

30 TRADE AND NOTES PAYABLES

The suppliers usually grant a credit period of 0 days to 90 days to the Group and the Company, and extended to a credit period of 18 months from major suppliers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of the trade payables based on transaction date are as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade payables	—	—	—	20,251
Current				
Trade payables				
— The third party	39,274	41,006	63,299	365,616
— The related party	—	83	—	—
	39,274	41,089	63,299	365,616
Notes payables	2,256	29,600	—	12,092
	41,530	70,689	63,299	377,708

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade payables are as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 6 months	27,935	23,526	32,411	342,907
6 to 12 months	3,094	7,278	17,336	14,549
over 12 months	8,245	10,285	13,552	28,411
	39,274	41,089	63,299	385,867

The carrying amounts of trade payables are considered approximately to their fair values.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade payables	—	—	—	20,251
Current				
Trade payables				
— The third party	37,359	36,344	62,291	364,368
— The subsidiaries	10,719	16,802	13,683	17,973
— The related party	—	83	—	—
	48,078	53,229	75,974	382,341
Notes payables	2,256	29,600	—	12,092
	50,334	82,829	75,974	394,433

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade payables are as follows:

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 6 months	38,229	39,278	36,967	360,649
6 to 12 months	2,981	4,989	24,213	14,184
over 12 months	6,868	8,962	14,794	27,759
	48,078	53,229	75,974	402,592

31 OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payables	30,384	25,370	27,030	14,311
Repayable government grants *(a)*	2,360	—	—	—
Other taxes payable	1,791	264	3,689	1,957
Amount due to the third parties *(b)*	500	3,562	6,111	501
Other payable arising from the transaction of ancillary services *(c)*	419	34,523	11,837	13,633
Accruals	1,008	2,379	2,661	2,132
Payables for purchases of PPE	40,168	38,755	39,986	39,106
Payables for purchases of intangible assets	98	—	—	—
Transaction costs payable *(d)*	—	1,426	—	—
Financial guarantee contracts liability *(e)*	—	186	6,452	50,515
Accrued **[REDACTED]** expenses	—	—	3,941	11,676
	76,728	106,465	101,707	133,831

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payables	27,625	23,515	25,456	13,401
Repayable government grants *(a)*	2,360	—	—	—
Other taxes payable	22	107	3,240	1,869
Amount due to the third parties *(b)*	500	3,562	6,111	501
Amount due to a subsidiary *(f)*	—	—	695	684
Other payable arising from the transaction of ancillary services *(c)*	409	7,126	4,571	6,367
Accruals	1,008	2,305	2,361	1,899
Payables for purchases of PPE	—	242	25	258
Payables for purchases of intangible assets	98	—	—	—
Transaction costs payable *(d)*	—	1,426	—	—
Financial guarantee contracts liability *(e)*	—	186	6,452	50,515
Accrued **[REDACTED]** expenses	—	—	3,941	11,676
	32,022	38,469	52,852	87,170

(a) As the agreement agreed, the Company should achieve the performance appraisal otherwise the government grants should be repaid. During the year ended 31 December 2022, according to the results of performance appraisal, the Company failed to meet the requirements, and the deferred income was derecognized. The repayable government grants were repaid to the government in April 2023.

(b) Amount due to the third parties are trade nature, unsecured, interest free and repayable on demand.

(c) Other payable arising from the transaction of ancillary services represent proceeds received from the customers and yet to be paid to the third party suppliers on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. Please refer to Note 24 for more details. The payable are trade nature, unsecured, interest-free and repayable on demand.

(d) Transaction costs payable represent payable to the agencies for acquisition of capital contributions from investors.

(e) In September 2023, the Company entered into a guarantee agreement in favour of Jiangsu Financial Leasing Co., Ltd. ("**Jiangsu Financial Leasing**") to provide guarantee for the buyer credit loan in the maximum principal amount of RMB20 million made available by Jiangsu Financial Leasing to Henan Yuda Industry and Trade Co., Ltd. ("**Henan Yuda**") and Henan Anda Blasting Co., Ltd. ("**Henan Anda**"). Henan Yuda and Henan Anda are independent of the Group and are the end users of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtors, Henan Yuda and Henan Anda. The guarantee covers 20% of the principal amount advanced by Jiangsu Financial Leasing with

overdue interest and any other amounts payable by Henan Yuda and Henan Anda under the relevant loan agreement and the amount of guarantee would not exceed RMB4 million. The guarantee periods start from the data of expiry of the buyer credit loan to three years later.

In March 2024, the Company entered into a guarantee agreement in favour of Haitong Unitrust International Financial Leasing Co., Ltd. ("**Haitong Unitrust**") to provide guarantee for the buyer credit loan in the maximum principal amount of RMB70 million made available by Haitong Unitrust to Anhui Beishan Engineering Technology Co., Ltd. ("**Anhui Beishan**"). Anhui Beishan is independent of the Company and is the end user of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtor, Anhui Beishan. The guarantee covers the principal amount advanced by Haitong Unitrust with overdue interest and any other amounts payable by Anhui Beishan under the relevant loan agreement and the amount of guarantee would not exceed RMB70 million. The guarantee periods start from the data of expiry of the buyer credit loan to three years later. The fair value of the financial guarantee contracts provided for Jiangsu Financial Leasing and Haitong Unitrust on initial recognition was determined by Avista Limited, a professional valuer independent to the Group. The details of impairment assessment subsequent to the initial recognition are set out in note 3.1(b) to the Historical Financial Information.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the financial guarantee contracts liability of nil, RMB186,000, RMB6,452,000 and RMB50,515,000 was recognized respectively in "other payables" in the consolidated statements of financial position.

(f) Amount due to a subsidiary is non-trade nature, unsecured, interest free and repayable on demand.

32 PROVISION

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Provision for warranties *(a)*	1,938	4,743	16,886	34,368
Provision for outstanding litigation *(b)*	—	—	849	849
	1,938	4,743	17,735	35,217

(a) Provision for warranties are recognized when the Group has a present obligation (legal or constructive) as a result of the sales contracts it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

(b) The Group has been informed that a supplier provided construction services has started legal proceedings against the Group for collection of construction payments and related interests in December 2024. As at [the date of this report], the legal case has been docketed by the court in the PRC, and the legal case will be heard in 2026. In February 2025, a PRC court issued an asset preservation order on a building and three bank accounts owned by the Group. These bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Details of the order on the building are set out in note 16 of the Historical Financial Information. The Group has recorded the unpaid construction services fee in "Other payables" and the related interests in "Provision for outstanding litigation".

The movements of the Group's provision are analyzed as follows:

The Group

	Provision for warranties	Provision for outstanding litigation	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2022	4,048	—	4,048
Provision for the year	1,375	—	1,375
Amounts utilized during the year	(3,485)	—	(3,485)
As at 31 December 2022	1,938	—	1,938
As at 1 January 2023	1,938	—	1,938
Provision for the year	5,368	—	5,368
Amounts utilized during the year	(2,563)	—	(2,563)
As at 31 December 2023	4,743	—	4,743
As at 1 January 2024	4,743	—	4,743
Provision for the year	16,931	849	17,780
Amounts utilized during the year	(4,788)	—	(4,788)
As at 31 December 2024	16,886	849	17,735
As at 1 January 2024	4,743	—	4,743
Provision for the period	11,502	—	11,502
Amounts utilized during the six-month period	(1,680)	—	(1,680)
As at 30 June 2024 (Unaudited)	14,565	—	14,565
As at 1 January 2025	16,886	849	17,735
Provision for the period	19,373	—	19,373
Amounts utilized during the six-month period	(1,891)	—	(1,891)
As at 30 June 2025	34,368	849	35,217

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Provision for warranties	1,846	4,587	16,595	34,040

The movements of the Company's provision are analyzed as follows:

The Company

	Provision for warranties
	RMB'000
As at 1 January 2022	3,944
Provision for the year	1,357
Amounts utilized during the year	(3,455)
As at 31 December 2022	1,846
As at 1 January 2023	1,846
Provision for the year	5,216
Amounts utilized during the year	(2,475)
As at 31 December 2023	4,587
As at 1 January 2024	4,587
Provision for the year	16,731
Amounts utilized during the year	(4,723)
As at 31 December 2024	16,595
As at 1 January 2024	4,587
Provision for the period	11,457
Amounts utilized during the six-month period	(1,642)
As at 30 June 2024 (Unaudited)	14,402
As at 1 January 2025	16,595
Provision for the period	19,332
Amounts utilized during the six-month period	(1,887)
As at 30 June 2025	34,040

33 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Financial instruments with preferred rights at amortized costs *(Note 29)*	Lease liabilities *(Note 17)*	Borrowings *(Note 28)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	1,264,220	10,280	—	1,274,500
Cash flows	—	(7,209)	143,126	135,917
New leases	—	3,186	—	3,186
Lease deduction	—	(166)	—	(166)
Finance cost on financial instruments with preferred rights at amortized cost	104,136	—	—	104,136
Effect of financial instruments with preferred rights at amortized cost *(Note 29)*	270,300	—	—	270,300
Reclassification of transaction cost payable included in other payable and accruals	(12,734)	—	—	(12,734)
Interest expenses	—	350	1,156	1,506
Interest expenses — capitalization	—	—	2,124	2,124
As at 31 December 2022	1,625,922	6,441	146,406	1,778,769

	Financial instruments with preferred rights at amortized costs *(Note 29)*	Lease liabilities *(Note 17)*	Borrowings *(Note 28)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	1,625,922	6,441	146,406	1,778,769
Cash flows	—	(8,629)	(24,597)	(33,226)
New leases	—	5,904	—	5,904
Lease deduction	—	(13)	—	(13)
Finance cost on financial instruments with preferred rights at amortized cost	117,528	—	—	117,528
Effect of financial instruments with preferred rights at amortized cost *(Note 29)*	24,000	—	—	24,000
Reclassification of transaction cost payable included in other payable and accruals	(1,425)	—	—	(1,425)
Interest expenses	—	208	3,364	3,572
Interest expenses — capitalization	—	—	2,361	2,361
Lease termination	—	(323)	—	(323)
As at 31 December 2023	1,766,025	3,588	127,534	1,897,147

	Financial instruments with preferred rights at amortized costs *(Note 29)*	Lease liabilities *(Note 17)*	Borrowings *(Note 28)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	1,766,025	3,588	127,534	1,897,147
Cash flows	—	(5,683)	103,250	97,567
New leases	—	6,515	—	6,515
Finance cost on financial instruments with preferred rights at amortized cost	128,593	—	—	128,593
Interest expenses	—	165	6,958	7,123
Lease termination	—	(592)	—	(592)
As at 31 December 2024	1,894,618	3,993	237,742	2,136,353
As at 1 January 2024	1,766,025	3,588	127,534	1,897,147
Cash flows	—	(2,262)	38,621	36,359
New leases	—	6,515	—	6,515
Finance cost on financial instruments with preferred rights at amortized cost	63,119	—	—	63,119
Interest expenses	—	68	3,431	3,499
Lease termination	—	(163)	—	(163)
As at 30 June 2024 (Unaudited)	1,829,144	7,746	169,586	2,006,476
As at 1 January 2025	1,894,618	3,993	237,742	2,136,353
Cash flows	—	(2,976)	83,360	80,384
New leases	—	5,636	—	5,636
Finance cost on financial instruments with preferred rights at amortized cost	67,923	—	—	67,923
Interest expenses	—	32	4,582	4,614
Other non-cash movements	—	(568)	—	(568)
As at 30 June 2025	1,962,541	6,117	325,684	2,294,342

34 COMMITMENTS

(a) As at 31 December 2023, the Company has commitment to the limited partnership fund investments amounted to RMB8.80 million. In December 2024 and January 2025, the Company injected capital of RMB0.5 million and RMB0.5 million, respectively, to these fund investments. The residual committed amount will be due for payment before August 2030.

(b) As at 31 December 2024 and 30 June 2025, the Company has commitment to inject capital to its subsidiary, Anhui CiDi Engineering Technology Co., Ltd, amounted to RMB2.55 million. The committed amount will be due for payment before May 2029.

35 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related party during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship of related parties

Name of related parties	Relationship with the Group
松靈機器人(東莞)有限公司	The same director
東莞松山湖國際機器人研究院有限公司	The same director
雲鯨智能科技(深圳)有限公司	The same director
東莞市李群自動化技術有限公司	The same director
新驅動香港有限合夥	Ultimate holding company
Tangram. AI. Inc.	Controlled by the immediate family member of the director

Name of related parties	Relationship with the Group
深圳市深科創產業發展有限公司	Controlled by the ultimate controlling shareholder of the Company
深圳科創學院	Controlled by the ultimate controlling shareholder of the Company

(b) Transactions with related parties

(i) Purchase from the related parties

		Year ended 31 December			Six months ended 30 June	
The Company	Relationship	2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
松靈機器人(東莞)有限公司	Purchase goods	21	274	—	—	35
東莞松山湖國際機器人研究院有限公司	Purchase services	346	—	—	—	—
雲鯨智能科技(深圳)有限公司	Purchase goods	90	—	—	—	—
Tangram. Al. Inc.	Purchase services	1,901	—	—	—	—
深圳科創學院	Purchase services	—	—	—	—	6
		2,358	274	—	—	41

Note: In June 2020, the Company entered into a management services agreement contract with NovoDriv, the ultimate holding company of the Company, and paid RMB3.66 million in accordance with the terms. In February 2023, NovoDriv and the Company confirmed that the service had not yet been provided, and agreed to sign the termination agreement. NovoDriv repaid the amounts of RMB3 million and RMB0.66 million in April 2023 and June 2024 respectively.

(ii) Advance to the related parties

			Year ended 31 December			Six months ended 30 June	
	Start date	End date	2022	2023	2024	2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
						(Unaudited)	
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	3,000	—	—	—
			—	3,000	—	—	—

(iii) Repayment from the related parties

			Year ended 31 December			Six months ended 30 June	
	Start date	End date	2022	2023	2024	2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
						(Unaudited)	
新驅動香港有限合夥	11/8/2021	No fixed term	—	3,000	660	660	—
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	3,000	—	—	—
			—	6,000	660	660	—

(iv) Interest from the related party

			Year ended 31 December			Six months ended 30 June	
	Start date	End date	2022	2023	2024	2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
						(Unaudited)	
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	17	—	—	—

(c) Year/Period end balance with related parties

(i) Amounts due from the related parties

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
新驅動香港有限合夥	3,660	660	—	—	—
松靈機器人(東莞)有限公司	40	—	—	—	—
深圳市深科創產業發展有限公司	—	—	—	—	205
深圳科創學院	—	—	—	—	30
	3,700	660	—	—	235

(ii) Amounts due to a related party

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
松靈機器人(東莞)有限公司	—	83	—	—	—
	—	83	—	—	—

Amounts due from a related party and amounts due to a related party were trade in nature.

(d) Key management personnel compensation

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	3,236	4,462	4,551	1,665	2,116
Share-based compensation expenses	—	—	19,452	—	21,421
Pension obligations, housing funds, medical insurances and other social insurances	48	65	333	108	205
	3,284	4,527	24,336	1,773	23,742

36 CONTINGENT LIABILITIES

Saved as disclosed in note 27 (b) to the Historical Financial Information, no other material contingent liabilities undertaken by or impacted on the Company or the Group as at each reporting date during the Track Record Period.

37 PAID-IN CAPITAL

Paid-in capital are generated from founders' and investors' capital injection. The excess of total consideration raised over paid-in capital was credited to the Company's capital reserve (Note 39).

Authorized and issued

The Group and Company	Number of ordinary shares	Equivalent nominal value of shares
	'000	*RMB'000*
As at 1 January 2022	37,028	37,028
Capital contributions from series C investors	1,251	1,251
As at 31 December 2022 and 1 January 2023	38,279	38,279
Capital contributions from series C+ investors	102	102
As at 31 December 2023, 1 January 2024	38,381	38,381
Conversion into a joint stock limited company *(Note 38 (a))*	(38,381)	(38,381)
As at 31 December 2024 and 30 June 2025	—	—

(a) In December 2020, the Company entered into an investment agreement with series A-3 investors, pursuant to which total capital of RMB281,700,000 was contributed into the Company. The proceeds of RMB191,700,000 were received by the Company in December 2020. The remaining proceeds of RMB90,000,000 were received by the Company in Jan 2021, with RMB4,163,269 and RMB277,536,731 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series A-3 investors (Note 29).

(b) In March 2021, the Company entered into an investment agreement with series B investors, pursuant to which total capital of RMB280,347,776 was contributed into the Company. The proceeds of RMB280,347,776 were received by the Company in March, April and May 2021, with RMB3,078,248 and RMB277,269,528 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series B investors (Note 29).

(c) In August 2021, the Company entered into an investment agreement with series B+ investors, pursuant to which total capital of RMB263,650,000 was contributed into the Company. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021, with RMB1,558,592 and RMB262,091,408 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series B+ investors (Note 29).

(d) In January 2022, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB270,300,000 was contributed into the Company. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022, with RMB1,251,089 and RMB269,048,911 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C investors (Note 29).

(e) In December 2023, the Company entered into an investment agreement with a series C investor, pursuant to which total capital of RMB24,000,000 was contributed into the Company. The proceeds of RMB24,000,000 were received by the Company in December 2023, with RMB102,078 and RMB23,897,922 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C+ investor (Note 29).

38 SHARE CAPITAL

The Group and Company	Number of ordinary shares	Share capital
	'000	*RMB'000*
As at 1 January 2024	—	—
Conversion into a joint stock limited company *(a)*	38,381	38,381
As at 31 December 2024 and 30 June 2025	38,381	38,381

(a) In July 2024, as approved in the shareholders' general meeting, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company has transferred its capital reserve and accumulated loss of RMB1,460,415,000 and RMB558,800,000, respectively, to share capital of approximately 38,381,000 ordinary shares at RMB1.0 each, with the excess credited to the Company's share premium (Note 39).

39 TREASURY STOCK AND RESERVES

The Group

		Reserves				
	Treasury stock *(Note (a))*	Share premium	Capital Reserve	Employee share-based compensation reserve	Exchange reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	(1,197,841)	—	1,167,468	—	—	1,167,468
Capital contributions from series C investors	—	—	269,049	—	—	269,049
Effect of financial instruments with preferred rights at amortized costs	(270,300)	—	—	—	—	—
As at 31 December 2022 and 1 January 2023	(1,468,141)	—	1,436,517	—	—	1,436,517
Capital contributions from series C+ investors	—	—	23,898	—	—	23,898
Effect of financial instruments with preferred rights at amortized costs	(24,000)	—	—	—	—	—
As at 31 December 2023 and 1 January 2024	(1,492,141)	—	1,460,415	—	—	1,460,415
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	—	21	21
Conversion into a joint stock company *(Note 38(a))*	—	901,615	(1,460,415)	—	—	(558,800)
Share-based payment *(Note 40)*	—	—	—	319,944	—	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	—	319,944	21	1,221,580
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	—	(14)	(14)
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control *(Note 15(a)(d))*	—	67	—	—	—	67
Share-based payment *(Note 40)*	—	—	—	266,568	—	266,568
As at 30 June 2025	(1,492,141)	901,682	—	586,512	7	1,488,201

(a) The Group recorded treasury stock to reflect the carrying amount of the financial instruments with preferred rights at the date of issuance of the Series A financing to Series C+ financing. Further details are described in Note 29 (a).

The Company

		Reserves				
	Treasury stock *(Note (a))*	Share premium	Capital Reserve	Employee share-based compensation reserve	Exchange reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	(1,197,841)	—	1,167,468	—	—	1,167,468
Capital contributions from series C investors	—	—	269,049	—	—	269,049
Effect of financial instruments with preferred rights at amortized costs	(270,300)	—	—	—	—	—
As at 31 December 2022 and 1 January 2023	(1,468,141)	—	1,436,517	—	—	1,436,517
Capital contributions from series C+ investors	—	—	23,898	—	—	23,898
Effect of financial instruments with preferred rights at amortized costs	(24,000)	—	—	—	—	—
As at 31 December 2023 and 1 January 2024	(1,492,141)	—	1,460,415	—	—	1,460,415
Conversion into a joint stock company *(Note 38(a))*	—	901,615	(1,460,415)	—	—	(558,800)
Share-based payment *(Note 40)*	—	—	—	319,944	—	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	—	319,944	—	1,221,559
Share-based payment *(Note 40)*	—	—	—	266,568	—	266,568
As at 30 June 2025	(1,492,141)	901,615	—	586,512	—	1,488,127

40 EQUITY-SETTLED SHARE-BASED PAYMENT

The Company has adopted a Pre-**[REDACTED]** share option scheme pursuant to a resolution passed on 23 September 2024 (the "**2024 Share Option Scheme**").

The purpose of the 2024 Share Option Scheme is to recognize the contribution or future contribution of the Eligible Participants (as defined below) for their contribution to the Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group.

The Eligible Participants of the 2024 Share Option Scheme include the directors and employees of the Company or any of its subsidiaries and any persons (whether a natural person, a corporate entity or otherwise) who provide consultancy services to the Group.

Under the 2024 Share Option Scheme, the Company will grant option(s) ("**Option(s)**") to Scheme Participants to acquire the shares of Changsha Gangwan Investment Partnership (Limited Partnership) ("**Changsha Gangwan**"), the immediate holding company of the Company. The Eligible Participants shall not have any interest or economic rights (including the rights to receive dividends) in the shares of Changsha Gangwan prior to the vesting of the options. According to the scheme, Changsha Gangwan is required to keep a minimum percentage equity interest in the Company. As at 31 December 2024 and 30 June 2025, the registered shares of the Company is 38,381,330 Shares. 89,560,000 Options and 4,020,000 Options of Changsha Gangwan have been granted to 389 and 19 Eligible Participants under the 2024 Share Option Scheme at an exercise price ranging from RMB0.001 to RMB1 per Option during the year ended 31 December 2024 and the period ended 30 June 2025. The share options granted to the Eligible Participants shall be vested by various types: (a) 100% after the qualified **[REDACTED]** of the Company is completed, (b) 75% after the qualified **[REDACTED]** of the Company is completed, and 25% in March 2026, (c) 25% after the qualified **[REDACTED]** of the Company is completed, and 25%, 25% and 25% in December 2025, December 2026 and December 2027 respectively, (d) 25% after the qualified **[REDACTED]** of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (e) 25% after the qualified **[REDACTED]** of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (f) 25% after the qualified **[REDACTED]** of the Company is completed, and 25%, 25% and 25% in October 2026, October 2027 and October 2028 and (g) 25%, 25%, 25% and 25% in January 2026, January 2027, January 2028 and January 2029 respectively. The share options shall be vested in yearly instalments of agreed percentage at each agreed date commencing from the vesting commencement date.

The share options under the 2024 Share Option Scheme have an exercise period of ten years from the grant date. According to the 2024 Share Option Scheme, the granted shares can be vested when the conditions of vesting are satisfied and the qualified **[REDACTED]** of the Company is completed, subject to employees' continuous service to the Group.

During the year ended 31 December 2024 and the period ended 30 June 2025, the Group recognized share-based compensation expenses of RMB319,944,000 and RMB266,568,000 in profit or loss over its relevant vesting periods with a corresponding increase in employee share-based compensation reserve. Share-based compensation expenses have been recognized as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Research and development expenses	—	—	109,529	—	107,692
General and administrative expenses	—	—	176,166	—	137,743
Selling expenses	—	—	21,591	—	21,010
Costs of inventories	—	—	12,658	—	123
	—	—	319,944	—	266,568

The following Options were outstanding during the Track Record Period:

		Number of Options						
Date of grant	Vesting Period	As at 1 January 2024	Granted	Forfeited *(a)*	As at 31 December 2024 and 1 January 2025	Granted	Forfeited *(a)*	As at 30 June 2025
27 September 2024	27 September 2024– The date of qualified **[REDACTED]** of the Company is completed	—	51,052,500	(42,500)	51,010,000	—	(97,500)	50,912,500
	27 September 2024– 31 December 2025	—	3,172,500	—	3,172,500	—	—	3,172,500
	27 September 2024– 31 March 2026	—	200,000	—	200,000	—	—	200,000
	27 September 2024– 26 September 2026	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
	27 September 2024– 31 December 2026	—	3,172,500	—	3,172,500	—	—	3,172,500
	27 September 2024– 26 September 2027	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
	27 September 2024– 31 December 2027	—	3,172,500	—	3,172,500	—	—	3,172,500

		Number of Options						
Date of grant	Vesting Period	As at 1 January 2024	Granted	Forfeited *(a)*	As at 31 December 2024 and 1 January 2025	Granted	Forfeited *(a)*	As at 30 June 2025
	27 September 2024–26 September 2028	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
10 October 2024	10 October 2024– The date of qualified **[REDACTED]** of the Company is completed	—	75,000	—	75,000	—	—	75,000
	10 October 2024–26 September 2026	—	75,000	—	75,000	—	—	75,000
	10 October 2024–26 September 2027	—	75,000	—	75,000	—	—	75,000
	10 October 2024–26 September 2028	—	75,000	—	75,000	—	—	75,000
1 November 2024	1 November 2024– The date of qualified **[REDACTED]** of the Company is completed	—	50,000	—	50,000	—	—	50,000
	1 November 2024–29 October 2026	—	50,000	—	50,000	—	—	50,000
	1 November 2024–29 October 2027	—	50,000	—	50,000	—	—	50,000
	1 November 2024–29 October 2028	—	50,000	—	50,000	—	—	50,000
9 January 2025	9 January 2025–8 January 2026	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025–8 January 2027	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025–8 January 2028	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025–8 January 2029	—	—	—	—	1,005,000	—	1,005,000
		—	89,560,000	(170,000)	89,390,000	4,020,000	(390,000)	93,020,000

(a) Two employees of the Company resigned in 2024 and five employees of the Company resigned in 2025, and the granted share options were forfeited.

The fair value of the share options granted on 27 September 2024 was between RMB287.06 and RMB288.04 per share and the exercise price was between RMB0.001 and RMB1 per Option, the fair value of the share options granted on 10 October 2024 was RMB287.11 per share and the exercise price was RMB1 per Option, the fair value of the share options granted on 1 November 2024 was RMB287.08 per share and the exercise price was RMB1 per Option and the fair value of the share options granted on 9 January 2025 was RMB294.71 per share and the exercise price was RMB1 per Option.

The fair value of 2024 Share Option Scheme was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	27 September 2024	10 October 2024	1 November 2024	9 January 2025
Dividend yield *(%)*	—	—	—	—
Expected Volatility *(%)*	49.16	49.22	49.46	49.71
Risk-free interest rate *(%)*	2.16	2.13	2.12	1.64
Expected life of options *(years)*	10	10	10	10
Minimum shares of the Company held by Changsha Gangwan	4,104,788 shares	4,118,615 shares	4,127,832 shares	4,313,114 shares

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

41 DIVIDEND

[No dividend has been paid or declared by the Company or subsidiaries of the Company during the Track Record Period and up to the date of this report.]

42 SUBSEQUENT EVENTS

[Saved as disclosed elsewhere in the Historical Financial Information, no material subsequent events undertaken by or impacted on the Company or the Group subsequent to 30 June 2025 and up the date of this report.]

III SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements have been prepared for the Company or any of its subsidiaries in respect of any period subsequent to 30 June 2025 and up to the date of this report.]

The information set out in this Appendix II does not form part of the Accountants' Report from BDO Limited, Certified Public Accountants, the reporting accountant of the Company, as set out in Appendix I to this document, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is the unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the "**Unaudited [REDACTED] Financial Information**") which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose to illustrate the effect of the **[REDACTED]** (as defined in the document) on the consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2025 as if the **[REDACTED]** had taken place on 30 June 2025.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net liabilities of the Group attributable to the equity holders of the Company as at 30 June 2025 as set out in the Accountants' Report of the Group, the text of which is set out in Appendix I to this document, after incorporating the unaudited pro forma adjustments described in the accompanying notes below.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the equity holders of the Company had the **[REDACTED]** been completed as at 30 June 2025 or at any future dates following the **[REDACTED]**.

	Audited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2025	Estimated net [REDACTED] from the [REDACTED]	Reclassification of shares with preferred rights upon the completion of [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2025	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	Note 1	*Note 2*	*Note 3*		*Note 4*	*Note 5*
Based on the **[REDACTED]** of HK$**[REDACTED]** per H Share	[(1,307,547)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on the **[REDACTED]** of HK$**[REDACTED]** per H Share	[(1,307,547)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2025 is extracted from the Accountants' Report set out in Appendix I to this document, which is based on the audited consolidated net liabilities of the Group attributable to the equity holders of the Company as at 30 June 2025 of approximately [RMB1,305,605,000] with adjustment for the intangible assets as at 30 June 2025 of approximately [RMB1,942,000].

2. The estimated net **[REDACTED]** from the **[REDACTED]** are based on **[REDACTED] [REDACTED]** and the Maximum **[REDACTED]** of [HK$**[REDACTED]**] per H Share and the Minimum **[REDACTED]** of [HK$**[REDACTED]**] per H Share, after deduction of the **[REDACTED]** fees and other related expenses (excluding the **[REDACTED]** expenses that have been charged to profit or loss during the Track Record Period), without taking into account of any Shares which may be allotted pursuant to the exercise of the **[REDACTED]** or any shares which may be issued by the Company pursuant to the general mandates. The estimated net **[REDACTED]** from the **[REDACTED]** are converted from Hong Kong dollars to Renminbi based on the exchange rate as detailed in note 5 below.

3. Upon the completion of **[REDACTED]** as at 30 June 2025, all preferred rights entitled to the Company's investors will be expired and the financial instruments with preferred rights at amortized cost recognized due to these preferred rights would have been reclassified to equity. Accordingly, for the purpose of the unaudited **[REDACTED]** financial information, the unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to the equity holders of the Company as at 30 June 2025 will be increased by RMB1,962,541,000, being the carrying amount of the financial instruments with preferred rights at amortized cost as at 30 June 2025.

4. The unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** Shares were in issue assuming the **[REDACTED]** had taken place on 30 June 2025,

without taking into account of any Shares which may be allotted pursuant to the exercise of the **[REDACTED]** or any shares which may be issued by the Company pursuant to the general mandates. The amount of unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Company attributable to the equity holders of the Company per Share are converted from Hong Kong dollars to Renminbi based on the exchange rate as detailed in note 5 below.

5. For the purpose of this unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets, the amounts stated in Renminbi are converted into Hong Kong dollars or Hong Kong dollars are converted to Renminbi at a rate of RMB[0.9103] to HK$1.00, as set out in the section headed "Information about this document and the **[REDACTED]**" in this document. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

7. The property interests at Changsha Intelligence Driving Institute Industrial Park, No. 60 Hebaotang West Road, Yuelu District, Changsha City, Hunan Province, the PRC as at 30 September 2025, have been valued by Avista Valuation Advisory Limited, an independent property valuer, and the relevant property valuation report is set out in "Appendix III — Valuation Report". The above unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2025 do not take into account the surplus arising from the revaluation of the property interests at Changsha Intelligence Driving Institute Industrial Park, No. 60 Hebaotang West Road, Yuelu District, Changsha City, Hunan Province, the PRC amounting to approximately HK$[1.5] million. Revaluation surplus has not been recorded in the Historical Financial Information as set out in Appendix I — Accountants Report" as such property which is intended to be used as the office building and production plant is included as "Buildings" of property, plant and equipment and "Leasehold land" of right-of-use assets and is stated at cost less impairment loss, if any, at 30 June 2025. The directors considered no impairment is necessary based on the value-in-use calculation and no additional depreciation would be charged against the statement given the current condition of the property.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2025 of the property interests held by the Company.

AVISTA Valuation Advisory
艾華迪評估諮詢

Suites 2401-06, 24/F, Everbright Centre, 108 Gloucester Road,
Wan Chai, Hong Kong

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[•] 2025

The Board of Directors
CiDi Inc. (希迪智駕科技股份有限公司)
Building A3 and A4
Hunan Inspection and Testing Characteristic Industrial Park
No. 336 Xueshi Road, Yuelu District, Changsha City
Hunan Province, the PRC

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of CiDi Inc. (希迪智駕科技股份有限公司) (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for us to carry out the valuation of the property interests (the "**Property**") located in the People's Republic of China (the "**PRC**") held by the Group, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at [30 September 2025] (the "**Valuation Date**").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the RICS Valuation — Global Standards 2024 published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the Property in the PRC, we have relied on the advice given by the Group and its legal advisor, being Zhong Lun Law Firm (北京市中倫(深圳)律師事務所) (the "**PRC Legal Advisor**"), regarding the titles to the Property.

In valuing the Property, we have relied on a legal opinion regarding the Property provided by the PRC Legal Adviser dated [•] (the "**PRC Legal Opinion**"). Unless otherwise stated, the Group has legally obtained the land use rights of the Property.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the Property, due to the nature of the buildings and structures of the subject property, there are no market sales comparables readily available. We have valued the property interests on the basis of their depreciated replacement cost. Depreciated replacement cost is defined as "*the current cost of replacing an asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimization*". It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

We have assigned no commercial value to the property interests for which the Group has not possessed either the land titleship or the building ownership documents.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Adviser, concerning the validity of the title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject property. The site inspection was carried out on 10 September 2024 by Turman Cheung (Assistant Manager). He has more than 5 years' experience in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject property is free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Group or the PRC Legal Adviser or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of the property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note:

Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for owner occupation by the Company in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at [30 September 2025]
			RMB
Changsha Intelligence Driving Institute Industrial Park, No. 60 Hebaotang West Road, Yuelu District, Changsha City, Hunan Province, the PRC (中國湖南省長沙市岳麓區荷包塘西路60號長沙智能駕駛研究園產業園)	The property comprises two 2- and 13-storey industrial buildings over two 1- and 2-storey basement, with a total gross floor area of approximately 60,140.03 sq.m. The property was held for owner occupation as at the Valuation Date. As advised by the Group, the property was completed in August 2023. The classification, usage and area details are set out in Note 4. The property is located at Hebaotang West Road in Yuelu District, with approximately 26.0 km to Changsha South Railway Station and 49.7 km to Changsha Huanghua International Airport. The land use rights of the property have been granted for a term expiring on 1 August 2069 for industrial use.	The property was occupied by the Group as at the Valuation Date for manufacturing purpose.	[241,600,000] (67% interest attributable to the Company: [161,870,000])

Notes:

1. Pursuant to 9 Real Estate Ownership Certificates issued by [Hunan Xiangjiang New Area Management Committee Bureau of Natural Resources and Planning] (湖南湘江新區管理委員會自然資源和規劃局), the land use rights and building ownership of the property have been vested in Changsha CiDi Intelligent Construction Co., Ltd. (長沙希迪智慧建築有限責任公司, "**Changsha CiDi Construction**"), in which the Company holds a direct ownership stake of 67%, with the details as follows:

No.	Certificate No.	Land Usage	Building Usage	Expiry Date	Site Area	Gross Floor Area
					(sq.m.)	*(sq.m.)*
1	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360291	Industrial	Industrial	1 August 2069	53,395.62	24,404.39
2	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360285	Industrial	Industrial	1 August 2069	53,395.62	10,404.65
3	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360289	Industrial	Utility Facility	1 August 2069	53,395.62	71.22
4	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360297	Industrial	Utility Facility	1 August 2069	53,395.62	221.78
5	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360287	Industrial	Utility Facility	1 August 2069	53,395.62	75.65
6	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360298	Industrial	Utility Facility	1 August 2069	53,395.62	19.89
7	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360292	Industrial	Utility Facility	1 August 2069	53,395.62	21.55
8	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360294	Industrial	Utility Facility	1 August 2069	53,395.62	41.17
9	Xiang (2023) Chang Sha Shi Bu Dong Chan Quan Di No. 0360852	Industrial	Carpark	1 August 2069	53,395.62	10,903.92
Total:						**46,164.22**

2. As advised by the Group, the title certificates of building ownership of portions of the property with a total gross floor area of approximately 13,975.81 sq.m. (the "**Basement (Zone B)**") has not been obtained.

3. In undertaking our valuation, we have assigned no commercial value to the property since Changsha CiDi Construction has yet to obtain proper title certificates of the Basement (Zone B) For reference purposes, we are of the opinion that the estimated value of the Basement (Zone B) as at the Valuation Date would be [RMB73,470,000], assuming the Basement (Zone B) could be freely transferred in the market.

4. As advised by the Group, the details of the property are set out as below:

Classification	Usage	Gross Floor Area
		(sq.m.)
Property interests held for owner occupation by the Company in the PRC.	Industrial	34,809.04
	Utility Facility	451.26
	Carpark	24,879.73
	Total:	**60,140.03**

5. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

   a. Changsha CiDi Construction has fully settled all land premium and legally and validly obtained the land use rights of the property and the building ownership of portions of the property with a total gross floor area of approximately 46,164.22 sq.m. under the terms of the Real Estate Ownership Certificate;

   b. The building ownership of portions of the property with a total gross floor area of approximately 35,308.31 sq.m. has been pledged to Bank of Communications Co., Ltd. (Hunan Provincial Branch) (交通銀行股份有限公司湖南省分行);

   c. The building ownership of portions of the property with a total gross floor area of approximately 10,404.65 sq.m. has been seized by Yuelu District People's Court of Changsha Municipality (長沙市岳麓區人民法院);

   d. The property has not been subjected to any other encumbrances; and

   e. Changsha CiDi Construction has the right to freely occupy or use the land use rights of the property.

6. In the course of our valuation, we assume that the property is transferable without legal impediment.

7. Our valuation has been made on the following basis and analysis:

   In our valuation of the land use rights, we have considered and analyzed [3] land sale comparables in the vicinity. The adjusted site values of the land sales range from [RMB700] to [RMB750] per sq.m. for industrial use. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

   Regarding the building portion, the current replacement cost of the building is assessed by determining the construction cost of a modern substitute building with the same service capacity as the building which is being valued. The adjusted replacement costs range from [RMB4,300] per sq.m. to [RMB4,350] per sq.m. for industrial buildings and from [RMB5,380] per sq.m. to [RMB5,670] per sq.m. for basements based on our research of the local construction costs. The replacement cost adopted in the valuation is consistent with the findings of our research.

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares reside or are otherwise subject to tax. The following summary of certain relevant taxation provisions is based on laws and practices in effect as of the Latest Practicable Date, and the foregoing laws and practices are subject to change or adjustment, and may have retrospective effect, and therefore the following summary of taxation provisions does not constitute any comments or suggestions. The discussion does not cover all tax consequences that may be related to relevant investments in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special provisions. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares.

No issues on PRC or Hong Kong taxation other than income tax, capital gain and profit tax, business tax/VAT, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was most recently amended and issued on August 31, 2018, and came into force on January 1, 2019 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was most recently amended and issued on December 18, 2018, and came into force on January 1, 2019 (hereinafter collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to an individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaties.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region on 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》), which was signed by Mainland China and the Hong Kong Special Administrative Region on August 21, 2006 and came into effect on December 8, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including

natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company.

The Fifth Protocol of the Arrangement between Mainland China and the Hong Kong Special Administrative Region on 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稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, states that such provisions shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit.

In addition, the application of the dividend clause of tax agreements shall be subject to provisions of the PRC tax laws and regulations, such as the guidelines specified in the Notice of the State Taxation Administration 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)), which came into force on February 20, 2009. While determining the taxation applicable to dividends under the Arrangement, the investors shall comply with these regulations.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the National People's Congress ("**NPC**") on March 16, 2007, effective as at January 1, 2008 and amended on February 24, 2017, and December 29, 2018, and the Implementation Provisions 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 December 6, 2007, effective as at January 1, 2008 and amended in 2019 (hereinafter collectively referred to as the "**EIT Law**"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not directly connected with such establishment or place. Such withholding tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. The withholding tax may be reduced or exempted pursuant to applicable treaties for the avoidance of double taxation.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家税務總局關於中國居民企業向境外H股非居民企

業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) which was issued and implemented by the State Taxation Administration on November 6, 2008, further clarified that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on dividends paid to overseas non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stocks such as B-shares (Guo Shui Han [2009] No. 394) (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》(國税函[2009]394號)) which was issued and implemented by the State Taxation Administration on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty that China has concluded with a relevant jurisdiction.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region on 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》), which was signed by Mainland China and the Hong Kong Special Administrative Region on August 21, 2006 and came into effect on December 8, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company.

The Fifth Protocol of the Arrangement between Mainland China and the Hong Kong Special Administrative Region on 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 December 6, 2019, states that such provisions shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit.

In addition, the application of the dividend clause of tax agreements shall be subject to provisions of the PRC tax laws and regulations, such as the guidelines specified in the Notice of the State Taxation Administration 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)), which came into force on February 20, 2009. While determining the taxation applicable to dividends under the Arrangement, the investors shall comply with these regulations.

Tax Treaties

Non-PRC resident investors residing in countries or jurisdictions which have entered into treaties for the avoidance of double taxation with the PRC might be entitled to a reduction or exemption of the enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval from the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

According to the Circular on the Pilot Program for Overall Implementation of the Collection of VAT Instead of Business Tax (Cai Shui [2016] No.36) (《關於全面推開營業税改徵增值税試點的通知》(財税[2016]36號)) ("**Circular 36**"), which came into force on May 1, 2016, and was amended on July 11, 2017, December 25, 2017 and March 20, 2019, entities and individuals engaged in service sales in the PRC are subject to VAT and "engaged in service sales in the PRC" means that the service providers or service users of transactions are located in the PRC.

In addition, Circular 36 also stipulates that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue. For this purpose, taxable revenue is the balance of the sales price upon the deduction of the purchase price. This liability of VAT applies to general and foreign VAT taxpayers. It is noted that, individuals who transfer financial products are exempt from VAT, which is also stipulated in the Notice of the Ministry of Finance and the State Taxation Administration on Several Policies concerning the Exemption of Business Tax on Transactions of Individual Financial Commodities and Other Transactions (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) effective on January 1, 2009.

According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; however, if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, given that there are no explicit regulations, it is still uncertain whether non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall usually be subject to 12% of the VAT payable (if any).

Income tax

Individual Investors

According to the IIT Law, as for individuals, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. However, pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (Cai Shui Zi [1998] No. 61)) (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》 (財税字[1998]61號)) issued jointly by the Ministry of Finance and the State Taxation Administration on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises is exempted from individual income tax.

However, on December 31, 2009, the Ministry of Finance, the State Taxation Administration and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》(財税[2009]167號)). This circular came into effect on January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the **[REDACTED]** of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》(財税[2010]70號)), which was jointly issued by the above-mentioned three departments on November 10, 2010 and came into force on the same day).

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its Implementation Rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise. However, this tax only applies to the non-resident enterprise that does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable by non-resident enterprises is deducted at source, where the payer should be the withholding agent, and the income tax amount is required to be withheld from the amount to be paid by the withholding agent when every such payment is made or due. It is noted that, such tax may be reduced or exempted pursuant to applicable tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), which was issued by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to all kinds of documents having legally binding force in the PRC and protected under the PRC laws, thus PRC stamp duty shall not apply to the acquisition or disposal of H Shares outside China.

Estate duty

No estate duty has been levied in the PRC under the current PRC laws.

Enterprise Income Tax

According to the EIT Law, the enterprise income tax rate in the PRC is 25% and is in line with the rate applicable to foreign-invested enterprises and foreign enterprises.

Pursuant to the Administrative Measures for Accreditation of High and New Technology Enterprises (《高新技術企業認定管理辦法》, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance, the State Taxation Administration on April 14, 2008 and amended on January 29, 2016, and became effective on January 1, 2016, enterprises qualified as "High and New Technology enterprise" are entitled to apply for a preferential enterprise income tax rate of 15% in accordance with the relevant provisions of the EIT Law. According to the

Notice Regarding the Promotion of the Income Tax Policy for Technologically Advanced Service Enterprises to the Whole Country《關於將技術先進型服務企業所得稅政策推廣至全國實施的通知》, which was promulgated by the Ministry of Finance, the State Taxation Administration, the Ministry of Commerce, the Ministry of Science and Technology, and the National Development and Reform Commission on November 2, 2017 and went into effect on January 1, 2018, the relevant preferential policies on enterprise income tax stipulated have been effective since January 1, 2017), and recognized technologically advanced service enterprises are entitled to a reduced rate of 15% for the enterprise income tax nationwide. The education expenditures of employees in recognized technologically advanced service enterprises that do not exceed 8% of the total wages and salaries can be deducted from the taxable income. The excess is allowed to be carried forward for deduction in subsequent tax years.

VAT

Before August 2013 and pursuant to applicable Mainland China tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenue generated from providing services. However, if the services provided are related to technology development and transfer, the business tax may be exempted upon approval from the relevant tax authorities.

In November 2011, the Ministry of Finance and the State Taxation Administration promulgated the Pilot Plan for Imposition of VAT to Replace Business Tax (《營業税改徵增值税試點方案》). In May and December 2013, April 2014, March 2016 and July 2017, the Ministry of Finance and the State Taxation Administration promulgated five circulars to further expand the scope of services that are to be subject to VAT instead of business tax. Pursuant to these tax rules, from August 1, 2013, a VAT was imposed to replace the business tax in certain service industries, including technology services and advertising services, and from May 1, 2016, VAT replaced business tax in all industries, on a nationwide basis. On November 19, 2017, the State Council further amended the Interim Regulation of the People's Republic of China on VAT (《中華人民共和國增值税暫行條例》) to reflect the normalization of the pilot program. The VAT rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT rate applicable to the small-scale taxpayers is 3%. Unlike business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the revenue from services provided.

According to the Notice on Adjustment of VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值税税率的通知》(財税[2018]32號)), which was issued by the Ministry of Finance and the State Taxation Administration on April 4, 2018 and came into effect on May 1, 2018, for VAT payers' sales activities or import of goods that are subject to VAT at an existing applicable rate of 17% and 11%, the applicable VAT rate is adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), which was promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019, and came into effect on April 1, 2019, for VAT payers' sales activities or import of goods that are subject to VAT at an existing applicable rate of 16% and 10%, the applicable VAT rate is adjusted to 13% and 9%, respectively.

Hong Kong Taxation

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital gains tax and profits tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, professional services or business in Hong Kong, where such gains are derived from or arise from such trade, professional services or business in Hong Kong will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Gains of certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held as long-term investments. Trading gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arising in Hong Kong. Hong Kong profits tax shall be paid in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of each Hong Kong security (including H Shares), will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares. (in other words, a total of 0.2% is currently levied on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties to trading is

a resident outside Hong Kong and does not pay the ad valorem duty, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 (《2005年收入(取消遺產税)條例》) came into effect on February 11, 2006 in Hong Kong, pursuant to which, no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

FOREIGN EXCHANGE MANAGEMENT IN THE PRC

Renminbi ("**RMB**") is the lawful currency of the PRC, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administration Regulations**") which was issued by the State Council on January 29, 1996 and came into force on April 1, 1996, classifies all international payments and transfers into current accounts and capital accounts. Current accounts are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital accounts, overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange 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. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure. The Foreign Exchange Administration Regulations was amended on January 14, 1997 and August 5, 2008. The latest amended Foreign Exchange Administration Regulations clearly explains that China will not impose any restrictions on international payments and transfers under current accounts, while capital accounts are still subject to relevant approvals.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and came into force on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current accounts, while retaining existing regulation on foreign exchange transactions under capital accounts.

According to the Announcement of the PBOC on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (PBOC announcement [2005] No. 16) (《中國人民銀行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)), which was issued by the PBOC on July 21, 2005, the PRC has started to reform the exchange rate system and 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 since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. 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.

On August 5, 2008, the State Council promulgated the amended Foreign Exchange Administration Regulations (the "**Amended Foreign Exchange Administration Regulations**"), which has made significant changes to China's foreign exchange regulatory system. Firstly, the Amended Foreign Exchange Administration Regulations equalize the inflow and outflow of foreign capital. Foreign currency income can be repatriated from overseas to China or deposited overseas, while foreign currencies in the capital accounts and funds for foreign currency settlement can be used only for purposes as approved by the relevant competent authorities and foreign exchange administrative authorities. Secondly, the Amended Foreign Exchange Administration Regulations improves the RMB exchange rate mechanism which is based on market supply and demand. Thirdly, according to the Amended Foreign Exchange Administration Regulations, the monitoring of cross-border capital flow of foreign currencies will be strengthened, and the State may adopt necessary safeguard and control measures on international revenues and expenditure in the event that cross-border trade revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis. Fourthly, the Amended Foreign Exchange Administration Regulations strengthens the regulations and supervision of foreign currency transactions and grant various authorities to the State Administration of Foreign Exchange to enhance its supervisory and regulatory capabilities.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment 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 the designated foreign exchange bank, on the strength of valid transaction 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 (such as our Company) may, on the strength of resolutions of the Board of Directors or the general meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (Guo Fa [2014] No. 50) (《國務院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)) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the State Administration of Foreign Exchange 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 of the State Administration of Foreign Exchange on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued by the State Administration of Foreign Exchange and came into effect on December 26, 2014, a domestic company shall, within 15 working days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of the State Administration of Foreign Exchange at the place of its establishment; and the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《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》(匯發[2015]13號)), which was issued by the State Administration of Foreign Exchange on February 13, 2015 and came into effect on June 1, 2015, two administrative approval items, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, have been cancelled, and foreign exchange registration under domestic and overseas direct investment shall be directly examined and handled by banks. The State Administration of Foreign Exchange and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policies of Capital Account (Hui Fa [2016] No. 16) (《國家外匯管理局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 the State Administration of Foreign Exchange and came into effect on June 9, 2016, foreign currency earnings in capital accounts that relevant policies of discretional

settlement have been clearly implemented (including foreign exchange capital, foreign debt and repatriated funds raised through overseas listing) may be settled at the banks according to actual operational needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the State Administration of Foreign Exchange in due time in accordance with international revenue and expenditure situations.

On January 26, 2017, Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No.3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》(匯發[2017]3號)) was issued by the State Administration of Foreign Exchange to further expand the scope of settlement for domestic foreign exchange loans. According to the notice, settlement for domestic foreign exchange loans with export background under goods trading, repatriation of funds under domestic guaranteed foreign loans for domestic utilization, and settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Zone are allowed; the management model of full-coverage RMB and foreign currency overseas lending is adopted; where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the State Administration of Foreign Exchange issued the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)), which allows all foreign-invested enterprises to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment in China is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《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》) promulgated by the State Administration of Foreign Exchange on April 10, 2020 and came into force on June 1, 2020, the reform of facilitating the payments of incomes under the capital account shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income in capital accounts, qualified enterprises are allowed to use income in the capital account for domestic payment, such as capital funds, foreign debt and proceeds from overseas listing, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

This appendix sets out a summary of certain aspects of the PRC laws and regulations relevant to the operations and business of the Company. The PRC laws and regulations relating to taxation are set out in "Appendix V — Taxation and Foreign Exchange". This appendix also contains a summary of certain Hong Kong legal and regulatory provisions. For discussion of the laws and regulations that specifically govern the business of the Company, see "Regulatory Overview".

1. PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and management, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning the formulation of local regulations by cities with districts, such provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by

the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities with districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and institutions stipulated by law may formulate rules and regulations within the granted power of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws and administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities and cities with districts and autonomous regions may formulate rules and regulations, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws or decrees in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws or decrees in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules and regulations which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**PRC Civil Procedure Law**") promulgated on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each

party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the civil litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national

sovereignty or national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

The Trial Administrative Measures of Overseas Securities [REDACTED] and Listing by Domestic Companies

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities **[REDACTED]** and Listing by Domestic Companies (the "**Overseas Listing Trial Measures**"), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

Guidelines for the Articles of Association of Listed Companies

On December 15, 2023, the CSRC promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (the "**Guidelines for the Articles of Association**"). Pursuant to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its articles of association of the company with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on the main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

The PRC Company Law

The Company Law of the PRC (hereinafter referred to as the "**PRC Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994, and was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018. The latest revised PRC Company Law was implemented on July 1, 2024.

A "joint stock company" refers to a corporate legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

A joint stock company shall obey the relevant laws and administrative regulations when engaging in business activities. It may invest in other limited liability companies and joint stock companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a joint stock company shall not be jointly and severally liable for the debts of the invested enterprises in the capacity of a capital contributor.

Incorporation

A company may be incorporated by way of promotion or by raising. A company shall be incorporated by one to 200 promoters, and at least more than half of the promoters must reside in the PRC. For a company established by way of promotion, its registered capital is the total share capital subscribed for by all the promoters registered with the company registration authority. No shares shall be raised from others before the shares subscribed for by the promoters are fully paid up. For a company established by raising, not less than 35% of its total number of shares that shall be issued at the time of the establishment as stipulated in the articles of association of the company must be subscribed for by the promoters. However, where laws and administrative regulations provide otherwise, such provisions shall prevail.

For companies incorporated by way of promotion, the promoters shall fully subscribe for the shares to be issued upon the establishment of the company as stipulated in the articles of association. Where capital is contributed in the form of non-monetary assets, the non-monetary property used as capital shall be appraised and verified, and shall not be over- or under-valued. If there are provisions in the laws and administrative regulations on valuation, such provisions shall apply. The promoter shall pay the full amount of the shares subscribed for by the promoter before the establishment of the company, and if the promoter fails to pay the full amount of the capital contribution by the due date, in addition to paying the full amount of the capital contribution to the company, the promoter shall also be liable to compensate the company for the losses caused to the company.

Where joint stock companies are established by raising, the shares subscribed by the promoters shall not less than 35% of the total number of shares to be issued upon the establishment of the company as stipulated in the articles of association of the company, unless otherwise provided for by laws or administrative regulations. A document shall be published and a subscription letter shall be prepared when the promoters openly solicits shares from the public. The subscription letter shall be filled in by the subscriber with the number of shares to be subscribed, amount, address, and signed and sealed. The subscribers shall pay up monies for the shares they subscribe for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an **[REDACTED]** agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall

receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters of joint stock companies established by raising shall convene an inaugural meeting within thirty days from the date on which the subscription monies for the shares to be issued upon the establishment of the company has been fully paid up. The promoter shall notify the subscribers of the date of the meeting or make a public announcement thereof fifteen days prior to the convening of the inaugural meeting. The inaugural meeting shall be held in the presence of a majority of the subscribers holding voting rights. Within 30 days of the conclusion of the inauguration meeting, the board of directors shall apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after approval of registration has been given by the company registration authority and a business license has been issued. After the establishment of the company, the board of directors shall verify the capital contributions of the shareholders, and if it is found that the shareholders have not paid the capital contributions stipulated in the articles of association of the company in full and on time, a written reminder shall be issued by the company to such shareholders to call for the payment of the capital contributions.

The promoters of a company shall:

(I) individually and jointly be liable for the payment of all liabilities and expenses incurred in the incorporation process if the company cannot be incorporated;

(II) individually and jointly be liable for the repayment of subscription monies paid by subscribers together with interest at bank rates of a deposit for the same period if the company cannot be incorporated;

(III) be liable for the civil liabilities arising from the civil activities carried out by the promoter in their own names in order to incorporate the company in the course of incorporation of a company, which is requested by the option of the third party; and

(IV) in the course of incorporation of a company, if the promoters cause damage to another person as a result of the performance of their duties in the incorporation of the company, the company or the promoter who is not at fault may, after assuming the liability, recover the compensation from the promoter who is at fault.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights or equity interests or debentures which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation and verification of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation.

The capital of a company is divided into shares. All the shares of the company are either par value or non-par value shares, according to the provisions of the articles of association. In the case of par value shares, each share has an equal amount. The company may convert all issued par value shares into non-par value shares or all non-par value shares into par value shares in accordance with the provisions of the articles of association. In the case of non-par value shares, more than one-half of the proceeds from the issuance of shares shall be credited to the registered capital.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber (whether an entity or an individual). The offering price of par value share certificates may be equal to or greater than the nominal value of the share, but may not be less than the nominal value.

Increase in Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a general meeting. In addition, the Securities Law of the PRC (the "**PRC Securities Law**") also stipulates the following conditions for the company's **[REDACTED]** of new shares:

(I) have a sound organisational structure with satisfactory operating;

(II) have the capability of sustainable operation;

(III) have been issued with an unqualified opinion audit report by the auditor for the company's financial and accounting reports in the latest three years;

(IV) the issuer and its controlling shareholder(s) and actual controllers do not have criminal record during the past three years for corruption, bribery, encroachment of assets, misappropriation of assets or disruption of socialist market economy order; and

(V) other conditions required by the securities regulatory authorities of the State Council as approved by the State Council. After the new shares issued by the company have been fully paid up, the change must be registered with the company registration authority and a public announcement shall be made.

Reduction of Share Capital

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

(I) the company shall prepare a balance sheet and an inventory of properties;

(II) make a resolution at a general meeting to reduce the registered capital;

(III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and

(V) the company must apply to the company registration authority for a change in registration.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

(I) reduction of the registered capital of the company;

(II) merger with another company that holds its shares;

(III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;

(IV) request from shareholders who object to a resolution of a general meeting on merger or division of the company to acquire their shares by the company;

(V) use of shares for conversion of convertible corporate bonds issued by the listed company; and

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a general meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the board of directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the general meetings.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the company's total issued shares, and shall be transferred or deregistered within three years.

A listed company acquires its own shares shall perform their obligation of information disclosure according to the provisions of the PRC Securities Law. A listed company acquires its own shares under any of the circumstances stipulated in item (III), item (V) and item (VI) hereof, shall be carried out trading in public and centralized manner.

A company shall not accept its own shares as the subject matter of a mortgage.

Transfer of Shares

Shares held by shareholders may be transferred legally. Under the PRC Company Law, a shareholder should effect a transfer of his share on the stock exchange established in accordance with laws or by other means as required by the State Council. The transfer of registered share certificates by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of registered share certificates, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be

registered within 20 days before the convening of a general meeting or five days prior to the base date on which the company decides to distribute dividends. However, where there are separate provisions by law on the change of registration in the register of members of listed companies, those provisions shall prevail. The transfer of bearer share certificates shall become effective upon the delivery of the certificates to the transferee by the shareholder.

Pursuant to the PRC Company Law, shares issued prior to the **[REDACTED]** of the company's shares may not be transferred within one year from the date on which the company's share certificates are listed and traded on the Stock Exchange, provided that where laws, administrative regulations or the securities regulatory authorities under the State Council provide otherwise in respect of the transfer by shareholders or actual controllers of a listed company of the shares in the company held by such shareholders or actual controllers, such provisions shall prevail. Directors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year; they shall not transfer the shares of the company they hold within one year of the date of the company's **[REDACTED]** on the Stock Exchange, nor within six months after they leave their positions in the company. The articles of association of the company may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors and the senior management.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its unlisted domestic shares applying to convert its unlisted domestic shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

(I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;

(II) to petition the people's court to revoke any resolution of a general meeting or a general meeting and a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the

laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;

(III) to transfer his/her shares legally;

(IV) to attend or appoint a proxy to attend general meetings and exercise the voting rights;

(V) to inspect the Articles of Association of the company, share register, counterfoil of company debentures, the minutes of general meetings, resolutions of board meetings resolutions of the supervisory committee meetings and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

(VI) to receive dividends in respect of the number of shares held;

(VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and

(VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

Pursuant to the Overseas Listing Trial Measures, a domestic company offering and listing overseas shall file with the CSRC as per requirement of this Measures, submit relevant materials that contain a filing report and a legal opinion, and provide truthful, accurate and complete information on the shareholders, etc.

General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the relevant provisions of the PRC Company Law. The general meeting may exercise its powers:

(I) to elect and replace the directors and to decide on the matters relating to the remuneration of directors;

(II) to consider and approve the reports of the board of directors;

(III) to consider and approve the reports of the supervisory committee;

(IV) to consider and approve the company's profit distribution and loss recovery proposals;

(V) to decide on any increase or reduction of the company's registered capital;

(VI) to decide on the issue of corporate bonds;

(VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(VIII) to amend the articles of association;

(IX) to exercise other authority stipulated in the articles of association.

The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a general meeting is required to be held once a year. An extraordinary general meeting is required to be held within two months upon the occurrence of any of the following:

(I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;

(II) the total outstanding losses of the company amounted to one-third of the company's total paid-in share capital;

(III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary general meeting;

(IV) the board of directors deems necessary;

(V) the supervisory committee so proposes; or

(VI) other circumstances as provided for in the Articles of Associations of the company.

The general meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. Where the Chairman is unable or fails to perform his duty, the general meetings shall be presided over by the vice chairman; where the vice chairman is unable or fails to perform his duty, the general meetings shall be presided over by a director jointly elected by no less than one half of the members of the board of directors. Where the board of directors is unable or fails to perform its duty in convening a general meeting, the supervisory committee shall timely convene and preside over such meeting. Where the supervisory committee fails to convene and preside over such meeting, shareholders who, individually or jointly, holding no less than 10% of the Company's total shares for no less than 90 consecutive days may independently convene and preside over the general meeting.

According to the PRC Company Law, to convene a general meeting, Company shall notify all shareholders of the time, place and matters to be considered at the meeting 20 days before the date of the general meeting; an extraordinary general meeting shall be notified to all shareholders 15 days before the date of meeting. Shareholders individually or jointly holding 1% or more of the Company's shares can make a provisional proposal in writing to the board of directors 10 days before the date of shareholders' general meeting; the board of directors shall notify other shareholders within 2 days after the receipt of such proposal and table the provisional proposal to the general meeting for consideration. The contents of the provisional proposal shall fall within the scope of duties of the general meeting, with clear topics and specific resolutions. A general meeting shall not make any resolution in respect of any matter not stated in the two above-mentioned notices of meeting.

According to the PRC Company Law, shareholders present at general meeting have one vote for each share they hold, save that shares held by the Company are not entitled to any voting rights.

According to the provisions of the Articles of Association of the company or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors at the general meetings. Under the accumulative voting system, when the general meeting elects directors, each share shall be entitled to vote equivalent to the number of directors to be elected and the voting rights owned by shareholders can be used collectively. According to the PRC Company Law, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, when the general meeting makes a decision to modify the Articles of Association of the company, or to increase or reduce the registered capital, or a resolution about the merger, split-up, dissolution or change of the company form, such resolutions shall be adopted by shareholders representing two-thirds or more of the voting rights of the shareholders in presence. Where the PRC Company Law and the Articles of Association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company and the other matters must be approved by way of resolution of the

general meeting, the board of directors shall convene a general meeting promptly to vote on such matters by general meeting. Shareholders may entrust a proxy to attend shareholders' general meetings on his or her behalf by a power of attorney which sets forth the scope of exercising the voting rights.

Minutes shall be prepared in respect of matters considered at the general meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the power of attorney.

Board of Directors

A company shall have a board of directors, which shall consist of 3 or more members. For a company with more than 300 employees, members of the board of directors shall include staff representatives, who shall be democratically elected by the company's staff at a staff representatives' meeting, general staff meeting or otherwise. The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors during his/her term of office results in the number of directors being less than the quorum.

According to the provisions of the PRC Company Law, the board of directors may exercise the following powers:

(I) to convene general meetings and report on its work to the general meetings;

(II) to implement the resolutions adopted at the general meetings;

(III) to decide on the company's operational plans and investment proposals;

(IV) to formulate the company's profit distribution proposals and loss recovery proposals;

(V) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(VI) to formulate proposals for the merger, division, dissolution of the company or change in the form of the company;

(VII) to decide on the setup of the company's internal management organs;

(VIII) to decide on appointment or dismissal the manager of the company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the company's deputy general manager and financial officer and his/her remuneration matters;

(IX) to formulate the company's basic management system; and

(X) other authority stipulated in the articles of association or granted by the general meetings.

Board meetings shall be convened at least twice a year. Notice of meeting shall be given to all directors 10 days before the meetings. Interim Board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the Board meeting. The board of directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors. Board meetings shall be held only if more than one half of the Directors are present. Resolutions of the board of directors shall be passed by more than one half of all Directors. Resolutions of the board of directors shall be passed on a one person one vote basis. The Directors shall attend a Board meeting in person. If a director is unable to attend for any reasons, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf. The board of directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the board of directors violates any laws, administrative regulations or the Articles of Association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

According to the provisions of the PRC Company Law, the following person may not serve as a Director of the company:

(I) devoid of or with restricted civil conduct ability;

(II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; and within two years after the date of the completion of the probation period if probation is announced;

(III) within three years after insolvency and liquidation of such company or enterprise where the person acted as a directors, factory manager or manager and has been held accountable for the insolvency;

(IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and

(V) has been listed as a defaulter by a People's Court since he/she is liable to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

According to the provisions of the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over Board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

A joint stock limited company may, as stipulated in its articles of association, establish an Audit Committee within the board of directors composed of directors to exercise the functions and powers prescribed for the supervisory committee by the PRC Company Law, without establishing a supervisory committee or supervisor. The Audit Committee shall be composed of three or more members, and more than half of all the members shall not hold positions in the company other than as directors and shall not have any relationship with the company that may affect their independent and objective judgment. Staff representatives in the board of directors of the company may serve as the members of the Audit Committee. When the Audit Committee makes a resolution, it shall be approved by more than half of all the members of the Audit Committee. When voting on

resolutions of the Audit Committee, one member shall have one vote. The methods of deliberation and voting procedures of the Audit Committee shall be prescribed by the articles of association, except as provided in the PRC Company Law.

The company may establish other committees of the board of directors as provided in the articles of association.

Manager and Senior Management

According to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager, who is responsible to the board of directors, may exercise his/her functions and powers in accordance with the provisions of the articles of association or as authorized by the board of directors. The Manager shall attend the Board meetings. The board of directors may decide that a member of the board of directors shall concurrently serve as the Manager.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors, General Manager and Other Senior Management

Directors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the Articles of Association, and carry out their duties of loyalty and diligence. Directors and senior management are prohibited from abusing their authority in accepting bribes or other unlawful income and from embezzling the company's property.

In the meantime, directors and senior management are prohibited from:

(I) embezzling the company's property and misappropriating company's funds;

(II) depositing company funds into accounts under their own names or the names of other individuals;

(III) using his/her authority to engage in bribery or accept other illegal income;

(IV) accepting and possessing commissions paid by a third party for transactions conducted with the company;

(V) unauthorized disclose of confidential information of the company; and

(VI) other acts in violation of their duty of loyalty to the company.

Income generated by directors or senior management in violation of aforementioned shall be returned to the company.

A director or senior management who contravenes the law, administrative regulation or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director or senior management is required to attend a general meeting, such director or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish with relevant facts and information to the audit committee without obstructing the exercise of functions and powers by the audit committee or its members.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court. Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the board of directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the supervisory committee or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the provisions described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

The Overseas Listing Trial Measures stipulates that the filling materials for overseas listing of domestic enterprises shall be true, accurate and complete, and shall not contain false records, misleading statements or material omissions. Domestic enterprises and their controlling

shareholders, de facto controllers, directors and senior management shall fulfill their obligations of information disclosure in accordance with the law, be honest, trustworthy, diligent and responsible and ensure that the filling materials are true, accurate and complete.

Finance and Accounting

According to the regulations of the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual general meeting. A joint stock company that makes public stock offerings must announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund, however, when the cumulative amount of the common reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a general meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association of the company.

Profits distributed to shareholders by a resolution of a general meeting or the board of directors before losses have been made up and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the company, and if any loss is caused to the company, the shareholders and the directors and senior management who are responsible for such distribution shall be liable for compensation. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

Premiums from shares issued by a company at an issue price above their nominal value and other revenues required by the financial departments of the State Council to be stated as capital common reserve fund shall be accounted for as the capital common reserve fund of the company.

The common reserve fund of a company shall be applied to make up the company's losses, expand its production and operations or convert it into an increase in its capital. If a company's losses are to be covered by the common reserve fund, the company shall first utilize the discretionary common reserve fund and the statutory common reserve fund; if the losses still cannot be covered, the company may utilize the capital common reserve fund in accordance with the regulations. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's assets shall not be deposited in any account opened under the name of an individual.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a general meeting, the board of directors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the general meeting, the board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

The Overseas Listing Trial Measures require that securities companies and law firms should conduct adequate verification of the filing materials of overseas listed enterprises.

Profit Distribution

According to PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided. At the same time, the Overseas Listing Trial Measures stipulate that domestic enterprises may raise funds and pay dividends in foreign currencies or RMB for overseas offerings and listings.

Amendment to Articles of Association

Pursuant to PRC Company Law, the resolution of a general meeting of the company regarding any amendment to a company's Articles of Association must affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association of the company approved by the resolution of the general meeting are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

(I) upon expiry of term of business stipulated in the Articles of Association of the company or occurrence of other circumstances of dissolution stipulated in the Articles of Association of the company;

(II) the general meeting has resolved to dissolve the company;

(III) the company is dissolved by reason of its merger or division;

(IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(V) Where the company encounters serious difficulties in its operations and management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing more than 10% of the voting rights of all shareholders of the company, and the people's court shall dissolve the company in accordance with the circumstances.

If the company is dissolved as provided above, it shall publish an announcement for dissolution in the National Enterprise Credit Information Publicity System within 10 days.

If the company has any of the circumstances described in paragraph (1) and (II) above and has not yet distributed its assets to its shareholders, it may carry on its existence by amending Articles of Association or by the resolution at a general meeting. The amendments to the Articles of Association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (I), (II), (IV) or (V) above, it should establish a liquidation team within 15 days of the date on which the dissolution matter occurs and commence the liquidation. The members of liquidation team shall be composed of directors, unless otherwise elected by the Articles of Association or by the resolution at a general meeting. If a liquidation team is not established within the prescribed period, interested parties may file an application with a people's court to appoint relevant personnel to form a liquidation team to conduct the liquidation. The people's court should accept such application and form a liquidation team to conduct liquidation in a timely manner.

The liquidation team may exercise following duties and powers during the liquidation:

(I) to liquidate the company's assets and to prepare a balance sheet and an inventory of assets;

(II) to inform creditors by notice or announcement;

(III) to deal with and liquidate any relevant unfinished businesses of the company;

(IV) to pay all outstanding taxes and the taxes arising during the liquidation process;

(V) to settle claims and debts;

(VI) to allocate the company's remaining assets after its debts have been paid off; and

(VII) to represent the company in civil lawsuits activities.

The liquidation team shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation team within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors declaring a claim shall explain matters relating to their claims and provide evidential materials. The liquidation team shall register the creditor's claims. In the claims declaration period, the liquidation team shall not make repayment to the creditors.

Upon disposal of the company's assets and preparation of the required balance sheet and inventory of assets, the liquidation team shall draw up a liquidation plan and submit this plan to a general meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's assets shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's assets and preparation of the required balance sheet and inventory of assets, if the liquidation team becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following a company is declared bankrupt by the people's court, the liquidation team shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation of the company, the liquidation team shall prepare a liquidation report and submit it to the general meeting or a people's court for confirmation and the company registration authority to apply for cancelation of the company's registration, and an announcement of its termination shall be published. Members of the liquidation team are required to discharge their duties in good faith and perform their liquidation obligation in compliance with laws. Members of the liquidation team shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from embezzling the company's properties. Members of the liquidation team are liable to indemnify the company or its creditors in respect of any loss of the company or its creditors arising from their willful or material default. Furthermore, if the company is declared bankrupt according to laws, liquidation of a company bankrupt shall be processed in accordance with the relevant laws on corporate bankruptcy.

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock company incorporated in the territory of PRC. The indirect overseas offering and listing

of domestic companies refer to such overseas offering and listing made in the name of an entity registered abroad but based on the equity, assets, earnings, or other similar interests of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

(I) the listing and financing fall under specific prohibiting in the laws, administrative regulations, or relevant national provisions;

(II) the overseas offering and listing may constitute endangers to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

(III) the domestic company or its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

(IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;

(V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial **[REDACTED]** to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application document is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

(I) change in controlling rights;

(II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;

(III) changing the listing status or transferring the listing board;

(IV) voluntary or compulsory termination of a listing.

Pursuant to the Notice on Administrative Arrangements for Filing Concerning Overseas Issuance and Listings by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》), which was promulgated by the CSRC on February 17, 2023 and came into effect on the same date, a domestic enterprise which has been issued and listed overseas before March 31, 2023 as stock enterprise ("**stock enterprise**"). The stock enterprise shall not need to file immediately, but the enterprise shall file as required if it involves the file matters such as refinancing subsequently. For the purpose of the domestic enterprise that has been granted approval letter by the CSRC for the overseas public raised shares and listing (including issuance of additional shares) by a joint stock company, the domestic enterprise may continue to promote overseas issuing and listing upon the expiration of the validity of the approval letter. The domestic enterprise shall file as required if it has not completed overseas issuing and listing upon the expiration of the validity of the approval letter.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings 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》), which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or publicly discloses or through its overseas listed entity, provides or publicly discloses to relevant entities including securities companies, securities service providers and overseas regulators and individuals, any document and materials that contain state secrets or working secrets of government agencies, shall obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

Under the PRC Company Law, if companies merge, a merger agreement shall be signed and the relevant companies shall prepare their respective balance sheets and asset lists. The companies are required to notify their respective creditors within 10 days from the date of passing the merger resolution and publish a merger announcement in newspapers within 30 days. Within 30 days from the date of receipt of the notification or 45 days from the date of the announcement if no notification has been received, the creditors may demand the companies to settle any outstanding debts or to provide guarantees accordingly.

In case of a merger, the debts and liabilities of the merging parties shall be assumed by the surviving or the newly established company. In case of a division, the company's assets shall be divided accordingly and balance sheets and asset lists shall be prepared. If the resolution for the demerger of the company is passed, the company shall notify all its creditors within 10 days from the date of passing the said resolution and shall announce the demerger in the newspapers within 30 days. The relevant liabilities of the company prior to the demerger (unless the company has reached a written agreement with its creditors on the settlement of the pre-demerger liabilities) shall be assumed jointly by the demerged company, except for those otherwise agreed by the company in a written agreement with its creditors on the settlement of the liabilities prior to the demerger.

Changes in registration arising from merger or demerger of a company shall be registered with the relevant Administration for Industry and Commerce.

The PRC Securities Laws, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities-related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating **[REDACTED]** of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures relating to the **[REDACTED]** of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The PRC Securities Law took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively, with the latest revised the PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing and trading of their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**PRC Arbitration Law**") was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreements by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including but not limited to the composition of the arbitration committee in violation of the legal procedures, or the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "**New York Convention**"), adopted on June 10, 1958 pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including violations of the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (I) the PRC will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People's Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which came into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by mainland arbitral authorities acknowledged by Hong Kong can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the mainland China. Where a court of the mainland finds that enforcement in the mainland of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland, execution of the ruling may be ignored.

Judicial Judgment and its Enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final

judgment, defined with payment amount and enforcement power, made between the court of Mainland China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Written jurisdiction agreement" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of China or the court of the Hong Kong Special Administrative Region in order to resolve any dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meets certain conditions of the aforementioned regulations. On 18 January 2019, a further arrangement was reached between Hong Kong Special Administrative Region and the Supreme People's Court, Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which became effective and replace the Arrangement on 29 January 2024, privileged that "Written jurisdiction agreement" reached under the Arrangement before 29 January 2024 will still apply. This New Arrangement further stipulates the scope and content of judgments applicable to the reciprocal recognition and enforcement and corresponding procedures and methods for applying, the circumstances concerning review, non-recognition and enforcement upon the jurisdiction of the court of first instance and the means of remedy. Non-monetary judgments and judgments on some intellectual property cases are included in the reciprocal recognition and enforcement of judgments in accordance with this New Arrangement.

2. MATERIAL DIFFERENCES BETWEEN CERTAIN ASPECTS OF CORPORATION LAW IN THE PRC AND HONG KONG

The Hong Kong laws applicable to a company incorporated in Hong Kong is based on the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and are supplemented by common law and the rules of equity that are applicable to Hong Kong. As a joint stock company established in the PRC, the Company is governed by the PRC Company Law and all other applicable rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of material differences between Hong Kong law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock company incorporated and existing under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

Under the Hong Kong law, a company with share capital, shall be incorporated by the Registrar of Companies in Hong Kong by issuing certificate of incorporation and the company will acquire an independent corporate existence. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain pre-emption provisions. A public company's articles of association do not contain such provisions.

Under the PRC Company Law, a joint stock company may be incorporated by promotion or subscription.

Hong Kong law does not provide for minimum capital required for companies in Hong Kong.

Share Capital

No authorized share capital is required under the laws of Hong Kong. The share capital of the Hong Kong company is issued share capital. All proceeds from the issue of shares will be credited to the share capital and will form part of the share capital of a company. The directors of the Hong Kong company may issue new shares of the company with the prior approval of the shareholders (if necessary).

The PRC Company Law also does not provide for authorized share capital. The registered capital is the amount of our issued share capital. Any increase in registered capital shall be approved by the general meetings and filed with the relevant PRC government and regulatory authorities.

Under the PRC Company Law, shareholders may make capital contributions in the form of money or appraised non-monetary assets including real objects, intellectual property and land use right which can be appraised in money and transferred according to laws. Non-monetary assets to be used as capital contributions must be appraised and verified and should not be overvalued or undervalued. There is no such restriction on a Hong Kong company under Hong Kong law.

Restrictions on Transfer of Shares

Under PRC law, a joint stock company's domestic shares, which are denominated and subscribed for in Renminbi, in the share capital, generally may only be subscribed for and traded by the State, PRC legal persons, natural persons or other investment institutions permitted by laws and regulations. Overseas listed shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong

Kong, Macau or Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. If H shares are qualified securities of the Hong Kong Stock Connect, the said shares may also be subscribed for or traded by Chinese investors based on a limited amount according to rules of the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Upon the completion of the filing procedures of CSRC for Full Circulation Application, the domestic unlisted shares of the H-share listed company might be listed and circulated on the Hong Kong Stock Exchange.

Under the PRC Company Law, a promoter of a joint stock company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares issued prior to the **[REDACTED]** cannot be transferred within one year from the **[REDACTED]** of the shares of the company on a stock exchange. Shares in a joint stock company held by its directors and senior management transferred each year during their term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot be transferred within one year from the **[REDACTED]** of the shares, and also cannot be transferred within half a year after such persons have left office. The Articles of Association may set other restrictive requirements on the transfer of the company's shares held by its directors and senior management.

There are no such restrictions on shareholdings and transfers of shares under Hong Kong law apart from (i) six-month lock-up period on the company's issue of additional shares and (ii) the 12-month lock-up period on controlling shareholders' disposal of shares after listing.

Financial Assistance for Acquisition of Shares

The PRC Company Law does not prohibit or restrict a joint stock company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares. However, Guidelines for the Articles of Association stipulates that, the company (including its subsidiaries) shall not give any financial assistance, in the forms of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the company.

Notice of General Meetings

Under the PRC Company Law, notices of an annual general meeting and an extraordinary general meeting of the joint stock company must be given to shareholders 20 days and 15 days before the meeting, respectively. For a limited liability company incorporated in Hong Kong, the minimum period of notice is 14 days in case of other shareholders' meetings other than annual general meeting and 21 days in the case of an annual general meeting.

Quorum for General Meetings

Under Hong Kong Company Law, the quorum for a general meeting must be two members unless the Articles of Association of the company otherwise provide. For companies with only one member, the quorum must be one member. The PRC Company Law does not specify any quorum requirement for a general meeting.

Voting at General Meeting

Under the PRC Company Law, the passing of any resolution of a general meeting requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting in person or by proxy except in cases of resolutions on amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing not less than two-thirds of the voting rights represented by the shareholders who attend the general meeting in person or by proxy.

Under Hong Kong law, (i) an ordinary resolution may be passed by a simple majority of affirmative votes of the shareholders who attend the general meeting in person or by proxy, and (ii) a special resolution may be passed by no less than three fourths of affirmative votes of the shareholders who attend the general meeting in person or by proxy.

Variation of Class Rights

The PRC Company Law makes no specific provision relating to variation of class rights. However, the PRC Company Law states that the State Council can otherwise promulgate requirements relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied unless:

(I) If there are provisions in the Articles of Association relating to the variation of those rights, then in accordance with those provisions;

(II) If there are not relevant provisions in the Articles of Associations, then (a) with the consent in writing of at least three fourths of the total voting rights of holders of the relevant class of shares, or (b) with the approval of a special resolution of the holders of the relevant class of shares at a separate meeting.

Directors

The PRC Company Law, unlike Hong Kong law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' rights to carry out major disposals or companies providing certain benefits, or prohibitions against compensation for loss of office without shareholders' approval. The PRC Company Law restricts the directors of a listed company who have interests or associations in the enterprises involved in the resolution of the board meetings from voting on the said resolution. All the above provisions have been incorporated in the Articles of Association, which are summarized in Appendix IV.

Derivative Action by Minority Shareholders

Hong Kong law permits minority shareholders to initiate a derivative action on behalf of all shareholders against directors who have committed a breach of their fiduciary duties to the company if the directors control a majority of votes at a general meeting, thereby effectively preventing a company from suing the directors in breach of their fiduciary duties in its own name.

Pursuant to the PRC Company Law, in the event that the directors, senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court. If the supervisors are involved in the aforesaid circumstance, the above said shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of such written request from the shareholders, if the supervisory committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding will cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the court in their own name.

The Guidelines for the Articles of Association of Listed Companies also stipulates that, in the event that the directors or senior management violate laws, administrative regulations or the Articles of Association in the course of performance of their duties, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court; in the event that supervisory committee violate laws, administrative regulations or the Articles of Association in the course of performance of their duties, thereby causing damages to the company, shareholders may send written request to the board of directors to initiate proceedings in the people's court. Where any director or senior

management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may initiate proceedings in the people's court.

Protection of Interests of Minority Shareholders

Under Hong Kong law, the company may be wound up by the court if the court considers that it is just and equitable to do so, in addition, a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his/her interests may petition to the court to either wind up the company or make an appropriate order regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong.

The PRC Company Law stipulates that if the company's operation and management are seriously distressed and continuous existing will cause significant losses to shareholders' interests and cannot be resolved through other channels, shareholders holding more than 10% of the company's shareholders' voting rights may request the people's court to dissolve the company. The Guidelines for the Articles of Association of Listed Companies, however, contains provisions requiring controlling shareholders and ultimate controllers of a company shall have a duty of care to the company and the public shareholders of the company. Controlling shareholders shall exercise investors' rights in strict accordance with the law and shall not damage the lawful interests of a company or of the public shareholders of the company in any way such as via the distribution of profits, the asset reorganization, external investments, the occupying of company funds or the provision of a loan guarantee, nor shall they abuse their controlling positions to damage the interests of the company or of the public shareholders of the company.

Financial Disclosure

Under the PRC Company Law, a joint stock company is required to make its financial reports available at the company for inspection by shareholders 20 days before its annual general meeting. In addition, a company of which the shares are publicly offered must publish its financial reports in accordance with the PRC Company Law. A company shall prepare its financial and accounting reports at the end of each fiscal year, and submit the same to be audited by certified public accountants as required by law.

The Companies Ordinance requires a company to send to every shareholder a copy of its balance sheet, auditors' report and directors' report, which are to be presented at its annual general meeting, not less than 21 days before such meeting.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect the Articles of Association, minutes of the general meetings and financial and accounting reports. Under the Articles of Association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and directors which is similar to the shareholders' rights of Hong Kong companies under Hong Kong law.

Dividend and Receiving Agent

Under the Hong Kong law, dividends once declared are debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC law this limitation period is three years.

Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to Section 237 of the Companies (Winding up and Miscellaneous Provisions) Ordinance or a compromise or debt repayment arrangement between the company and creditors or between the company and shareholders under Section 673 and Section 674 of the Companies Ordinance, which requires the sanction of the court. In addition, pursuant to the Companies Ordinance, subject to the shareholders' approval, an intra-group wholly-owned subsidiary company may also be amalgamated horizontally or vertically.

Under PRC law, merger, division, dissolution or change the form of a joint stock company has to be approved in the general meetings by shareholders.

Arbitration of Disputes

In Hong Kong, disputes between shareholders and a company or its directors, managers and other senior management may be resolved through the courts. The Guidelines for the Articles of Association of Listed Companies provide that shareholders may sue directors, managers and other senior management of the company, and shareholders may sue the company, and the company may sue its shareholders, directors, managers and other senior management.

Statutory Deduction

Under the PRC Company Law, a joint stock company is required to make transfers equivalent to certain prescribed percentages of its after-tax profit to the statutory common reserve fund. There are no corresponding provisions under Hong Kong law.

Remedies of the Company

Under the PRC Company Law, if a director or senior management violate the provisions of laws, administrative regulation or the Articles of Association in performance of duties to the company, which results in damage to the company, that director or senior manager shall be liable for compensation. In addition, the company's remedies are similar to those available under Hong Kong law (including rescission of the relevant contract and recovery of profits from a director or senior management), in line with the Listing Rules.

Fiduciary Duties

In Hong Kong, there is the common law concept of the fiduciary duty of directors. Under the PRC Company Law, directors and senior management are subject to obligations of loyalty and diligence. Under the Guidelines for Articles of Association, directors shall not conclude any contract or engage in any transaction with a company either in violation of the provisions of the Articles of Association of the company or without the approval of the general meetings.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days under certain circumstances) in a year, whereas, as required by the PRC Company Law, change of the register of shareholders arising from share transfer shall not be registered within 20 days before convening of a general meeting or within 5 days prior to the base date on which the company decides to distribute dividends.

Any person wishing to have detailed advice on PRC laws or the laws of any jurisdiction is recommended to seek independent legal advice.

This appendix sets out summaries of the main clauses of our Articles of Association adopted on November 5, 2025 and the Articles of Association shall come into force from the date when the publicly issued H Shares of the Company are listed for trading on the main Board of the Hong Kong Stock Exchange. As the main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important for potential investors. As discussed in the appendix headed "Appendix VIII — Documents Delivered to the Registrar of Companies and Available on Display" to this document, the full document of the Articles of Association in Chinese is available for examination.

DIRECTORS AND BOARD OF DIRECTORS

Power to dispose of our Company's or any of our subsidiaries' assets

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, related-party transactions and external donations, and establish strict review and decision-making procedures; and material investment projects shall be reviewed by relevant experts and professionals and reported to the general meeting for approval. The Board's decision-making authority of the Company's external investment, acquisition and sale of assets, asset mortgage and pledge, external guarantee matters, entrusted financial management, related-party transactions, external donations and other matters is as follows:

(I) To decide on external guarantee matters other than those required to be reviewed and approved by the general meeting as stipulated by laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association. When the Board reviews a guarantee matter, such matter must be reviewed and approved by more than two-thirds of the Directors present at the Board's meeting.

(II) To decide on the related-party transaction between the Company and connected person if any of the percentage ratios (other than profit ratios) for a transaction on normal commercial terms or on better terms of such related-party transaction, meets all of the following horizontal cut-off requirements:

1. 0.1% or more;

2. 1% or more if the transaction is a connected transaction solely because it involves a "connected person" at the "subsidiary" level; and

3. 5% or more if the total consideration (in the case of "financial assistance", the aggregate amount of the "financial assistance" together with any pecuniary benefit paid to the connected person or jointly held entity) is also HK$3 million or more;

   Provided that any percentage ratio (other than a profit ratio) for a transaction on normal commercial terms or better terms meets all the following horizontal cut-off requirements, it shall be submitted to the general meeting for consideration:

   1. 4.5% or more; and

   2. 25% or more if the total consideration (and in the case of financial assistance, the aggregate amount of the financial assistance together with any pecuniary benefit paid to the connected person or jointly held entity) is also HK$10 million or more,

(III) To decide on the following transactions (except for the provision of guarantees):

1. the total assets involved in the transaction account for more than 5% of the total value of the company's assets as set out in its annual accounts or its most recently published interim report;

2. the operating revenue of the object of the transaction (such as equity) for the latest accounting year accounts for more than 5% of the company's audited operating revenue for the latest accounting year;

3. the net profit related to the object of the transaction (such as equity) for the latest accounting year accounts for more than 5% of the company's audited net profit for the latest accounting year;

4. the transaction consideration represents 5% or more of the average of the market capitalization of the company over the five days preceding the transaction date;

5. if the company uses equity as the transaction consideration, the number of shares used as consideration represents 5% or more of the total number of shares of the company;

6. any other matters that are required to be submitted to the Board for approval under the Hong Kong Listing Rules or relevant laws and regulations.

When a company is not profitable, consideration should be given to whether an alternative net profit indicator can be selected or the application of the foregoing net profit indicator can be waived.

The above transactions are defined in Article 45, Paragraph 3 of the Articles of Association. The above transactions shall be submitted to the Shareholders' meeting for deliberation and approval after the Board of Directors' deliberation and approval if such matters are required to be submitted to the Shareholders' meeting for deliberation and approval as stipulated in the laws, regulations, regulatory documents, the rules of the place where the Company's Shares are listed, and the Articles of Association.

Compensation or payments for loss of office

Not applicable.

Loans to Directors

The Articles of Association do not contain any specific provision in respect of loaning to Directors. However, if the loans to Directors is a significant matter such as a connected transaction under the Articles of Association, it shall be strictly in accordance with the relevant system to fulfill the decision-making procedures to be reviewed by the Board of Directors or be reported to the general meeting for approval.

Disclosure of interests in contracts with our Company or any of our subsidiaries

Directors who directly or indirectly enter into a contract or a transaction with the Company shall report to the Board of Directors or at the general meeting on matters related to entering into the contract or transaction, which shall be approved by a resolution of the Board of Directors or the at the general meeting in accordance with the provisions of the Articles of Association.

The provisions of the preceding paragraph shall apply to entering into contracts or transactions with the Company by close family members of the Directors, enterprises directly or indirectly controlled by the Directors or their close family members, and associates who have other affiliations with the Directors.

Provision of financial assistance to purchase the Shares of our Company or any of our subsidiaries

The Company or its subsidiaries (including its affiliates) shall not provide any financial assistance to those who purchase or intend to purchase the Company's Shares in the form of gifts, advances, guarantees, compensations, or loans.

Remuneration

The appointment and removal of the members of the Board of Directors, as well as their remuneration and payment methods, shall be adopted by the general meeting by ordinary resolution.

Retirement, appointment, removal

The Company sets up the Board of Directors which shall be responsible for the general meeting of Shareholders. The Board of Directors shall consist of eight Directors, including three independent non-executive Directors. All Directors shall be elected at the general meeting of Shareholders. The Board of Directors has one chairman and one vice chairman. The Board of Directors shall be elected by more than half of all Directors.

The Directors shall be elected or replaced by the general meeting, and may be removed by an ordinary resolution of the general meeting before the expiration of their terms of office, subject to compliance with the relevant laws, administrative regulations, departmental rules, regulatory documents and the requirements of the Hong Kong Listing Rules. The Directors serve three-year terms, and can be re-elected and reappointed at the end of the term.

The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association before the newly elected Director takes office.

Directors may be concurrently served by the general manager or other senior management personnel, but the total number of Directors concurrently serving as general manager or other senior management personnel and Directors served by employee representatives shall not exceed one-half of the total number of Directors of the Company.

The procedures for the selection and appointment of a Director are as follows:

(1) Shareholders who individually or jointly own more than 1% of the Company's Shares or the Board of Directors make a proposal for a Director candidate;

(2) the Nomination Committee of the Board of Directors selects and reviews the director candidate and its qualifications and makes recommendations to the Board of Directors for its selection and appointment;

(3) the Board of Directors considers the appointment of the Director;

(4) the Board of Directors submits a proposal for the consideration of the Director candidate to the general meeting;

(5) the proposal for the Director candidate is voted on at the general meeting;

(6) the Director approved by the general meeting takes office.

Directors of the Company are natural persons. A person cannot serve as a Director of the Company if any of the following circumstances applies, and a Director candidate cannot be nominated as a Director of the Company if any of the following circumstances applies:

(1) a person without capacity or with restricted capacity for civil acts;

(2) a person who has been sentenced to punishment because of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order; or who has been deprived of his political rights on committing an offence, where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, and less than two years have elapsed since the date of the completion of the probation review if a suspended sentence is announced;

(3) a person who is a former factory manager, director or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he is personally liable for that, where less than three years have elapsed since the date of the revocation of the business licence and the closure ordered;

(5) the person is personally liable for a substantial debt which is due for payment but remains unpaid;

(6) the person is banned by the CSRC from entering into the securities market for a period which has not yet expired;

(7) other circumstances as stipulated by the laws, administrative regulations, departmental rules or other contents stipulated in supervisory rules of the place where the Company's Shares are listed.

For any election and appointment of a Director in contravention of the foregoing provisions, such election, appointment or employment shall be void and null. Where a Director falls into any of the circumstances stipulated in this article in his term of office, the Director shall be removed from office by the Company.

Powers to issue bonds

The Board of Directors shall be entitled to develop plans for our Company to issue bonds, and such plans must be implemented after being approved at the general meeting under the Articles of Association.

Duties

Directors owe loyalty duties to the Company. They should take measures to avoid conflicts between their own interests and those of the Company, and should not use their authority to obtain improper benefits. Directors shall comply with laws, administrative regulations and the Articles of Association and undertake the following loyalty duties to the Company:

(1) not to exploit his/her position to accept bribes or to obtain other illegal income, and not to encroach upon the Company's properties;

(2) not to misappropriate the funds of the Company;

(3) not to deposit the assets or funds of the Company into an account opened in their own names or the name of another individual;

(4) not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's properties to provide guarantees to others without the consent of the general meeting or the consent of the Board of Directors;

(5) not to enter into a contract or transaction with the Company in violation of the provisions of the Articles of Association or without the consent of the general meeting;

(6) without the consent of the general meeting, not to take advantage of their positions to capture business opportunities which should have been taken by the Company for themselves or others to engage in the same type of businesses as the Company's on their own or for others;

(7) not to accept commissions from transactions with the Company as their own;

(8) not to disclose the secrets of the Company without authorization;

(9) not to take advantage of their connected relationship with the Company as related parties to compromise the interests of the Company;

(10) any other loyalty duties stipulated in the laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association.

Any gain arising from the violation of the foregoing provisions by Directors shall belong to the Company. Such Directors shall be liable for compensation for any loss of the Company arising therefrom.

Directors owe diligence duties to the Company. In performing their duties, they shall exercise the level of care that a reasonably prudent manager would exercise in the best interests of the Company. Directors shall comply with laws, administrative regulations, supervisory rules of the place where the Company's Shares are listed and the Articles of Association, and perform their diligence obligations to the Company as follows:

(1) to exercise the rights accredited by the Company in cautious, serious and due diligent manners so as to ensure that the commercial behaviours of the Company are in compliance with the PRC laws, administrative regulations and economic policies, and the commercial activities do not exceed the scope of business stipulated in the business license;

(2) to treat all Shareholders in a fair and equitable manner;

(3) to acquire the knowledge of the business operation and management of the Company on a timely basis;

(4) to sign the written confirmation of regular reports of the Company;

(5) to provide the relevant true details and data to the Audit Committee, and not to interfere with the Audit Committee or its members in their exercise of powers;

(6) other duties of diligence stipulated by the laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association.

ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

Variation of rights of existing Shares or classes of Shares

In any of the following circumstances, the Company shall amend the Articles of Association:

(1) after amendments are made to the Company Law or relative laws, and administrative regulations, the Articles of Association run counter to the said amendments;

(2) the conditions of the Company have changed, and such change is inconsistent with the matters in the Articles of Association;

(3) the general meeting has resolved to amend the Articles of Association.

If the amendment of the Articles of Association approved by a resolution at the general meeting requires approval by the competent authority, it must be submitted to the competent authority for approval. If it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Company's Articles of Association in accordance with the resolution of the general meeting to amend the Articles of Association and the approval opinions of relevant competent authorities.

SPECIAL RESOLUTIONS — MAJORITY REQUIRED

A special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by Shareholders (including their proxies) attending the general meeting.

The following matters shall be resolved by a special resolution at a general meeting:

(1) amendments to the Articles of Association and its annexes (including the Rules of Procedure for the general meetings, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Audit Committee);

(2) issue and listing of bonds or any types of Shares, warrants and other similar securities of the Company;

(3) any increase or reduction in the Company's registered capital;

(4) merger, division, dissolution, liquidation or change of the corporate form of the Company;

(5) purchase or disposal of material assets or provision of guarantees by the Company of a value exceeding 30% of the Company's total assets within one year;

(6) the equity incentive plan and the employee shareholding scheme;

(7) the acquisition of the Company's Shares by the Company under the circumstances set out in Article 25(1) and (2) of the Articles of Association;

(8) other matters that would have a material impact on the Company and shall be approved by special resolutions as determined by ordinary resolutions of general meeting;

(9) Other matters required to be approved by special resolutions in accordance with laws, regulations and other relevant provisions, the Articles of Association or the Rules of Procedure for the general meeting.

The rights of class Shareholders to be changed or abolished by the Company shall be passed by a special resolution of the relevant class Shareholders at a separate Shareholders' meeting before proceeding when the Company's share capital is divided into different classes of Shares.

VOTING RIGHTS (GENERALLY AND ON A POLL)

The Shareholders (including their proxies) shall exercise their voting rights according to the number of voting Shares that they represent and each Share shall have one vote, except for class Shareholders (if applicable).

The Company's Shares which are held by the Company do not carry any voting rights and shall not be counted in the total number of voting Shares represented by Shareholders attending a general meeting.

Shareholders who have a significant interest in the matters to be considered at the general meeting shall abstain from voting. The number of Shares of a Shareholder who has avoided voting shall not be counted as part of the total number of valid votes cast.

REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous accounting year. The extraordinary general meeting is held from time to time. When an extraordinary general meeting shall be held in case of the circumstances specified in Article 47 of the Articles of Association, the extraordinary general meeting shall be convened within two months.

ACCOUNTING AND AUDITS

Financial and accounting policies

The Company formulates its financial and accounting system in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the provisions of relevant PRC authorities.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.

The financial report of the Company shall include the following financial statements and associated breakdown:

(1) balance sheet;

(2) profit and loss statement;

(3) cash flow statement;

(4) notes to the financial statements;

(5) profit distribution statement.

Where there are special requirements imposed by laws, administrative regulations, normative documents and the supervisory rules of the place where the Company's Shares are listed for the financial statements, such requirements shall prevail.

The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty days before the date of every annual shareholders' general meeting.

The Company shall send (hereinafter referred to as post) by post, postage paid, 21 days before the date of the annual general meeting, to each shareholder of its overseas listed shares, an annual report comprising the annual accounts and a copy of the auditor's report thereon. The address of each shareholder shall be as recorded in the register of members of the Company. Subject to the conditions of the laws, administrative regulations and the regulatory rules of the place where the Company's Shares are listed, the Company may adopt the form of announcement (including publication through the Company's website and the website of the Hong Kong Stock Exchange). Once the announcement has been made and the corresponding procedures have been fulfilled in accordance with the laws, administrative regulations and regulatory rules of the place where the Company's Shares are listed, all Shareholders are deemed to have received the aforesaid financial report.

The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations as well as international accounting standards or the accounting standards of its overseas listing place. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company distributes its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the two financial statements, which are prepared in accordance with (i) PRC accounting standards and regulations; or (ii) international standards or the accounting standards of its overseas listing place, shall prevail.

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations as well as international standards or the accounting standards of its overseas listing place.

The Company shall comply with the Listing Rules of the Hong Kong Stock Exchange to issue an annual results announcement and an interim results announcement by not later than three months after the end of the financial year and two months after the end of the first six months' period of each year respectively.

The Company shall comply with the rules of the Hong Kong Stock Exchange to issue an annual report and an interim report by not later than four months after the end of the financial year and not later than three months after the end of the first six months of each year respectively.

The Company shall not maintain separate account books other than the statutory ones. The Company's funds shall not be deposited in any account opened in the name of any individual.

Appointment and dismissal of accounting firms

Our Company employs accounting firms that comply with the provisions of the PRC Securities Law and the supervisory rules of the place where the Company's Shares are listed to conduct accounting statement auditing, net asset verification, other related consulting services and other businesses. The term of employment is one year and can be renewed.

The appointment of an accounting firm by the Company must be decided at a general meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the general meeting.

The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or give false information.

The audit fee of an accounting firm shall be determined by the general meeting.

When the Company dismisses or no longer renews the appointment of an accounting firm, the accounting firm shall be notified 10 days in advance. When the dismissal of an accounting firm is voted on at the general meeting, the accounting firm is allowed to state its opinions.

If the accounting firm resigns, it shall explain to the general meeting whether the Company has any improper circumstances.

NOTICE AND AGENDA OF GENERAL MEETINGS

The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

(1) to determine the operating principles and investment plans of the Company;

(2) to elect and replace any Director not being employee representative, and to determine the remuneration of the relevant Directors;

(3) to review and approve the reports of the Board of Directors;

(4) to review and approve the Company's profit distribution plans and loss recovery plans;

(5) to resolve on the Company's increase or decrease of registered capital;

(6) to resolve on the issue and listing of bonds or any types of Shares, warrants and other similar securities of the Company;

(7) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;

(8) to modify the Articles of Association;

(9) to resolve on the engagement, dismissal of the accounting firm, the audit fees of the accounting firm or the way determining the audit fees;

(10) to review and approve the guarantees as stipulated in Article 44 of the Company's Articles of Association;

(11) to review matters relating to the Company's acquisition or disposal of significant assets within one year in an amount exceeding 30% of the latest audited total assets of the Company;

(12) to review and approve matters relating to the changes in the use of proceeds;

(13) to review the equity incentive plan and the employee shareholding scheme;

(14) other powers and functions of the general meeting as set forth in the rules of procedure for the Company's general meeting; and to consider and review other matters which shall be decided at the general meeting under the laws, administrative regulations, departmental regulation, normative documents, the Hong Kong Listing Rules or the Articles of Association.

The above-mentioned functions and powers of the general meeting shall not be exercised by the Board of Directors or other institutions or individuals through authorization. Where the general meeting authorises the Board of Directors to excise certain powers, the details of the authorisation shall be clearly specified.

The following acts of external guarantees of the Company shall be submitted to the general meeting for deliberation after being reviewed and approved by the Board of Directors:

(1) any external guarantee with a single guarantee amount of 25% or more of the asset ratio, the consideration ratio, the profitability ratio and the income ratio ("**Percentage Ratios**"), as measured in accordance with the criteria set out in Chapter 14 of the Hong Kong Listing Rules;

(2) any single guarantee for an amount more than 10% of the Company's net assets as audited in the latest period;

(3) any guarantee to be provided after the total amount of guarantees provided by the Company or its subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;

(4) any guarantee to be provided for a party whose liability-to-asset ratio exceeds 70%;

(5) the amount guaranteed by the Company within 12 consecutive months exceeds 30% of its latest audited total assets;

(6) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's net assets as audited in the latest period;

(7) any guarantee to be provided to a Shareholder or an actual controller or a related party thereof;

(8) other circumstances as stipulated in the Hong Kong Listing Rules, relevant laws, regulations, other normative documents or the Articles of Association.

When the Board of Directors considers guarantee matters, it must be approved by more than two-thirds of the directors present at the Board of Directors meeting. When the guarantee mentioned in clause (5) above is reviewed at the general meeting, it shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting.

When a proposal on providing any guarantee for any Shareholder, actual controller and its related party is being reviewed at the general meeting, the said Shareholder or the Shareholders controlled by the said actual controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other Shareholders attending the general meeting.

Any transaction (other than the provision of guarantees) of the Company that meets one of the following criteria shall be submitted to the general meeting for review and approval if:

(1) the total assets involved in the transaction account for 25% or more of the total value of the company's assets as set out in its annual accounts or its most recently published interim report;

(2) the operating revenue of the object of the transaction (such as equity) for the latest accounting year accounts for 25% or more of the company's audited operating revenue for the latest accounting year;

(3) the net profit related to the object of the transaction (such as equity) for the latest accounting year accounts for 25% or more of the company's audited net profit for the latest accounting year;

(4) the transaction consideration represents 25% or more of the average of the market capitalization of the company over the five days preceding the transaction date;

(5) if the company uses equity as the consideration, the number of shares used as consideration represents 25% or more of the total number of shares of the company;

(6) any other matters that are required to be submitted to the general meeting for approval under the Hong Kong Listing Rules or relevant laws and regulations.

When the Company is not profitable, consideration should be given to whether an alternative net profit indicator can be selected or the application of the foregoing net profit indicator can be waived.

The above-mentioned "transactions" include: purchase or disposal of assets; external investments (including entrusted wealth management, investments in subsidiaries, etc., excluding establishment or capital increase of wholly-owned subsidiaries); giving financial assistance (including entrusted loans); providing guarantees (referring to guarantees provided by the Company to others, including guarantees to controlling subsidiaries); leasing of assets as lessee or lessor; signing management contracts (including entrusted or trusted operations, etc.); giving or receiving assets as a gift; restructuring of claims or debts; transfer of research and development projects; entering into license agreements; waiver of rights (including waiver of preemptive rights and priority to subscribe for capital contribution).

The following activities of the Company are not subject to the provisions of the preceding paragraph: (1) purchase of raw materials, fuels and power related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement); (2) disposal of products, commodities and other assets related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement); (3) main business activities of the Company, although the transactions stipulated in the preceding paragraph are carried out.

The Company shall convene an extraordinary general meeting within two months upon the actual occurrence of any of the following circumstances:

(1) the number of Directors is less than the number specified in the Company Law or two-thirds of the number specified in the Articles of Association;

(2) the losses of the Company that have not been made up reach one-third of its total paid-in share capital;

(3) a request is made by a Shareholder or Shareholders holding separately or in aggregate more than 10% of the Shares of the Company;

(4) whenever the Board of Directors considers necessary;

(5) when proposed by the Audit Committee;

(6) any other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.

The Company shall convene a general meeting at the place where the Company is domiciled or at other location as specified in the notice convening the general meeting.

The general meeting shall have a venue and be held on-site. Subject to the laws, administrative regulations, departmental rules, regulatory documents and the Hong Kong Listing Rules, the Company may also hold a video or telephone conference, or hold a meeting by way of circulating written resolutions or other means to facilitate Shareholders' participation in the general meeting. Shareholders who participate the general meeting in the aforesaid manners shall be deemed to be present.

Procedures for the general meeting:

A majority of independent non-executive Directors have the right to propose to the Board of Directors that an extraordinary general meeting be held. Where an independent non-executive Director proposes that an extraordinary general meeting be held, the Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an extraordinary general meeting should be held within ten days of receiving the proposal.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall send out a general meeting notice within five days of making its resolution; where the Board of Directors declines to hold an extraordinary general meeting, its reasons shall be given and announced.

The Audit Committee has the right to propose to the Board of Directors that an extraordinary general meeting be held and shall make any such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an extraordinary general meeting should be held within ten days of receiving the proposal.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall send out a general meeting notice within five days of making its resolution. Changes to the original proposal(s) in the notice shall be subject to the consent of the Audit Committee.

Where the Board of Directors declines to hold an extraordinary general meeting nor does it respond within 10 days upon receipt of the proposal, the Board shall be deemed to be incapable of or has failed in performing the duty of convening a general meeting, in which case the Audit Committee may convene and preside over such meeting by itself.

Shareholder(s) who individually or jointly hold more than 10% of the Company's Shares shall have the right to propose that the Board of Directors hold an extraordinary general meeting; any such request to the Board of Directors shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an extraordinary general meeting should be held within ten days of receiving any such request.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall send out a general meeting notice within five days of making its resolution. Changes to the original request(s) in the notice shall be subject to the consent of the Shareholders concerned.

Where the Board of Directors declines to hold an extraordinary general meeting nor does it respond within 10 days upon receipt of such request, Shareholder(s) who individually or jointly hold more than 10% of the Company's Shares shall have the right to propose to the Audit Committee to convene an extraordinary general meeting; any such request to the Audit Committee shall be made in writing.

Where the Audit Committee agrees to hold an extraordinary general meeting, it shall send out a general meeting notice within five days upon receipt of such request. Changes to the original proposal(s) in the notice shall be subject to the consent of the Shareholders concerned.

Failure of the Audit Committee to issue the notice of the general meeting within the stipulated period shall be deemed as the failure of the Audit Committee to convene and preside over a general meeting, and Shareholders severally or jointly holding more than 10% of the Company's Shares for more than 90 consecutive days shall be entitled to convene and preside over the general meeting on their own.

Where the Audit Committee or Shareholders decide(s) to convene a general meeting on their own, they shall notify the Board in writing, and file with the securities regulatory authority at the place of incorporation of the Company and the place where the Company's Shares are listed in accordance with applicable regulations (if necessary).

Before announcing the resolutions of the general meeting, the convening Shareholders should not hold less than 10% of the Shares.

The Audit Committee or the convening Shareholders shall submit relevant supporting materials (if necessary) to the securities regulatory authority at the place of incorporation of the Company and the place where the Company's Shares are listed in accordance with applicable regulations when issuing the notice of the general meeting and the announcement of the resolutions of the general meeting.

The contents of the proposal of the general meeting shall fall within the terms of reference of the general meeting, and the proposal shall provide clear agenda and specific matters on which resolutions are to be made, and shall comply with the relevant provisions of the laws, administrative regulations, the Listing Rules and the Articles of Association. The general meeting shall not vote on and make a resolution for any proposal not specified in the general meeting or not in compliance with the foregoing provisions.

When the Company holds a general meeting, the Board of Directors, the Audit Committee and Shareholder(s) independently or jointly holding more than 1% of the Company's Shares shall have the right to make proposals to the Company. The Company shall not increase the shareholding of Shareholders who put forward interim proposals.

Shareholders independently or jointly holding more than 1% of the Company's Shares may, ten days before the general meeting is held, put forward interim proposals and submit such proposals in writing to the conveners. Interim proposals should have a clear topic and specific resolutions. The conveners shall notify other Shareholders within 2 days after receiving any such proposal and submit the same to the general meeting for consideration, provided that the interim proposal may not violate laws, administrative regulations or the Articles of Association, or fall within the scope of authority of the general meeting.

Except the circumstances prescribed in the preceding paragraph, the conveners shall not modify the proposals listed or add any new proposal to such proposals in the general meeting notice after sending it out.

The conveners shall inform each Shareholder of the annual general meeting 21 days before the convening such meeting and shall inform each Shareholder of the extraordinary general meeting 15 days before convening such meeting. When calculating the starting date, the convening date of the meeting shall be excluded.

The notice of the general meeting shall include the following contents:

(1) the time, venue and duration of the meeting;

(2) matters and proposals to be considered at the meeting;

(3) a prominent written statement as follows: all Shareholders have the right to attend the general meeting, and may authorize in written form a proxy, who need not necessarily be a Shareholder of the Company, to attend and vote at the meeting;

(4) the equity registration date on which Shareholders are entitled to attend the general meeting;

(5) the name and telephone number of permanent contact persons for the affairs of the meeting;

(6) the voting time and procedure via the internet or through other means;

(7) where any director, general manager and other senior management personnel have a material interest in respect of the matters to be discussed, then the nature and extent of that interest shall be disclosed; where the impact of the matters to be discussed on such director, general manager and other senior management personnel who are Shareholders is different from the impact on other Shareholders of the same type, then that difference shall be illustrated.

The specific details of all proposals shall be adequately and fully disclosed in all general meeting notices and supplementary notices. Where matters to be discussed require independent non-executive Directors' opinions, the opinions and reasons given by the independent non-executive Directors shall be disclosed when the general meeting notice or supplementary notice is issued.

TRANSFER OF SHARES

Unless otherwise provided for in laws, administrative regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules and the Company's Articles of Association, the Shares of the Company may be transferred in accordance with law.

The Company shall not accept the Shares of the Company as collaterals of any pledges.

The Shares issued before the public issuance of any Shares by the Company shall not be transferred within one year from the date when the Shares of the Company are listed and traded in a stock exchange.

During their terms of office, the Directors and senior management officers of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of the total number of Shares of the Company held by them each year during their terms of office determined at the time of their assumption of office; the Shares of the Company held by them shall not be transferred within one year from the date when the Shares of the Company are listed and traded. The aforesaid persons shall not transfer the Shares of the Company held by them within six months from the date when they leave office.

Where the Shares of the Company are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

If the Company's Directors, senior management officers, and Shareholders holding more than 5% of the Shares of the Company sell the Shares held by them or other securities in the nature of equity within six months after buying the same or buy such Shares or securities within six months

after selling the same, the earnings arising therefrom shall belong to the Company and the Board shall recover such earnings. However, the following circumstances shall be excluded where a securities company holds more than 5% of the Shares due to its purchase of any remaining Shares under best efforts **[REDACTED]** and in circumstances stipulated by the supervisory rules of the place where the Company's Shares are listed or by the CSRC.

If the Board of Directors of the Company fails to comply with the preceding paragraph, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid period, the Shareholders are entitled to initiate litigation directly before the people's court in their own names for the interests of the Company. And if the Board of Directors fails to comply with the aforesaid provisions, the Directors held accountable for such failure shall bear joint and several liabilities in accordance with the law.

The Shares or other securities with in the nature of equity held by a Director, a senior management officer or a natural person Shareholder as said above shall include the Shares or other securities with in the nature of equity held by his or her spouse, parents and children and held through any other person's account.

THE COMPANY'S AUTHORITY TO REPURCHASE SHARES

The Company shall not repurchase its Shares. However, exceptions are made in any of the following circumstances:

(1) reducing the registered capital of the Company;

(2) merging with another company that holds the Shares of the Company;

(3) granting the Shares for the employee shareholding scheme or as share incentives;

(4) Shareholders who disagree with the resolutions for the merger and division of the Company made at the general meeting may demand the Company to repurchase their Shares;

(5) using the Shares to satisfy the conversion of corporate bonds convertible into the Shares issued by the Company;

(6) safeguarding corporate value and Shareholders' rights as deemed necessary;

(7) other circumstances permitted by laws, administrative regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules and regulatory authorities.

Where the Company repurchases the Shares of the Company due to the circumstances specified in items (1) and (2) of the preceding paragraph, it shall be subject to a resolution of the general meeting; where the Company repurchases the Shares of the Company due to the circumstances specified in items (3), (5) and (6) of the preceding paragraph, it can be, in accordance with the provisions of the Articles of Association or authorisation by the general meeting, resolved by a meeting of the Board of Directors with the attendance of more than two-thirds of the Directors. Subject to the Hong Kong Listing Rules, after the Company has repurchased its Shares in accordance with the preceding paragraph, in case of the circumstance described in item (1), shall be cancelled within 10 days from the date of repurchase; or in case of the circumstances described in items (2) and (4), shall be transferred or cancelled within 6 months; or in case of the circumstances described in items (3), (5) and (6), shall be transferred or cancelled within three years, provided that the aggregate number of the Shares held by the Company shall not exceed 10% of the total number of issued Shares of the Company.

For any repurchase of its Shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the provisions of the Securities Law. Where the Company repurchases its Shares under the circumstances described in items (3), (5) and (6) of the aforesaid provisions, it shall be carried out by open and centralized trade.

POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT

Not applicable

DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company's profit distribution policy is as follows:

(1) the profit distribution of the Company shall maintain continuity and stability, and firmly attach importance to the actual interests of Shareholders and the long-term interests of the Company;

(2) proposals related to the adjustment of the profit distribution policy shall be submitted to the general meeting of the Company for approval after consideration by the Board of Directors;

(3) the Company may distribute dividends by way of cash, Shares or a combination of cash and Shares. When the conditions are met, the Company may also distribute the interim cash dividends;

(4) The Company's profit distribution shall not exceed the scope of cumulative distributable profits and shall not jeopardize the Company's ability to continue as a going concern.

The Company's profit distribution plan for each year shall be reviewed and approved at the general meeting. Upon the resolution on the profit distribution plan made at the general meeting, the Board of Directors is required to complete the distribution of dividends (or Shares) within two months after the general meeting.

In distributing the current year's profit after tax, 10% of the profit shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund has reached more than 50% of the Company's registered capital, further allocations are not required.

If the statutory reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve fund in accordance with the preceding paragraph.

After allocation of its profits after tax to its statutory reserve fund, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve fund may be distributed to its Shareholders in proportion to their shareholdings.

If the Company distributes profits to Shareholders in violation of the provisions of the Articles of Association, the Shareholders shall return the profits distributed in violation of such provisions to the Company; and the Shareholders and the Directors, and senior management who are held accountable for any loss of the Company arising therefrom, shall assume compensation liabilities.

The Shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to make up the losses of the Company or expand the production operations, or be converted to increase the capital of the Company. However, the capital reserve fund shall not be used to make up the losses of the Company.

The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the regulations.

When the statutory reserve fund is converted into registered capital, the remainder of the fund shall not be less than 25% of the Company's registered capital prior to such conversion.

APPOINTMENT OF PROXIES

All Shareholders of the Company, or their proxies, whose names appeared on the register of members on the record date are entitled to attend the general meeting. Shareholders shall have the right to speak and vote at the general meeting in accordance with relevant laws, regulations and the Articles of Association, except where individual Shareholders are required by the Listing Rules to abstain from voting on individual matters. Pursuant to the applicable laws and regulations and the listing rules of the stock exchange of the place where the Company's Shares are listed, where any Shareholder shall abstain from voting on any particular resolution or is restricted to vote only for or against such resolution, any vote cast by such Shareholder or proxy thereof in violation of such requirement or restriction shall not be counted in the voting results.

Any Shareholder may attend the general meeting in person or appoint one or several persons (who may not be Shareholders) to act as his/her/its proxy to attend and vote at the general meeting on his/her/its behalf. Any Shareholder or his/her proxy shall be entitled to attend the general meeting and exercise his/her voting rights in accordance with relevant laws, regulations and the Articles of Association.

Any Shareholder may attend the general meeting in person or authorize a proxy to attend and vote at the general meeting on his/her/its behalf.

An individual Shareholder who attends the general meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. Where a Shareholder intends to appoint a proxy to attend the general meeting on his/her behalf, the proxy shall produce his/her own valid identity documents and the power of attorney issued by the Shareholder.

A corporate Shareholder shall designate its legal representative or a proxy appointed by the legal representative to attend the meeting. If the legal representative attends the meeting, he or she shall produce his or her own identity card and valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney issued by the legal representative of the corporate Shareholder according to law.

A partnership Shareholder shall designate the executive partner (a natural person), a representative appointed by the executive partner or a proxy appointed by the executive partner or the representative to attend the meeting. If the executive partner (a natural person), a representative appointed by the executive partner to attend the meeting, he or she shall produce his or her own identity card and valid proof of his or her status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney issued by the executive partner or the representative appointed by the executive partner.

The power of attorney issued by Shareholders authorizing others to attend the general meeting shall include the following contents:

(1) the name of the proxy;

(2) whether he/she has voting rights;

(3) instructions to vote for, against or abstention from voting on each item to be discussed on the agenda of the general meeting;

(4) date of issuance and validity period of the power of attorney;

(5) signature (or seal) of the principal. If the principal is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall contain a statement which states that, in the absence of instructions by the Shareholder, the proxy of the Shareholder may vote in his/her own discretion or not.

The proxy of the Shareholder may, pursuant to the instructions of the Shareholder, exercise (including but not limited to) the following rights: (1) the Shareholder's right to speak at the general meeting; (2) the right to demand a poll by himself/herself or jointly with others; (3) the right to exercise voting rights by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the Shareholder is an authorized clearing house (or its proxy) as defined by relevant rules in Hong Kong made from time to time, such Shareholder is entitled to appoint one or more persons or representatives of the Company it deems suitable to act as its proxy in any general meeting and creditors' meeting, provided that, if more than one person is appointed as proxies, the power of attorney shall state the number and the class of Shares represented by each of the

proxies. The person so authorized can represent the recognized clearing house (or its proxy) to attend the meeting and exercise the same legal rights (including the rights to speak and vote) as those entitled by other Shareholders, as if he/she was an individual Shareholder of the Company.

In the event that the power of attorney is signed by another person authorized by the principal, the authorization or other authorization instrument shall be notarized, and such notarized authorization, other authorization instrument and the power of attorney shall be maintained at the domicile of the Company or at such other locations as specified in the notice regarding the convening of the meeting.

In the event that an principal is a legal person, its legal representative or such person as authorized by a resolution of its Board of Directors or other decision-making body may attend the general meeting in the capacity of a representative.

Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

CALLS ON SHARES AND FORFEITURE OF SHARES

Not applicable

INSPECTION OF THE REGISTER OF SHAREHOLDERS

The Company establishes a register of Shareholders based on the vouchers provided by the securities registration institution, which is sufficient evidence to prove that Shareholders hold the Company's Shares. A Shareholder shall enjoy the rights and assume the obligations attached to the class of Shares he/she holds. Shareholders holding the same class of Shares shall be entitled to the same rights and assume equal obligations. A register of Shareholders shall contain the following particulars:

(1) the name and address of each Shareholder;

(2) the class of Shares and number of Shares subscribed by each Shareholder;

(3) if Shares are issued in paper form, the serial numbers of the share certificate;

(4) the date on which each Shareholder acquired the Shares.

The Company shall sign a share custody agreement with the securities registration institutions for the purpose of inspecting the information and shareholding changes (including share pledge) of major Shareholders on a regular basis, in order to be informed of the shareholding structure of the Company in a timely manner.

The Shareholders have the right to inspect the register of Shareholders of the Company.

QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS

Not applicable

RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

A Shareholder who individually or jointly holds more than 3% of the Company's Shares for over 180 consecutive days may request to inspect the Company's accounting books and vouchers by submitting a written request stating the purpose to the Company. If the Company has reasonable grounds to believe that the Shareholder's request to inspect the Company's accounting books and vouchers serves an improper purpose and may harm the Company's legitimate interests, it may refuse the inspection. The Company must respond to the Shareholder in writing within 15 days of receiving the written request, providing reasons for the refusal. If the inspection is denied, the Shareholder may file a lawsuit with the people's court. If a Shareholder requests to inspect or copy materials related to the Company's wholly-owned subsidiaries, the provisions of this Article shall apply thereto.

If a Shareholder requests to inspect or copy the above-mentioned information or materials, he/she shall provide the Company with written documents evidencing the class and number of the Shares held by them, and upon verification of his/her status as a Shareholder, the Company shall provide the Shareholder with such information or materials as required by him/her, and may charge a reasonable fee for the provision of the copies of the said documents.

The Company may refuse any inspecting or copying request which involves commercial secrets and sensitive price information on the Company. If a shareholder divulges the above relevant information after obtaining the information in accordance with the provisions of the Articles of Association, causing damage to the legitimate interests of the Company, the shareholder shall be liable for compensation for the relevant losses caused to the Company in accordance with the law.

The number of shares held as stipulated in the first paragraph of the foregoing shall be calculated on the basis of the shares of the Company held by the shareholder on the date of when the shareholder's request for access is made or, if such date is a non-trading day (as defined in the Hong Kong Listing Rules, the same hereinafter), the closing of business on the trading day immediately preceding the date of such request.

If the resolutions of the general meeting and the Board meeting violate laws and administrative regulations, the Shareholders have the right to request the people's court to judge such resolutions to be invalid.

If the convening procedures and voting ways of the general meeting and the Board meeting violate laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, the Shareholders have the right to request the people's court to cancel the resolutions within 60 days after the resolutions are made, except for the circumstances where the convening procedures and voting ways have only minor flaws and there's no substantial impact on resolutions.

Shareholders who have not been notified to participate in the general meeting may file a petition with the people's court to revoke the resolution within 60 days from the date when they know or should know that the resolution is made at the general meeting; if they do not exercise the right to revoke within one year from the date of the resolution, the revoke right shall be extinguished.

Shareholders individually or jointly holding over 1% of the Company's Shares for more than 180 consecutive days shall have the right to request the Audit Committee in writing to initiate litigation before the people's court against any Director or senior management member for loss of Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing their duties; Shareholders may request the Board in writing to bring a legal action against the Audit Committee for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of the Articles of Association in the course of performing the duties.

The Shareholders described in the preceding paragraph may initiate litigation before the people's court directly in their own names in the interests of the Company in the event that the Audit Committee or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of Shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interests.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, Shareholders individually or jointly holding over 1% of the Company's Shares for more than 180 consecutive days may initiate litigation before the people's court in accordance with the provisions of the preceding paragraphs.

If the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company are involved in any of the above-mentioned circumstances, or if any person infringes the lawful rights and interests of a wholly-owned subsidiary of the Company and thus causes losses, Shareholders who are individually or jointly holding over 1% of the Shares of the Company for more than 180 consecutive days, may request in writing, in accordance with the provisions of the preceding three paragraphs, that the supervisory committee or the board of directors of the wholly-owned subsidiary to initiate litigation before the people's court, or initiate litigation before the people's court directly in their own names.

In the event that any Director or senior management member violates laws, administrative regulations or the Articles of Association to the detriment of the interests of the Shareholders, the Shareholders may initiate litigation before the people's court.

If a Director or a senior management member, in the performance of his/her duties, causes damage to others, the Company shall be liable for compensation; the Director or the senior management member shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

Any Controlling Shareholder or actual controller of the Company who instructs a Director and a senior management member to engage in an act detrimental to the interests of the Company or its Shareholders shall bear joint and several liability with such Director or senior management member.

PROCEDURES FOR LIQUIDATION

The Company shall be dissolved upon the occurrence of any of the following events:

(1) the expiration of business term specified in the Articles of Association expires or the occurrence of other events of dissolution as stipulated in the Articles of Association;

(2) the dissolution resolved at the general meeting;

(3) dissolution is necessary due to a merger or division of the Company;

(4) the Company's business license is canceled or revoked or it is ordered to close down according to the law;

(5) Where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to Shareholders' interests, and such difficulties cannot be dealt with in other ways, the Shareholders holding more than 10% of the voting rights of all Shareholders of the Company may file an application to the people's court to dissolve the Company.

The proportion of voting rights stipulated in the preceding item (5) shall be calculated on the basis of the voting rights corresponding to the shares of the Company held by the shareholder on the date when such written request is made by such shareholder or if such date is a non-trading day, the close of the trading day immediately prior to date of such written request.

In the event of occurrence of any event leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution event shall be published on the National Enterprise Credit Information Publicity System within ten days upon its occurrence. Where the Company is under the circumstance set forth in items (1) and (2) in the preceding paragraph and has not yet distributed its property to its Shareholders, the Company may continue its operation by means of amending the Articles of Association or the resolution made at the general meeting.

Any amendment to the Articles of Association according to the preceding paragraph shall be approved by more than two-thirds of the voting rights of the Shareholders present at the meeting of the Board of Shareholders.

Where the Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, a liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation.

The Directors shall be the Company's liquidation obligors, and a liquidation committee shall be formed within 15 days from the date of occurrence of the event of dissolution, to carry out the liquidation process.

The liquidation committee shall comprise the Directors, unless the Articles of Association stipulate otherwise or the general meeting resolves to elect other person(s).

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

If the Company fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties can apply to the people's court for appointing relevant persons to establish the liquidation committee to carry out the liquidation. The people's court shall accept the application and organise the liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to check the properties of the Company, and to prepare a balance sheet and a list of property items;

(2) to inform creditors by a notice and an announcement;

(3) to dispose of unfinished business of the Company relating to the liquidation;

(4) to pay up all outstanding taxes and tax arising during the liquidation process;

(5) to clear up claims and debts;

(6) to distribute the remaining properties of the Company after the full settlement of debts;

(7) to represent the Company in civil litigations.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and make an announcement in newspaper(s) designated by the CSRC or the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations on and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of credit declaration.

After checking the properties of the Company, and preparing a balance sheet and a list of property items, the liquidation committee shall formulate a liquidation plan for the confirmation by the general meeting or the people's court.

The Company's assets shall be used for repayments in the following sequence: payment of liquidation expenses, staff wages, labor insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts. The Company's residual assets after repayment of its debts shall be distributed to its Shareholders according to the proportion of their shareholdings.

During the liquidation period, the Company continues to exist but the Company shall not carry out any business activities irrelevant to the liquidation. The Company's assets shall not be distributed to its Shareholders prior to repaying debts in accordance with the preceding paragraph.

If the liquidation committee, after checking the Company's properties and preparing a balance sheet and a list of property items, finds that the Company's properties are insufficient to pay off its debts, it shall file an application to the people's court for bankruptcy in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer all liquidation affairs to bankruptcy administrators appointed by the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the report to the general meeting or the people's court for confirmation, and submit the report to the company registration authority and apply for deregistration of the Company, and publish an announcement relating to the termination of the Company.

Members of the liquidation committee shall perform liquidation duties and owe duties of loyalty and diligence.

Members of the liquidation committee shall not to exploit their positions to accept bribes or to obtain other illegal income, and not to encroach upon the Company's properties.

The liquidation committee members shall be liable for damages caused to the Company if they are negligent in performing their duties. The liquidation committee members shall bear the liability for compensation if losses are caused to the Company or the creditors due to their intentional or gross negligence.

The Company declared bankrupt as provided by law shall have bankruptcy liquidation carried out according to relevant enterprise bankruptcy laws.

OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS

General

The Company is a company limited by Shares, with perpetual duration.

All the assets of the Company are divided into Shares of equal value. The Shareholders are responsible for the Company to the extent of their subscribed Shares, and the Company is responsible for its debts with all its assets.

From the date on which the Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its Shareholders and among the Shareholders, and shall have legal binding force on the Company, Shareholders, Directors and senior management members. According to the Articles of Association, Shareholders can sue Shareholders, Shareholders can sue Directors, the general manager and other senior management personnel, Shareholders can sue the Company, and the Company can sue Shareholders, Directors and the general managers and other senior management personnel.

Increase/decrease of Shares

Subject to the provisions of laws and regulations, upon special resolutions by the general meeting, the Company may increase its capital on the basis of its business and development needs by any of the following means:

(1) **[REDACTED]** of Shares;

(2) Non-**[REDACTED]** of Shares;

(3) allotting bonus Shares to existing Shareholders;

(4) converting capital reserve into share capital;

(5) other means approved by laws, administrative regulations, provisions of the supervisory rules of the place where the Company's Shares are listed, and the relevant state authorities such as the CSRC.

The Company may reduce its registered capital. The Company shall decrease its registered capital in accordance with the procedures set forth in the Company Law and other relevant provisions and the Articles of Association.

Any increase or decrease in the registered capital of the Company shall not be processed until its is reviewed and approved by a special resolution of the general meeting.

The Company shall prepare a balance sheet and a list of property items when reducing its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution for the reduction of its registered capital and make an announcement in newspaper(s) or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors shall, within 30 days of receipt of the notice or within 45 days of the date of the announcement in the case of failure of receipt of the notice, be entitled to require the Company to repay its debts or to provide a corresponding guarantee for repayment.

The Company's registered capital after reduction shall not be less than the statutory minimum amount. When the Company reduces its registered capital, it shall, based on a Shareholder's capital contribution or shareholding, reduce the amount of his/her capital contribution or Shares, unless otherwise stipulated by laws or by the Articles of Association.

If the Company is still in a loss position after covering losses in accordance with the provisions of the Articles of Association, it may reduce the registered capital to cover the losses. If the registered capital is reduced to cover the losses, the Company shall not make any distribution to the Shareholders, nor shall it exempt the Shareholders from the obligations to make capital contributions or pay up the amounts of Shares.

Where the registered capital is reduced in accordance with the preceding provisions of the Articles of Association related to the notification of creditors and the provision of guarantees shall not shall not apply, but it shall be announced in newspaper(s) or the National Enterprise Credit Information Publicity System within 30 days from the date on which the general meeting made a resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve and the discretionary reserve reaches 50% of the registered capital of the Company.

If the registered capital is reduced in violation of the provisions of the Articles of Association, the Shareholders shall return the funds they have received, and the Shareholders shall restore the capital contributions to the original state if their capital contributions are reduced or exempted; if losses are caused to the Company, the Shareholders and Directors and senior management members who are held accountable for the losses shall be liable for compensation.

The Company shall, in accordance with the law, apply for change in its registration with the company registration authority where it increases or reduces its registered capital.

Shareholders

The register of Shareholders shall be the sufficient evidence to prove the Shareholders' holding of the Company's Shares. A Shareholder shall enjoy the rights and assume the obligations attached to the class of Shares he/she holds. Shareholders holding the same class of Shares shall be entitled to the same rights and assume equal obligations.

Shareholders of the Company shall enjoy the following rights:

(1) receiving dividends and other form of interest distribution in proportion to their shareholdings;

(2) requesting, convening, presiding over, attending or appointing proxies to attend the general meeting and exercise corresponding voting rights;

(3) supervising the operation of the Company and making suggestions and inquiries;

(4) transferring, donating or pledging their Shares in accordance with laws, administrative regulations, and the Articles of Association;

(5) inspecting the Articles of Association, the register of Shareholders, minutes of general meetings; resolutions of Board meetings, and the financial and accounting reports;

(6) upon termination or liquidation of the Company, participating in the distribution of the remaining assets of the Company in proportion to the quantity of Shares held by them;

(7) Shareholders who disagree with the resolutions for the merger and division of the Company made at the general meeting demanding the Company to repurchase their Shares;

(8) other rights provided by laws, administrative regulations, departmental rules or the Articles of Association.

The Shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the Shares subscribed and the method of subscription;

(3) not to withdraw their Shares unless required by laws and regulations;

(4) not to abuse their Shareholders' rights to jeopardize the interests of the Company or other Shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of Shareholders to jeopardize the interests of any creditors of the Company;

(5) other obligations imposed by laws, administrative regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules and the Articles of Association.

Where any Shareholder of the Company abuses the Shareholders' rights, causing losses to the Company or other Shareholders, such Shareholder shall be liable for compensation.

Where any Shareholder of the Company abuses the Company's status as an independent legal person and the limited liability of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholder shall be jointly and severally liable for the debts owed by the Company.

Where any Shareholder uses two or more companies under his control to commit the acts described in the preceding paragraph, each of such companies shall be jointly and severally liable for the debts owed by any of such companies.

Where any Shareholder holding more than 5% voting Shares of the Company pledges any Shares held by him/her, he/she shall report the same to the Company in writing on the date of the said pledge.

The Controlling Shareholders and actual controllers of the Company shall not take advantage of their relationship with the Company as related parties to compromise the interests of the Company. If they violate the provisions, causing losses to the Company, they shall be liable for compensation.

The Controlling Shareholders and actual controllers of the Company have the duty to act in good faith towards the Company and other Shareholders. The controlling Shareholders shall exercise their rights as capital contributors in strict compliance with laws, and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation and

loan guarantees to jeopardize the lawful rights and interests of the Company and other Shareholders, nor shall they use their controlling position to jeopardize the interests of the Company and other Shareholders.

Board of Directors

The Board of Directors exercises the following functions and powers:

(1) convening the general meeting and reporting to the general meeting;

(2) implementing the resolutions adopted at general meetings;

(3) deciding on the Company's business plans and investment proposals;

(4) formulating profit distribution plans and loss recovery plans of the Company;

(5) formulating plans in respect of any increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company;

(6) deciding on, within the authority granted by the general meeting, matters such as external investments, acquisitions and disposals of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, external donations;

(7) deciding on the establishment of internal management organizations of the Company;

(8) formulating proposals for material acquisitions by the Company, acquisitions of the Company's shares or mergers, demergers, dissolutions and changes of the corporate form of the Company;

(9) deciding on the appointment or dismissal of the general manager of the Company, and to decide on his remuneration, rewards and penalties; deciding on the appointment or dismissal of the Company's senior management members based on the nomination of the general manager, and deciding on their remuneration, rewards and penalties;

(10) setting up the basic management regime of the Company;

(11) formulating the proposals for any amendment to the Articles of Association;

(12) managing information disclosure of the Company (if any);

(13) proposing to the general meeting the appointment or replacement of the accounting firms which provide auditing services to the Company;

(14) receiving reports from the managers of the Company and reviewing their work;

(15) resolving on the acquisition of the Company's shares by the Company under the circumstances stipulated in Article 25(3), (5) and (6) of the Company's Articles of Association;

(16) exercising other functions and powers as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Matters beyond the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors of the Company shall establish an Audit Committee and other relevant special committees such as nomination, remuneration and appraisal committees as needed. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals shall be submitted to the Board of Directors for consideration and decision. The members of such special committees comprise only Directors. Independent Directors shall account for the majority in each of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee and serve as the conveners. The convener of the Audit Committee shall be an accounting professional. The Board of Directors is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees.

The Board of Directors of the Company shall make a statement to the general meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

The Board of Directors meets regularly at least four times every year and such meetings shall be convened by the chairman. All Directors shall be informed in writing 14 days before the meeting. If an interim Board meeting shall be convened, all Directors shall be informed in writing 2 days before the meeting, except for an emergency or otherwise provided by the Articles of Association or the Rules of Procedure for the Board of Directors. With the approval of all the directors of the Company, the above notice time limit may be waived.

Shareholders representing more than 10% of the voting rights, more than one third of the Directors or the Audit Committee may propose to convene an interim meeting. A Board meeting shall be convened and presided over by the chairman within 10 days upon receipt of the proposal.

No Board meeting shall be held unless attended by a majority of Directors. Any resolution adopted by the Board of Directors shall require affirmative votes by a majority of Directors, unless otherwise stipulated in the Articles of Association.

When voting on the Board of Directors' resolutions, one director shall have one vote. Where there is an equality of votes cast both for and against a resolution, the chairman shall have the right to cast one more vote.

Where a director has a relationship with any enterprise involved in a resolution to be voted on at a Board meeting as a related party, such director shall promptly report in writing to the Board of Directors, and shall not exercise her/his voting rights for that resolution, nor shall she/he exercise voting rights on behalf of any other director. The Board meeting shall not be held unless attended by a majority of Directors without relationships with any such enterprise as related parties, and any resolution made at the meeting must be passed by a majority of Directors without any such relationship. Where the number of Directors without any such relationship attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration.

The ways for voting on the Board's resolution shall be a show of hands, voice vote or ballot.

Interim Board meetings may be convened through telephone conferences, video conferences, faxes, emails or circulation of written resolutions, provided that the Directors can fully give their opinions, and shall be signed by the attending Directors. Interim Board meetings may also be convened on site and by other means simultaneously.

Where an interim Board meeting is held off site, the number of the Directors present is calculated according to the Directors present in the video, the Directors expressing opinions in the teleconference, the number of valid votes by means of faxes, emails or circulation of written resolutions received within the specified period, or the written confirmations submitted by the Directors after the meetings.

Should any director be unable to sign the minutes at such meeting in a timely manner, such director shall vote orally and sign the written resolution as soon as possible. The director's oral vote shall have the same effect as signing the written resolution, provided that the later written resolution confirms the oral vote during the meeting. Should the written resolution differ from the oral vote, the oral vote shall prevail.

If a Board meeting is convened by circulating written resolutions, which means the proposals are served, separately or in sequence, to a Director for his/her review and resolutions, and the Director and another Director entrusted by him/her shall state clearly their affirmative or negative opinions on the resolutions.

Independent non-executive Directors

The Board of Directors comprise three independent non-executive Directors.

The General Manager and other senior management members

Senior management members referred to in the Articles of Association refer to the managers, the secretary to the Board of Directors, person-in-charge of finance and other senior management members engaged by the Board of Directors.

The Company shall have one general manager who shall be appointed or dismissed by the Board of Directors. The General Manager of the Company is a senior management member of the Company. The Company shall have several deputy general managers, one person-in-charge of finance and several other senior management members engaged by the Board of Directors. The above-mentioned persons are senior management members of the Company, who shall be appointed or dismissed by the Board of Directors.

Any person working with Controlling Shareholders or actual controllers of the Company other than as a director shall not serve as a senior management member of the Company. Senior management members of the Company are paid only by the Company and are not paid by the Controlling Shareholder on its behalf.

The term of office of the General Manager shall be three years, renewable upon re-appointment.

The General Manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(1) to be in charge of the production, operation and management of the Company, to arrange implementation of resolutions of the Board of Directors, and to report to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to formulate the Company's plans for the establishment of its internal management structure;

(4) to formulate the Company's basic management system;

(5) to formulate specific regulations of the Company;

(6) to appoint or dismiss the management officers other than those required to be appointed or dismissed by the Board of Directors;

(7) to decide on matters other than those required to be approved by the general meeting and the Board of Directors as stipulated in the Articles of Association;

(8) to decide on connected transactions other than those required to be reviewed by the Board of Directors and the general meeting as stipulated in the Articles of Association;

(9) to exercise other powers and functions conferred by the Articles of Association, working rules for the General Managers or the Board of Directors.

The General Manager shall attend the meetings of the Board of Directors.

The General Manager may resign before his term of office expires. The specific procedures and methods for the resignation of the general manager shall be specified in the labor contract entered into between the General Manager and the Company.

Deputy general managers of the Company shall be nominated by the General Manager and appointed by the Board of Directors, and deputy general managers shall assists the General Manager in carrying out his work.

Any senior management member who violates any laws, administrative regulations, departmental rules or supervisory rules of the place where the Company's Shares are listed and the Articles of Association, causing losses to the Company, shall be liable for compensation.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. If any senior management member of the Company causes damage to the interests of the Company and its Shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the law.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was established as a limited liability company in the PRC on October 16, 2017 and was converted into a joint stock limited company on July 2, 2024 under the laws of the PRC. As of the Latest Practicable Date, the registered capital of the Company was RMB38,381,330.

Our Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on October 17, 2024 with the Registrar of Companies in Hong Kong. Ms. Au Wing Sze (區詠詩) has been appointed as authorized representative of our Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong. The address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix VI — Summary of Articles of Association". A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Appendix V — Summary of Principal Legal and Regulatory Provisions".

2. Changes in Share Capital of Our Company

On October 16, 2017, our Company was established as a limited liability company under the laws of the PRC with a registered capital of RMB6,511,000.

On February 1, 2024, the registered share capital of our Company was increased from RMB38,279,252 to RMB38,381,330.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 15 to the Accountant's Report as set out in Appendix I to this document.

The following subsidiaries have been incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital
Shenzhen Xidi Internet Innovation Technology Co., Ltd. (深圳希迪網聯創新科技有限公司)	PRC	February 23, 2023	RMB4,000,000
Xidi Zhijia (Hainan) Technology Co., Ltd. (希迪智駕(海南)科技有限公司)	PRC	March 17, 2023	RMB5,000,000
Anhui Xidi Engineering Technology Co., Ltd. (安徽希迪工程科技有限公司)	PRC	June 4, 2024	RMB5,000,000
Guangxi Xidi Intelligent Driving Technology Co., Ltd. (廣西希迪智駕科技有限公司)	PRC	June 5, 2025	RMB40,000,000

Save as disclosed above and in the Accountants' Report set out in Appendix I to this document, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

At the general meetings of the Shareholders held on September 23, 2024 and [•], the following resolutions, among other things, our Shareholders resolved to approve the following:

(a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the **[REDACTED]** shall not be more than 15% of the total issued share capital of our Company as enlarged by the **[REDACTED]**, and granting the **[REDACTED]** the **[REDACTED]** of no more than 15% of the number of H Shares issued pursuant to the **[REDACTED]**;

(c) authorization of the Board to handle matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of the H Shares;

(d) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as at the date of the resolution granting the general mandate;

(e) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as at the date of the resolution granting the general mandate; and

(f) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on the **[REDACTED]** and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be materials as well as contracts required to be disclosed pursuant to the Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange:

(a) the **[REDACTED]**.

2. Intellectual Property Rights

(a) Trademarks

As at the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registered Owner	Class	Registration number	Registration date	Expiry date
1.		PRC	Our Company	9	37530790	September 28, 2020	September 27, 2030
2.		PRC	Our Company	12	52769990	May 7, 2022	May 6, 2032
3.		PRC	Our Company	7	60013481	July 7, 2022	July 6, 2032
4.		PRC	Our Company	11	72483953	January 14, 2024	January 13, 2034
5.		PRC	Our Company	38	72486610	January 14, 2024	January 13, 2034
6.		PRC	Our Company	39	72463424	January 14, 2024	January 13, 2034
7.		PRC	Our Company	9	56123609	December 7, 2021	December 6, 2031
8.		PRC	Our Company	42	59391146	November 14, 2022	November 13, 2032
9.		PRC	Our Company	7	56890578	December 21, 2021	December 20, 2031

No.	Trademark	Place of registration	Registered Owner	Class	Registration number	Registration date	Expiry date
10.	希迪智驾	PRC	Our Company	35	56130252	December 14, 2021	December 13, 2031
11.	希迪智驾	PRC	Our Company	37	56111854	December 7, 2021	December 6, 2031
12.	希迪智驾	PRC	Our Company	38	56118123	December 7, 2021	December 6, 2031
13.	V2X+	PRC	Our Company	9	75079323	September 21, 2024	September 30, 2034
14.	V2X+	PRC	Our Company	12	72461340	January 14, 2024	January 13, 2034
15.	元矿山	PRC	Our Company	9	59523974	March 14, 2022	March 13, 2032
16.	元矿山	PRC	Our Company	12	59498363	March 14, 2022	March 13, 2032
17.	元矿山	PRC	Our Company	42	59502299	March 14, 2022	March 13, 2032
18.	Metamine	PRC	Our Company	12	59506375	March 14, 2022	March 13, 2032
19.	优行通	PRC	Our Company	12	54017790	September 21, 2021	September 20, 2031
20.	优行通	PRC	Our Company	35	72465767	January 14, 2024	January 13, 2034

No.	Trademark	Place of registration	Registered Owner	Class	Registration number	Registration date	Expiry date
21.		PRC	Our Company	9	72483512	December 28, 2023	December 27, 2033
22.		PRC	Our Company	12	72482403	January 7, 2024	January 6, 2034
23.		PRC	Our Company	42	72480170	January 7, 2024	January 6, 2034
24.		PRC	Our Company	7	61410552	September 21, 2022	September 20, 2032
25.		PRC	Our Company	9	61419929	September 21, 2022	September 20, 2032
26.		PRC	Our Company	12	61412635	September 28, 2022	September 27, 2032
27.		PRC	Our Company	42	61434307	September 21, 2022	September 20, 2032
28.	LoGenius	PRC	Our Company	7	71996048	November 21, 2023	November 20, 2033
29.	LoGenius	PRC	Our Company	9	71996054	November 21, 2023	November 20, 2033

No.	Trademark	Place of registration	Registered Owner	Class	Registration number	Registration date	Expiry date
30.		PRC	Our Company	12	71998628	November 28, 2023	November 27, 2033
31.		PRC	Our Company	42	71989937	November 21, 2023	November 20, 2033

(b) Copyrights

As at the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Copyright	Version	Place of registration	Registration number	Registration date
1.	V2X Vehicle Networking Software (V2X車聯網軟件)	V2.2.1	PRC	2019SR0466010	May 15, 2019
2.	V2X Vehicle-Road Coordination System (V2X車路協同系統)	V1.0	PRC	2019SR1152170	November 11, 2019
3.	CIDI Vehicle Remote Driving Software (CIDI車輛遠程駕駛軟件)	V1.0	PRC	2020SR0461417	May 15, 2020
4.	Positioning System Online Analysis Tool Software (定位系統在線分析工具軟件)	V1.0	PRC	2021SR0181930	February 2, 2021
5.	Intelligent Perception System Framework Software (智能感知系統框架軟件)	V2.0	PRC	2021SR0551246	April 19, 2021
6.	Adaptive Panorama APP Software (自適應全景APP軟件)	V1.0.1	PRC	2021SR0852701	June 8, 2021
7.	CIDI Control Calibration Data Automatic Processing System (CIDI控制標定數據自動處理系統)	V1.0	PRC	2022SR0207329	February 9, 2022
8.	Smart Bus Passenger Screen App (智慧公交乘客屏App)	V3.2.44	PRC	2022SR0639150	May 25, 2022
9.	Digital Traffic System Platform (數字交通系統平台)	V1.0	PRC	2022SR0651150	May 26, 2022

No.	Copyright	Version	Place of registration	Registration number	Registration date
10.	Intelligent Connected Data Management Platform (智能網聯數據管理平台)	V1.0	PRC	2022SR0764911	June 16, 2022
11.	Intelligent Connected Cloud Platform (智能網聯雲平台)	V1.0	PRC	2022SR0765019	June 16, 2022
12.	cidi-rivz Intelligent Driving Monitoring Software (cidi-rivz智駕監控軟件)	V1.0	PRC	2022SR0997879	August 3, 2022
13.	Underground Mine Truck Remote Monitoring System (井下礦卡遠程監控系統)	V1.0	PRC	2022SR1328967	August 30, 2022
14.	Roadside Millimeter Wave Radar System Management Software (路側毫米波雷達系統管理軟件)	V1.0	PRC	2023SR0157959	January 30, 2023
15.	Vehicle-Road Coordination Integrated Perception Edge Computing Software (車路協同融合感知邊緣計算軟件)	V1.0	PRC	2023SR0202756	February 6, 2023
16.	Control Algorithm Evaluation Index Scoring Software (控制算法評價指標評分軟件)	V1.0	PRC	2023SR0394791	March 24, 2023
17.	Smart Logistics App Software (智慧物流App軟件)	V2.2.3	PRC	2023SR1245909	October 17, 2023
18.	Vehicle Status Monitoring Platform Software (車輛狀態監控平台軟件)	V1.0	PRC	2024SR0402306	March 18, 2024
19.	CIDI Intelligent Driving Active Bus Priority Simulation Software (希迪智駕主動公交優先仿真軟件)	V1.0	PRC	2024SR0838409	June 20, 2024

(c) Patents

As at the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
1.	Space measuring method, space measuring device, electronic equipment and computer storage medium (空間測量方法、裝置、電子設備及計算機存儲介質)	Invention patent	Our Company	PRC	2021101071127	May 25, 2021	January 27, 2041
2.	Monitoring component control method and device, vehicle, equipment and computer storage medium (監測組件控制方法、裝置、車輛、設備及計算機存儲介質)	Invention patent	Our Company	PRC	2021102381578	July 9, 2021	March 4, 2041
3.	Method, apparatus, and device for detecting object, and computer storage medium (對象檢測方法、裝置、設備及計算機存儲介質)	Invention patent	Our Company	PRC	2021105255492	August 20, 2021	May 14, 2041
4.	Filter control method, device, equipment, and computer storage medium (濾波器控制方法、裝置、設備及計算機存儲介質). .	Invention patent	Our Company	PRC	2021104159820	September 10, 2021	April 19, 2041

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
5.	Road information processing method, road side unit, vehicle-mounted device and storage medium (道路信息處理方法、路側單元、車載裝置及存儲介質). .	Invention patent	Our Company	PRC	2018115692037	December 7, 2021	December 21, 2038
6.	Vehicle visual range expansion method, device and system and computer equipment (車輛視覺範圍擴展方法、裝置、系統和計算機設備)	Invention patent	Our Company	PRC	2019102964926	February 8, 2022	April 13, 2039
7.	Stereo matching optimization method and device, computer equipment and storage medium (立體匹配優化方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	201910729550X	March 18, 2022	August 8, 2039
8.	Vehicle-mounted LiDAR external parameter calibration method, computer equipment, and storage medium (車載激光雷達外參標定方法、計算機設備及存儲介質)	Invention patent	Our Company	PRC	201811389515X	April 19, 2022	November 21, 2038
9.	Radar data fusion method, device and system (雷達數據融合方法、裝置及系統)	Invention patent	Our Company	PRC	2018114147419	May 20, 2022	November 26, 2038

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
10.	Cleaning control method and device of sensing equipment, vehicle and cleaning control system of vehicle (感知設備的清潔控制方法、裝置、車輛及其清潔控制系統)	Invention patent	Our Company	PRC	2019108651501	June 28, 2022	September 12, 2039
11.	Road safety early warning method and device, road side unit and storage medium (道路安全預警方法、裝置、路側單元及存儲介質)	Invention patent	Our Company	PRC	2019100111115	July 22, 2022	January 7, 2039
12.	Composite test system and method (一種複合測試系統、方法)	Invention patent	Our Company	PRC	2019104655683	August 26, 2022	May 30, 2039
13.	Obstacle processing method and device and traveling equipment (障礙物處理方法、裝置和行駛設備) . . .	Invention patent	Our Company	PRC	2021103815786	October 14, 2022	April 9, 2041
14.	Three-dimensional laser-based method and device for detecting lifting prevention of container truck and computer equipment (基於三維激光的集卡防吊起檢測方法、裝置和計算機設備)	Invention patent	Our Company	PRC	2020101577952	November 29, 2022	March 9, 2040

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
15.	Automatic reversing control method, device, intelligent driving equipment, and storage medium (自動倒車控制方法、裝置、智能行駛設備和存儲介質)	Invention patent	Our Company	PRC	2020112238726	November 25, 2022	November 5, 2040
16.	Control method and device for multi-axle distributed electric drive axle in vehicle (車輛中多橋分布式電驅動橋的控制方法與裝置).	Invention patent	Our Company	PRC	2020100706903	November 29, 2022	January 21, 2040
17.	Target tracking method, device, computer-readable storage medium, and computer equipment (目標跟踪方法、裝置、計算機可讀存儲介質和計算機設備).	Invention patent	Our Company	PRC	2018110612619	November 29, 2022	September 12, 2038
18.	Vehicle arrival time prediction method, device, equipment and computer storage medium (車輛到達時間預測方法、裝置、設備及計算機存儲介質) . . .	Invention patent	Our Company	PRC	2021111466397	November 29, 2022	September 28, 2041
19.	Vehicle control method, device, computer-readable storage medium, and vehicle (一種車輛控制方法、裝置、計算機可讀存儲介質及車輛).	Invention patent	Our Company	PRC	2021103830269	November 29, 2022	April 9, 2041

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
20.	Blind area detection method, vehicle-mounted unit, road side unit, vehicle and storage medium (盲區探測方法、車載單元、路側單元、車輛及存儲介質) . . .	Invention patent	Our Company	PRC	2019100023186	December 16, 2022	January 2, 2039
21.	Multi-train hinge angle zero calibration method and device and computer equipment (多列車鉸接角零位標定方法、裝置和計算機設備)	Invention patent	Our Company	PRC	2020101305869	April 7, 2023	February 28, 2040
22.	Dense target detection method and device, storage medium and computer equipment (密集目標檢測方法、裝置、存儲介質及計算機設備) . . .	Invention patent	Our Company	PRC	2020101998557	March 21, 2023	March 20, 2040
23.	Object bounding box determination method, device, computer equipment, and readable storage medium (物體外框確定方法、裝置、計算機設備和可讀存儲介質) . . .	Invention patent	Our Company	PRC	2018111008217	March 21, 2023	September 20, 2038
24.	Training method for positioning model and point cloud data positioning method and device (定位模型的訓練方法和點雲數據定位方法及裝置).	Invention patent	Our Company	PRC	2022115065499	April 28, 2023	November 29, 2042

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
25.	Obstacle detection method, vehicle, apparatus, and computer storage medium (障礙物檢測方法、車輛、設備及計算機存儲介質). .	Invention patent	Our Company	PRC	2021103065544	May 2, 2023	March 23, 2041
26.	Vehicle driving assisting method, device, computer equipment and storage medium (車輛輔助駕駛方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	2019104817673	June 13, 2023	June 4, 2039
27.	Intelligent vehicle and early warning control method, device, system and storage medium thereof (智能車輛及其預警控制方法、裝置、系統及存儲介質)	Invention patent	Our Company	PRC	2019101084223	June 13, 2023	January 18, 2039
28.	Beyond line-of-sight panoramic image acquisition method, device, medium, equipment, and system (超視距全景圖像獲取方法、裝置、介質、設備及系統).	Invention patent	Our Company	PRC	2019102962206	June 13, 2023	April 13, 2039
29.	Vehicle driving position determination method, device, storage medium, and computer equipment (車輛行車位置確定方法、裝置、存儲介質及計算機設備).	Invention patent	Our Company	PRC	2019108081122	June 13, 2023	August 29, 2039

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
30.	Carriage loadable space detection method and device based on three-dimensional laser (基於三維激光的車廂可裝載空間檢測方法和裝置) . . .	Invention patent	Our Company	PRC	2020102360219	July 14, 2023	March 30, 2040
31.	Information processing method, apparatus, and computer storage medium (信息處理方法、設備及計算機存儲介質).	Invention patent	Our Company	PRC	2021105143603	July 18, 2023	May 8, 2041
32.	Intersection traffic coordination method and device (交叉路口通行協調方法和裝置)	Invention patent	Our Company	PRC	2020112826963	July 14, 2023	November 17, 2040
33.	Method and device for detecting anti-smashing of integrated card based on three-dimensional laser and computer equipment (基於三維激光的集卡防砸檢測方法、裝置和計算機設備).	Invention patent	Our Company	PRC	202010158561X	May 26, 2023	March 9, 2040
34.	Obstacle detection method, device, equipment and computer storage medium (障礙物檢測方法、裝置、設備及計算機存儲介質). .	Invention patent	Our Company	PRC	2021102646051	July 18, 2023	March 11, 2041
35.	Obstacle detection method, device, equipment and computer storage medium (障礙物檢測方法、裝置、設備及計算機存儲介質). .	Invention patent	Our Company	HK	420210429114	November 17, 2023	March 11, 2041

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
36.	Positioning method, device, equipment, readable storage medium, and program product (定位方法、裝置、設備、可讀存儲介質及程序產品)	Invention patent	Our Company	PRC	2023101091863	July 18, 2023	February 14, 2043
37.	Target detection method, target detection device, computer equipment and storage medium (目標檢測方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	2018114415111	July 18, 2023	November 29, 2038
38.	Multi-sensor target detection method, device, computer equipment, and storage medium (多傳感器目標檢測方法、裝置、計算機設備和存儲介質).	Invention patent	Our Company	PRC	2018115605255	July 18, 2023	December 20, 2038
39.	Unmanned loading guiding method, device and system (一種無人駕駛裝載導引方法、裝置和系統)	Invention patent	Our Company	PRC	2019100026790	July 14, 2023	January 2, 2039
40.	Obstacle classification method, obstacle classification device, storage medium and computer equipment (障礙物分類方法、裝置、存儲介質和計算機設備)	Invention patent	Our Company	PRC	2018115627413	July 28, 2023	December 20, 2038

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
41.	Autonomous driving assistance positioning method, device, equipment, and storage medium (無人駕駛輔助定位方法、裝置、設備和存儲介質)	Invention patent	Our Company	PRC	2018113542001	September 26, 2023	November 14, 2038
42.	LiDAR external parameter calibration method, device, equipment, medium, and product (激光雷達的外參標定方法、裝置、設備、介質及產品)	Invention patent	Our Company	PRC	202310464282X	September 12, 2023	April 26, 2043
43.	Priority passage control method and device, roadside equipment, and traffic signal control equipment (優先通行控制方法與裝置、路側設備和交通信號控制設備)	Invention patent	Our Company	PRC	2021102227645	September 26, 2023	February 26, 2041
44.	Vehicle articulation point coordinate calibration method, device, computer equipment, and storage medium (車輛鉸接點坐標標定方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	2019109859028	September 26, 2023	October 17, 2039

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
45.	Ground segmentation method and device based on stereoscopic vision, vehicle-mounted equipment and storage medium (基於立體視覺的地面分割方法、裝置、車載設備及存儲介質)	Invention patent	Our Company	PRC	2019101900185	September 26, 2023	March 13, 2039
46.	Vehicle-road cooperative communication method and device, traffic signal control equipment and road side equipment (車路協同通信方法與裝置、交通信號控制設備和路側設備).	Invention patent	Our Company	PRC	2021102227128	September 22, 2023	February 26, 2041
47.	Vehicle priority passage control method and related equipment (一種車輛優先通行控制方法及相關設備).	Invention patent	Our Company	PRC	2021102227630	September 26, 2023	February 26, 2041
48.	Method and device for determining road drivable area and computer equipment (道路可行駛區域的確定方法、裝置及計算機設備)	Invention patent	Our Company	PRC	2018115627432	September 26, 2023	December 20, 2038
49.	Panoramic all-around view image generation method of vehicle and related equipment (車輛的全景環視圖像生成方法及相關設備).	Invention patent	Our Company	Japan	2022-535119	August 21, 2023	December 16, 2040

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
50.	Dump truck and control method, computer-readable storage medium (自卸車及其控制方法、計算機可讀存儲介質)	Invention patent	Our Company	PRC	2018101396729	September 22, 2023	February 9, 2038
51.	Positioning data optimization method thereof and computer readable storage medium (定位數據優化方法、裝置、電子設備和可讀存儲介質).	Invention patent	Our Company	PRC	2023110018602	October 24, 2023	August 10, 2043
52.	Right of way allocation method, device, equipment and medium (通行權分配方法、裝置、設備以及介質).	Invention patent	Our Company	PRC	2024108219097	December 13, 2024	June 23, 2044
53.	Dump truck, control method thereof and computer readable storage medium (自卸車及其控制方法、計算機可讀存儲介質) . . .	Invention patent	Our Company	PRC	2018101394070	January 2, 2024	February 9, 2038
54.	Driving behavior detection method, device and system and storage medium (駕駛行為檢測方法、裝置、系統及存儲介質)	Invention patent	Our Company	PRC	2018115325451	December 1, 2023	December 14, 2038

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
55.	External parameter calibration method and device for multi-group 3D camera group, storage medium and equipment (多組3D相機群的外參標定方法、裝置、存儲介質及設備)	Invention patent	Our Company	PRC	2019103797456	December 29, 2023	May 8, 2039
56.	Point cloud searching method and device and terminal equipment (一種點雲搜索方法、裝置及終端設備)	Invention patent	Our Company	PRC	2023109713893	December 29, 2023	August 3, 2043
57.	Obstacle detection method, device, and terminal equipment (一種障礙物檢測方法、裝置及終端設備).	Invention patent	Our Company	PRC	2023109171419	January 5, 2024	July 25, 2043
58.	Obstacle detection method, device, equipment and storage medium for rail vehicle (軌道交通工具的障礙物檢測方法、裝置、設備及存儲介質)	Invention patent	Our Company	PRC	2023107876646	December 1, 2023	June 30, 2043
59.	Dynamic lane management method and device, terminal equipment and storage medium (一種動態車道管理方法、裝置、終端設備及存儲介質) . . .	Invention patent	Our Company	PRC	2021105215921	March 29, 2024	May 13, 2041

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
60.	Lane line recognition method, device, computer equipment and storage medium (車道線識別方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	2019106400551	February 25, 2025	July 15, 2039
61.	Binocular camera external parameter verification method, device, computer equipment, and storage medium (雙目相機外參檢驗方法、裝置、計算機設備和存儲介質).	Invention patent	Our Company	PRC	2019109311371	April 19, 2024	September 29, 2039
62.	Vehicle steering control method, device, vehicle, and storage medium (車輛轉向控制方法、裝置、車輛和存儲介質).	Invention patent	Our Company	PRC	2021103594961	April 26, 2024	April 2, 2041
63.	Vehicle formation control method, vehicle, device and computer storage medium (車輛編隊控制方法、車輛、設備及計算機存儲介質)	Invention patent	Our Company	PRC	202110264729X	April 2, 2024	March 11, 2041
64.	Vehicle management method, apparatus, device, and computer storage medium (車輛管理方法、裝置、設備及計算機存儲介質) . . .	Invention patent	Our Company	PRC	2020115493223	April 2, 2024	December 24, 2040

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
65.	Visual information fusion processing method, device and storage medium based on vehicle-road collaboration (基於車路協同的視覺信息融合處理方法、裝置及存儲介質) . . .	Invention patent	Our Company	PRC	2019102676153	January 28, 2025	April 2, 2039
66.	Relative pose calibration method, device, computer equipment and storage medium (相對位姿標定方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	202010614019.0	May 28, 2024	June 30, 2040
67.	Point cloud clustering method, device, computer equipment, and storage medium (點雲聚類方法、裝置、計算機設備和存儲介質).	Invention patent	Our Company	PRC	2019104211235	June 11, 2024	May 20, 2039
68.	Method, device, computer device and storage medium for driving formation vehicle (編隊車輛行駛方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	2020108121052	June 21, 2024	August 13, 2040
69.	Target detection and model training method, device, computer equipment and storage medium (目標檢測及模型訓練方法、裝置、計算機設備和存儲介質). .	Invention patent	Our Company	PRC	201910406367.6	June 18, 2024	May 16, 2039

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
70.	Intelligent driving system, method, and computer-readable storage medium (智能駕駛系統、方法及計算機可讀存儲介質).	Invention patent	Our Company	PRC	201810371209.7	June 14, 2024	April 25, 2038
71.	Vehicle lane changing method, device, equipment and computer storage medium (車輛變道方法、裝置、設備及計算機存儲介質).	Invention patent	Our Company	PRC	202110321172.9	June 18, 2024	March 25, 2041
72.	Intelligent vehicle, intelligent semi-trailer control system and control method thereof (智慧車輛、智能半掛車的控制系統及其控制方法).	Invention patent	Our Company	PRC	2017114401538	February 18, 2025	December 25, 2037
73.	Vehicle mass estimation method and device, electronic equipment and storage medium (整車質量估算方法、裝置、電子設備和存儲介質).	Invention patent	Our Company	PRC	2019102232400	November 30, 2021	March 22, 2039
74.	Vehicle travel state control method, apparatus, computer device, and storage medium (車輛行駛狀態控制方法、裝置、計算機設備和存儲介質) . . .	Invention patent	Our Company	PRC	2019101885876	May 25, 2021	March 13, 2039

No.	Patent name	Type	Patentee	Place of registration	Patent number	Grant date	Expiry Date
75.	Method and device for vehicle to avoid obstacle, electronic equipment and storage medium (車輛避開障礙物的方法及裝置、電子設備和存儲介質)	Invention patent	Our Company	PRC	2018115562531	July 9, 2021	December 19, 2038
76.	Parking trajectory generation method and device, computer equipment and storage medium (泊車軌跡生成方法、裝置、計算機設備和存儲介質)	Invention patent	Our Company	PRC	202010402570.9	September 27, 2024	May 13, 2040
77.	Panoramic all-around view image generation method of vehicle and related equipment (車輛的全景環視圖像生成方法及相關設備).	Invention patent	Our Company	PRC	2019112898189	April 3, 2020	December 16, 2039

3. Domain names

As at the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration date	Expiry Date
1.	novodriv.net	Our Company	May 11, 2017	May 11, 2026
2.	metamine.cn	Our Company	September 27, 2021	September 27, 2026
3.	novodriv.co.	Our Company	May 1, 2017	May 1, 2026
4.	cidiguardian.com.	Our Company	July 25, 2024	July 25, 2026
5.	vessel2x.cn	Our Company	March 9, 2023	March 9, 2026
6.	novodriv.com	Novodriv Chongqing	May 1, 2017	May 1, 2026
7.	cidiserver.com.	Our Company	July 17, 2018	July 17, 2026
8.	autosoftware.cn.	Our Company	March 16, 2023	March 16, 2026
9.	csznjsyjy.cn	Our Company	April 29, 2020	April 29, 2026
10.	vessel2x.com	Our Company	March 9, 2023	March 9, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

1. Disclosure of interests of Directors and Chief Executive of the Company

Save as disclosed below, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she 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 recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(a) Interest in our Company

Name of Director or chief executive	Position	Nature of Interest[1]	Number of Unlisted/ H Shares	Approximate percentage of shareholding in the total issued Shares immediately prior to the [REDACTED]	Approximate percentage of shareholding in the total issued Shares immediately after the [REDACTED][2]	Approximate percentage of shareholding in H Shares immediately after the [REDACTED][2]
Prof. Li[3]	Founder, chairman of the Board and non-executive Director	Interest in controlled corporations	16,750,130 H Shares	43.64%	[REDACTED]%	[REDACTED]%
Dr. Hu Albert Sibo[4]	Executive Director and chief executive officer	Beneficial interest	138,270 H Shares	0.36%	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of **[REDACTED]** Domestic Unlisted Shares in issue, **[REDACTED]** H Shares to be converted from Domestic Unlisted Shares in issue and **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(3) Under the SFO, Prof. Li is deemed to be interested in (i) the 11,443,151 Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li; (ii) the 4,883,250 Shares held by Changsha Gangwan, which (1) is directly held as to 99% by Prof. Li as the limited partner, and (2) is held as to 1% by Dongguan Intelligence as the general partner, which is controlled by Prof. Li; (iii) the 290,750 Shares held by CWB Startup HK, which is wholly-owned by Clear Water Bay Startup Fund LP, the general partner of which is Clear Water Bay Startup Fund GP, which in turn is held as to approximately 57% by Prof. Li; and (iv) the 132,979 Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by Dongguan Yunhe, which in turn is wholly-owned by CWB Startup HK.

(4) As of the Latest Practicable Date, Dr. Hu Albert Sibo was granted Options under the Share Incentive Scheme for up to 138,270 H Shares, entitling him to receive dividends and other economic rights attributable to such Shares.

Save as disclosed above, none of the Directors or the chief executive officer of the Company will, immediately following completion of the **[REDACTED]**, has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she 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 recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

2. Disclosure of Interests of Substantial Shareholders

(a) Interests in our Company

For information on the persons who will, immediately following the completion of the **[REDACTED]**, having or be deemed or taken to have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company, see the section headed "Substantial Shareholders".

(b) Interests of the Substantial Shareholders of Other Members of Our Group

As of the Latest Practicable Date, so far as our Directors are aware, no other person (other than our Directors or chief executive of our Company) will, immediately following the completion of the **[REDACTED]**, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

3. Service Contracts

We [have entered] into a contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

4. Director's Remuneration

Save as disclosed in the section headed "Directors and Senior Management" and Note 8 to "Appendix I — Accountants' Report" for the three years ended December 31, 2024 and the six months ended June 30, 2025, none of our Directors received other remunerations of benefits in kind from us.

5. Disclaimers

Saved as disclosed in this document:

(a) none of our Directors or any of the parties listed in "— E. Other Information — 4. Qualifications of Experts" below is:

  (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

  (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(b) save in connection with the **[REDACTED]** and the **[REDACTED]**, none of the parties listed in "— E. Other Information — 4. Qualification of Experts" below:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and

(d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the share incentive scheme (the "**Share Incentive Scheme**"). The Share Incentive Scheme was adopted and approved on September 23, 2024.

Save for the disclosure requirements under Rule 17.12 of the Listing Rules, the Share Incentive Scheme is not subject to the provisions under Chapter 17 of the Listing Rules and no further options or awards may be granted under the Share Incentive Scheme after the **[REDACTED]**. Under the Share Incentive Scheme, the Company will grant option(s) ("**Option(s)**") to Scheme Participants to acquire Unit(s) in the Shares held by Changsha Gangwan, pursuant to which the Scheme Participants shall enjoy the dividends and other economic rights attributable to the Shares held by Changsha Gangwan. As of the Latest Practicable Date, Changsha Gangwan held 93,410,000 Units, representing 4,305,280 Shares held in the Company (out of the 4,883,250 Shares in total held by Changsha Gangwan), with all of the 93,410,000 Units having already been granted to 369 Eligible Participants.

A summary of the key terms is set out as follows:

Summary of Key Terms

(a) ***Purpose.*** The purpose of the Share Incentive Scheme is to further bolster the corporate governance structure, improve the incentive mechanism, encourage outstanding employees and consultants to be more proactive, and foster the sense of responsibility among the Scheme Participants to promote the stable, continuous and rapid growth of the Company.

(b) ***Administration.*** The Share Incentive Scheme is to be administered by an implementation committee (the "**Implementation Committee**"), the members of which include Prof. Li, Dr. Ma and Dr. Hu Albert Sibo. Any replacement of members of the Implementation Committee shall be subject to the approval of the Board. Subject to the procedures stipulated in the articles of association of the Company and Changsha Gangwan, the partnership agreement, the shareholders' agreement or other relevant documents (the "**Approval Procedures**"), the Implementation Committee may (i) issue interpretations as to the terms, execution and administration of the Share Incentive Scheme; (ii) choose and decide the Scheme Participants; (iii) stipulate, amend, change or abolish the regulations of the Share Incentive Scheme and make the appropriate decisions; (iv) amend and supplement the Share Incentive Scheme, unless such actions would cause material adverse impact on the Options or Units already obtained by the Scheme Participants, in which case the consent shall be obtained from the Scheme Participants holding more than half of the issued Options at the time; (v) decide on the distribution, grant, redemption, exercise or termination of the Options and the terms and conditions thereof, and to make the relevant amendments, changes, cancellation or waiver; and (vi) to decide on matters or exercise powers that the Company or the Implementation Committee is responsible for under the Share Incentive Scheme. The decisions of the Implementation Committee shall be final, definitive and binding on all Scheme Participants. The Implementation Committee may authorize any of its members to execute matters within the scope of its power. From the effective date of the Share Incentive Scheme, the Implementation Committee may authorize any of its members to (i) verify and confirm the exercise of the Options; and (ii) verify and confirm the exercise and conversion of the Options into Units.

(c) ***Scheme Participants.*** The core employees of the Group (including ex-employees) and consultants who work for, or have made significant contributions to the Group.

(d) ***Duration.*** The Share Incentive Scheme will be valid for 10 years commencing from the date of approval by the Board of the Share Incentive Scheme, unless otherwise resolved by the Board.

(e) ***Grant of Options.*** Option gives a Scheme Participant a conditional right to acquire Units under the Share Incentive Scheme at a pre-determined price. Unless otherwise agreed by the Implementation Committee, the purchase price (the "**Exercise Price**") that a Scheme Participant has to pay in order to exercise the Option and be assigned the Units shall be decided by the Implementation Committee and shall be explicitly agreed in the relevant option grant agreement (the "**Option Grant Agreement**").

The grant of Options shall adhere to the principles of balancing responsibilities, rights and benefits. Subject to the provisions of the prevailing articles of association, partnership agreement, shareholders' agreement or other constitutional documents of the Company and Changsha Gangwan, Options may be allocated and granted based on the Scheme Participants' positions and performance and their contribution to the Company's results and in light of the actual condition of the Company. Subject to the Approval Procedures, the Implementation Committee shall have full and independent discretion to decide and adjust the ratio of allocation, grant of Options and exercise price of the Options based on the development of the Company. The Option Grant Agreement will take effect from the date on which the Approval Procedures are satisfactorily completed. Unless otherwise agreed in writing by the Implementation Committee, Options may be granted only if the Scheme Participant is still employed by the Company (or a subsidiary or an affiliated company established by the Company) or a labor or service relationship exists between the Scheme Participant and the Company (or a subsidiary or an affiliated company established by the Company) on the date of grant.

(f) ***Exercise of Options***. Unless otherwise agreed in writing by the Implementation Committee, upon the Scheme Participant exercising the Options under the Option Grant Agreement, the Scheme Participant shall simultaneously receive the corresponding number of Units based on the number of Options exercised. Subject to the provisions of the relevant laws and regulations and the terms of the Share Incentive Scheme, the Company will, at its own discretion from time to time after **[REDACTED]**, set up a window for a period of time ("**Exercise Window**") pursuant to which Scheme Participants have the right to exercise part of or all of their Options and obtain Units in accordance with the terms of the Option Grant Agreement. The Scheme Participant shall provide a written notice to the Implementation Committee in respect of the exercise of such Options during the Exercise Window.

(g) ***Shares***. All the 93,410,000 Units underlying the Options under the Share Incentive Scheme, representing 4,305,280 Shares of the Company (accounting for approximately **[REDACTED]**% of the total issued share capital of our Company following completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised) are currently held by Changsha Gangwan for the purpose of holding Shares under the Share Incentive Scheme.

(h) ***Lapse of Options.*** Unless with the written consent of the Implementation Committee, an Option shall lapse immediately on the occurrence of, among others, the following: (i) the Scheme Participant's employment with the Group is terminated as a result of serious incompetence or a violation of the law, employment contract or regulations; (ii) the Scheme Participant has materially neglected his/her duties or has committed malpractices for his/her personal gains, or has seriously damaged the rights and interests of the Company (or any subsidiary or affiliated company established by the Company); (iii) the Scheme Participant has breached any employment contract, confidentiality agreement, work product attribution agreement, non-compete agreement or any other agreements entered with the Company (or a subsidiary or an affiliated company established by the Company); (iv) the Scheme Participant has violated the rules and regulations of the Company (or a subsidiary or an affiliated company established by the Company) during the course of employment; (v) the Scheme Participant has materially breached the Option Grant Agreement, or has committed an immaterial breach of the Option Grant Agreement but has failed to rectify the situation within a reasonable period as required by Changsha Gangwan or the Company; (vi) the Scheme Participant's employment is terminated before the **[REDACTED]** of the Company; or (vii) the Scheme Participant has violated the partnership agreement or other constitutional documents of Changsha Gangwan. Upon the lapse of Options, unless the Implementation Committee states otherwise in writing, the Company has the right to terminate the grant of Options to the Scheme Participant and declare any or all Options that have been granted but not yet exercised to be invalid. Should any Options be exercised already by the Scheme Participant, the Company has the right to designate a third party to repurchase all Units purchased by the Scheme Participant through the exercise of Options at a price determined by good faith by the Implementation Committee (with such price being not lower than the Exercise Price), and require the relevant Scheme Participant to withdraw from the Share Incentive Scheme.

(i) ***Transferability.*** Before the **[REDACTED]** of the Company, except with the written consent by the Implementation Committee, any Options granted to the Scheme Participants pursuant to the Share Incentive Scheme and the Option Grant Agreement shall not be capable of being sold, transferred, given, pledged, mortgaged, gifted or otherwise disposed of by him/her, save that in the event of his/her death, his/her personal representatives shall receive the benefit of his/her Options, provided that the personal representatives shall be subject to the restrictions and conditions that come with the Options as stipulated by the Option Grant Agreement, and shall comply with the terms of the Share Incentive Scheme and the Option Grant Agreement.

(j) ***Lock-up Period.*** After the **[REDACTED]**, the Options will be subject to a lock-up period stipulated by the Implementation Committee, in accordance with the requirements of the relevant regulatory authorities and stock exchanges. The final day of such lock-up period shall not be earlier than the end of the applicable lock-up period for the Shares held by Changsha Gangwan upon **[REDACTED]**.

Issued shares underlying the Share Incentive Scheme

The following Directors, senior management, other management, employees and other persons were granted Options under the Share Incentive Scheme prior to the **[REDACTED]**. The grant of the Options under the Share Incentive Scheme to the grantees as set out below has been approved by the Board.

Scheme Participant	Position in the Group	Number of Units underlying the Options granted	Date of Grant	Vesting period[(1)]	Exercise price per Option[(2)]	Number of Shares underlying the Options granted	Approximate percentage of the issued Shares immediately upon completion of the [REDACTED][(3)]
					(RMB)		
Dr. Hu Albert Sibo. .	Executive Director and chief executive officer	1,200,000	September 27, 2024	C	0.001	55,308	**[REDACTED]**
		300,000		D	0.01	13,827	**[REDACTED]**
		1,500,000		B	0.01	69,135	**[REDACTED]**
Other Scheme Participants[(4)] . . .		90,410,000	September 27, 2024 to January 9, 2025	A, B, C, D	0.001 to 1.00	4,167,010	**[REDACTED]**

Notes:

(1) Please refer to the different categories of vesting schedules below:

Category	Vesting schedule
A	25% of the total granted Options shall vest one year from the date of grant, with the remaining 75% to vest each year thereafter over the next three years in equal proportion (i.e. 25% each year).
B	25% of the total granted Options shall vest at the end of the calendar year after the date of grant, with the remaining 75% to vest at the end of each calendar year thereafter over the next three years in equal proportion (i.e. 25% each calendar year).
C	100% of the total granted Options shall vest on the date of grant.

Category	Vesting schedule
D	50% of the total granted Options shall vest on the date of grant, with the remaining 50% shall vest each year thereafter over the next two years in equal proportion, beginning six months from the date of grant.

(2) Subject to (i) the relevant vesting periods of the Options and (ii) the exercise of Options during the Exercise Window described above, the exercise period for all of the Options is from the period which the Shares held by Changsha Gangwan are not subject to any lock-up requirements under the relevant laws and regulations after completion of the **[REDACTED]**, until September 7, 2034.

(3) These percentages are calculated on the basis of **[REDACTED]** Shares in issue immediately upon completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

(4) Comprises of (a) other employee participants (including ex-employees) and (b) service providers with less than 0.1% of the Shares in issue (excluding treasury shares). No Options were granted to any participant in excess of the 1% individual limit or related entity participant (each as defined in the Listing Rules).

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiaries.

2. Litigation

To the knowledge of our Directors, no member of our Group has significant litigation or claims pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the **[REDACTED]** of, and **[REDACTED]**, our H Shares in issue, our H Shares to be issued pursuant to the **[REDACTED]** (including any H Shares which may fall to be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**). All necessary arrangements have been made to enable the securities to be admitted into **[REDACTED]**.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, we have agreed to pay each of the Joint Sponsors a fee of US$300,000 to act as the sponsors of our Company in connection with the proposed **[REDACTED]** on the Hong Kong Stock Exchange, which has yet to be paid in full to the Joint Sponsors as of the Latest Practicable Date.

China International Capital Corporation Hong Kong Securities Limited and China Securities (International) Corporate Finance Company Limited satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Ping An of China Capital (Hong Kong) Company Limited is a subsidiary of Ping An Insurance (Group) Company of China, Ltd. (2318.HK), which has business relationships with the Company and/or its subsidiaries and also holds Founder Securities, a beneficial holder of Changsha Hesheng, Tibet Fangchuang and Ningbo Jiusheng, pre-**[REDACTED]** investors of the Company, may not be able to perform its duties as an independent sponsor as set out in Chapter 3A of the Listing Rules.

4. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under the SFO)
Ping An of China Capital (Hong Kong) Company Limited	Licensed corporation under the SFO to engage in type 6 (advising on corporate finance) regulated activity
BDO Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Zhong Lun Law Firm	Legal advisors as to PRC laws to our Company
China Insights Industry Consultancy Limited	Independent industry consultant
AVISTA Valuation Advisory Limited	Independent property valuer

Name	Qualification
Pillsbury Winthrop Shaw Pittman LLP	U.S. export control and sanctions counsel

Each of the experts named above has given and has not withdrawn its consent to the issue of this Document with the inclusion of its report, letter, and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

5. Binding Effect

This document shall have the effect, if an application is made pursuant to this Document, 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.

6. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

7. Compliance Adviser

Our Company has appointed Ping An of China Capital (Hong Kong) Company Limited as its compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

8. Preliminary Expenses

The Company did not incur material preliminary expenses for the purpose of the Listing Rules.

9. No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material change in our financial or financial position since June 30, 2025.

10. Promoters

The promoters of our Company comprised all of the 50 then shareholders of our Company, as of July 2, 2024 before our conversion into a joint stock limited liability company. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

11. Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

12. Miscellaneous

Save as disclosed in this document:

(a) within the two years preceding the date of this document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(g) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(h) no part of the equity or debt securities of our 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 Stock Exchange is currently being or agreed to be sought; and

(i) our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix VII — Statutory and General Information — E. Other Information — 4. Qualifications of Experts"; and

(b) a copy of each of the material contracts referred to in "Appendix VII — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.cidi.ai** during a period of 14 days from the date of this document:

1. the Articles of Association;

2. the Accountant's Report prepared by BDO Limited, the text of which is set forth in Appendix I to this document;

3. the audited consolidated financial statements of our Company for the three financial years ended December 31, 2024 and the six months ended June 30, 2025;

4. the report from BDO Limited on the unaudited pro forma financial information of our Group, the text of which is set forth in Appendix II to this document;

5. the letter, summary of values and valuation certificates relating to our property interests prepared by AVISTA Valuation Advisory Limited, the text of which is set out in Appendix III to this document;

6. the material contracts in "Appendix VII — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts";

7. the written consents referred to in "Appendix VII — Statutory and General Information — E. Other Information — 4. Qualifications of Experts";

8. the service contracts referred to in "Appendix VII — Statutory and General Information — C. Further Information about our Directors and Senior Management — 3. Service Contracts";

9. the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

10. the legal opinion on U.S. export control and sanctions matters issued by Pillsbury Winthrop Shaw Pittman LLP;

11. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed "Industry Overview" in this document;

12. the terms of the Share Incentive Scheme; and

13. a copy of the following PRC laws, together with their unofficial English translations:

    - the PRC Company Law;
    - the PRC Securities Law; and
    - the Overseas Listing Trial Measures.