

UISEE

馭勢科技(北京)股份有限公司 UISEE TECHNOLOGIES (BEIJING) CO., LTD.

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

Stock Code: 1511

GLOBAL OFFERING

Sole Sponsor, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

 **CITIC SECURITIES**

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

 **交銀國際**
BOCOM International

 **DBS**

 **中國銀河國際**
CHINA GALAXY INTERNATIONAL

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

 **洪泰證券**
HONG TAI SECURITIES

Joint Bookrunners and Joint Lead Managers

 **富途證券**

 **光銀國際**
CIB INTERNATIONAL

 **uSMART**
盈立證券

 **信銀投資**
CIBC INVESTMENT

 **華福證券**
QUAM SECURITIES

 **Lego Securities Limited**
力高證券有限公司

 **百惠金控 PATRONS**

 **軟庫中華 SBI China**

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

UISEE

UISEE Technologies (Beijing) Co., Ltd.

馭勢科技(北京)股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	14,461,200 H Shares (subject to the Offer Size Adjustment Option)
Number of Hong Kong Offer Shares	:	723,100 H Shares (subject to reallocation)
Number of International Offer Shares	:	13,738,100 H Shares (subject to reallocation and the Offer Size Adjustment Option)
Offer Price	:	HK\$60.30 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong Dollars and subject to refund)
Nominal Value	:	RMB0.10 per H Share
Stock Code	:	1511

Sole Sponsor, Overall Coordinator, Joint Global Coordinator,
Joint Bookrunner and Joint Lead Manager



CITIC SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies and Documents on Display — A. Documents Delivered to the Registrar of Companies," has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK\$60.30 per H Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK\$60.30 per H Share, together with brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.uissee.com not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for further details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Underwriting Agreement — Grounds for Termination." It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

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.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.uissee.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

May 12, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.uisee.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, May 12, 2026 to 11:30 a.m. on Friday, May 15, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, May 15, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed “How to apply for Hong Kong Offer Shares” for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application through the **HK eIPO White Form** service or the HKSCC EIPO channel must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment HK\$
50	3,045.40	600	36,544.87	4,000	243,632.50	40,000	2,436,325.02
100	6,090.81	700	42,635.68	4,500	274,086.57	50,000	3,045,406.28
150	9,136.21	800	48,726.50	5,000	304,540.62	60,000	3,654,487.54
200	12,181.63	900	54,817.32	6,000	365,448.75	70,000	4,263,568.79
250	15,227.03	1,000	60,908.13	7,000	426,356.88	80,000	4,872,650.05
300	18,272.44	1,500	91,362.19	8,000	487,265.00	90,000	5,481,731.30
350	21,317.84	2,000	121,816.25	9,000	548,173.12	100,000	6,090,812.56
400	24,363.25	2,500	152,270.32	10,000	609,081.25	200,000	12,181,625.10
450	27,408.65	3,000	182,724.37	20,000	1,218,162.51	300,000	18,272,437.66
500	30,454.06	3,500	213,178.44	30,000	1,827,243.76	361,550 ⁽¹⁾	22,021,332.77

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE

If there is any change in the following expected timetable⁽¹⁾ of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on our website at www.uisee.com and the website of the Stock Exchange at www.hkexnews.hk.

Hong Kong Public Offering commences 9:00 a.m. on
Tuesday, May 12, 2026

Latest time to complete electronic applications under
the **HK eIPO White Form** service through
the designated website at www.hkeipo.hk⁽²⁾ 11:30 a.m. on
Friday, May 15, 2026

Application lists open⁽³⁾ 11:45 a.m. on
Friday, May 15, 2026

Latest time for completing payment of **HK eIPO White Form**
applications by effecting internet banking transfers(s) or
PPS payment transfer(s) and giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on
Friday, May 15, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close⁽³⁾ 12:00 noon on
Friday, May 15, 2026

Announcement of the level of indications of
interest in the International Offering, the level of applications in
the Hong Kong Public Offering and the basis of allocation of
the Hong Kong Public Offering to be published and on the
website of the Stock Exchange at www.hkexnews.hk and
our website at www.uisee.com⁽⁵⁾ at or before 11:00 p.m. on
Tuesday, May 19, 2026

The results of allocations in the Hong Kong Public Offering
(with successful applicants' identification document numbers,
where appropriate) to be available through a variety of
channels, including:

- in the announcement to be posted on our website and
the website of the Stock Exchange at www.uisee.com and
www.hkexnews.hk respectively at or before 11:00 p.m. on
Tuesday, May 19, 2026
- from the "Allotment Results" page at
www.hkeipo.hk/IPOResult (or
www.tricor.com.hk/ipo/result) with
a "search by ID" function from 11:00 p.m. on Tuesday, May 19, 2026 to 12:00
midnight on
Monday, May 25, 2026
- from the allocation results telephone
enquiry line by calling +852 3691 8488
between 9:00 a.m. and 6:00 p.m. from Wednesday, May 20, 2026 to
Tuesday, May 26, 2026 on
a Business Day

For those applying through HKSCC EIPO channel,
you may also check with your broker or custodian from 6:00 p.m. on
Monday, May 18, 2026

EXPECTED TIMETABLE

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁶⁾ Tuesday, May 19, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications to be dispatched on or before⁽⁷⁾⁽⁸⁾ Wednesday, May 20, 2026

Dealings in the H Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on Wednesday, May 20, 2026

Notes:

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, May 15, 2026, the application lists will not open or close on that day. For further details, please see the section headed “How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements” in this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares” in this prospectus.
- (5) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (6) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Underwriting Agreement — Grounds for Termination” in this prospectus has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (7) **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant’s identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund cheque. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund cheque.
- (8) Applicants who have applied on the **HK eIPO White Form** service for 200,000 or more Hong Kong Offer Shares may collect H Share certificates in person from our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, May 20, 2026 or such other date as notified by us as the date of dispatch/collection of H Share certificates/**HK eIPO White Form** e-Auto Refund payment instructions. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the HKSCC EIPO channel should refer to the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

EXPECTED TIMETABLE

H Share certificates for applicants who have applied for less than 200,000 Hong Kong Offer Shares and any uncollected H Share certificates will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies".

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, our Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or a solicitation of an offer to subscribe for or buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, any of the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

	<i>Page</i>
Expected Timetable	iii
Contents	vi
Summary	1
Definitions	21
Glossary of Technical Terms	32
Forward-looking Statements	35
Risk Factors	37
Waivers from Strict Compliance with the Listing Rules	65
Information about this Prospectus and the Global Offering	68
Directors and Parties Involved in the Global Offering	72
Corporate Information	77
Industry Overview	79
Regulatory Overview	93
History, Development and Corporate Structure	105
Business	131
Directors and Senior Management	217
Relationship with Our Controlling Shareholders	226
Substantial Shareholders	229
Cornerstone Investors	232

CONTENTS

Share Capital	237
Financial Information	240
Future Plans and Use of Proceeds	283
Underwriting	287
Structure of the Global Offering	297
How to Apply for Hong Kong Offer Shares	304
Appendix I – Accountants’ Report	I-1
Appendix II – Unaudited Pro Forma Financial Information	II-1
Appendix III – Taxation and Foreign Exchange	III-1
Appendix IV – Summary of Principal Legal and Regulatory Provisions	IV-1
Appendix V – Summary of Articles of Association	V-1
Appendix VI – Statutory and General Information	VI-1
Appendix VII – Documents Delivered to the Registrar of Companies and Documents on Display	VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. In particular, we are a Commercial Company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules on the basis that 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 net losses since our inception, and we may incur net losses for the foreseeable future. We had negative net cash flow 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 Offer Shares are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a provider of autonomous driving solutions specializing in driverless L4 technology in Greater China. We are currently focused on commercial vehicles in closed scenarios especially at airports and factories, while our solutions are all-scenario, having been applied to both open and closed scenarios featuring logistics, operation and mobility vehicles, and encompassing autonomous driving levels from L2 to L4. In particular, our market share among the L4 autonomous driving solutions market for commercial vehicles in closed scenarios in terms of revenue in 2025 in Greater China is 3.1% according to Frost & Sullivan. In 2023, 2024 and 2025, 99.6%, 98.6% and 99.0% of our revenue was generated from the Chinese Mainland and Hong Kong. Our market position is underpinned by:

- ranking as No.1 L4 autonomous driving solutions provider for commercial vehicles in both airport scenario and factory scenario in Greater China in terms of revenue in 2025 with the respective market share of 90.5% and 31.7%, dedicated to advancing our research and application across a wide range of closed and open scenarios;
- being the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations, meeting the highest international safety standards;
- offering cost-effective expansion across diverse application scenarios through coverage of both passenger and commercial vehicles, leveraging our technology foundation, industry data, know-how and a wide range of standardized autonomous driving vehicles and kits covering a variety of application scenarios we have developed;
- serving a blue-chip customer base, including 35 Fortune China and Global 500 companies, as a testament to the high recognition of our autonomous driving solutions among leading and reputable enterprises across industries.

Over the years, we have been devoted to the R&D, evolution and innovation of L4 autonomous driving solutions, and our endeavors in R&D resulted in significant accomplishments, evidenced by a proven history of in-house development of core technologies that cover our vehicle- and cloud-based AI capabilities and safety framework, multiple iterations of our U-Drive[®] systems and solutions expanded into new scenarios and sectors, intellectual properties creation and industry recognitions.

OUR BUSINESS

Our core offerings include autonomous driving solutions that serve corporate customers such as airports, factories, as well as commercial and passenger car manufacturers. These solutions include commercial vehicles equipped with L4 autonomous driving

SUMMARY

capabilities, autonomous driving kits, software solutions, and leasing services. Our L4 vehicles are designed to operate without standby safety drivers, enabling driverless functionality in applicable scenarios. By enabling the deployment of autonomous driving in diverse environments—from closed scenarios to open operations—we empower our business partners with tailored, industry-specific commercial applications.

Since our inception, we have been dedicated to providing AI-empowered autonomous driving solutions, with a particular focus on closed scenarios such as airports, factories, ports and mining areas, and open scenarios such as logistics, bus, and other domains. We also strive to expand our autonomous driving solutions across various other industry verticals and scenarios. Our L4 autonomous driving technology is designed to tackle human resource shortages and overcome challenges posed by complex operational conditions and harsh environments. Key application areas include:

- **Airports:** We are the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations, according to Frost & Sullivan. We have successfully implemented autonomous electric tractors (“AETs”), autonomous shuttle buses (“ASB”) and autonomous patrol cars (“APCs”) and related software and hardware to realize driverless baggage and cargo towing, shuttle and patrol services at Hong Kong International Airport (“HKIA”). The success of the HKIA project and our long-standing relationship with HKIA demonstrates our ability to deliver autonomous driving solutions that meet the stringent safety and technical standards of international airports. As of the Latest Practicable Date, we had commenced collaboration with 17 airports in China, three overseas airports, and been in exploration of collaboration with four airports in China and globally, establishing a strong presence in the airport transportation sector and showcasing the scalability and adaptability of our solutions and services. The revenue from airports scenario accounted for 71.2%, 58.7% and 38.9%, respectively, of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate in 2023, 2024 and 2025. Our revenue from autonomous driving kit solutions and autonomous driving software solution cannot be broken down by application scenarios as the relevant products are universally applicable on different application scenarios, and the actual end use is beyond our control or knowledge after their delivery to the customers.
- **Factories:** We provide end-to-end autonomous logistics solutions that enable autonomous delivery of raw materials, samples, parts, semi-finished goods, finished goods from indoor to outdoor, and from outdoor to indoor, evolving from controlled factory environments to open-road applications. For indoor operations, our autonomous vehicles can operate without GPS using scenario memory. For outdoor operations, our autonomous vehicles can operate in mixed traffic and all-weather conditions. According to Frost & Sullivan, in 2025, we were the largest L4 autonomous driving solutions provider to provide autonomous driving solutions enabling both indoor and outdoor autonomous operation in factory scenario, which required a great deal of industry experience and data through solving many difficult corner cases. Our solutions and services cover various industries, including automotive, chemical, photovoltaic, and lithium battery manufacturing. The revenue from factories scenario accounted for 22.2%, 25.8% and 21.4%, respectively, of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate in 2023, 2024 and 2025. Our revenue from autonomous driving kit solutions and autonomous driving software solution cannot be broken down by application scenarios as explained above.
- **Other Scenarios:** Beyond airports and factories, where we already offer an all-in-one autonomous driving vehicle solutions, we have been expanding the application scenarios of our autonomous driving solutions to cities, ports, mines, farms and ranches with our autonomous driving kit solutions.

In Chinese Mainland, Hong Kong and other overseas countries such as Singapore, outdoor operations in closed scenarios are generally not subject to regulatory restrictions; while those in open scenarios are subject to approvals or licenses by the regulatory authorities, which shall be obtained by the operating entities, i.e. our customers. Our legal department has been closely monitoring the regulatory requirements in the countries and regions we operate, and we did not encounter any non-compliance incidents in this regard during the Track Record Period and up to the Latest Practicable Date.

SUMMARY

Our Business and Revenue Model

We are a provider of autonomous driving solutions specializing in driverless L4 technology in Greater China, dedicated to advancing our research and application across a wide range of scenarios. Our business primarily comprises autonomous driving solutions to corporate customers, commercial vehicle manufacturers and passenger car manufacturers, consisting primarily of (i) autonomous driving vehicle solutions to corporate customers; (ii) autonomous driving kit solutions to corporate customers, commercial vehicle manufacturers or passenger car manufacturers; (iii) autonomous driving software solutions to corporate customers, commercial vehicle manufacturers or passenger car manufacturers; and (iv) autonomous driving vehicle leasing services consisting primarily of the lease of commercial vehicles with various L4 autonomous driving functions to corporate customers. All of our autonomous driving solutions fall under the acceptable sectors of “Advanced hardware and software — Electric and autonomous vehicles — autonomous vehicles: vehicles and trucks equipped with self-driving solutions.” See “Business — Our Solutions and Services” for details.

The chart below illustrates our business and revenue models in general:

Specialist Technology Product	Nature of products sold	Type of customers	Applications	Level of autonomous driving technologies applied	Revenue model/Charging basis	Accumulated number and duration of contracts during the Track Record Period	Payment schedules	Ownership of IP rights
Autonomous driving solutions	All-in-one solution, which includes the vehicle body, hardware, and operation and maintenance services	Corporate customers	Commercial vehicles in airports, factories, ports, mines, industrial parks and cities	L4	Transaction-based/ subscription-based ⁽¹⁾	Number: 276; Duration: Project-by-project and/or recurring, typically ranging from one month to seven years	(i) Payment upon signing of contract, (ii) payment upon delivery and acceptance, (iii) in certain cases, monthly or yearly installments for the operation and maintenance services, and/or (iv) payment upon the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology; Our customers typically have sole ownership of their background IP
Autonomous driving kit solutions	Hardware, and operation and maintenance services	Corporate customers, commercial vehicle manufacturers and passenger car manufacturers	Commercial vehicles in factories, city buses and passenger cars	Primarily L4, and certain L2/L2+ solutions	Transaction-based ⁽¹⁾	Number: 66; Duration: Project-by-project and/or recurring, typically ranging from three months to three years	(i) Payment upon signing of contract, (ii) payment upon delivery and acceptance, (iii) in certain cases, monthly or yearly installments for the operation and maintenance services, and/or (iv) payment upon the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology; Our customers typically have sole ownership of their background IP

SUMMARY

Specialist Technology Product	Nature of products sold	Type of customers	Applications	Level of autonomous driving technologies applied	Revenue model/ Charging basis	Accumulated number and duration of contracts during the Track Record Period	Payment schedules	Ownership of IP rights
Autonomous driving software solutions	Customized software development services	Corporate customers, commercial vehicle manufacturers and passenger car manufacturers	Software intended to be universally applicable to a variety of scenarios, not limited to a certain application scenario	Primarily L4, and certain L2/L2+ solutions	Transaction-based	Number: 52; Duration: Project-by-project, typically ranging from nine months to one year	Payments upon (i) signing of contract, (ii) delivery and acceptance, and/or (iii) in rare cases where there is a warranty period, the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP; Our customers typically have sole ownership of the IP developed under the services
Autonomous driving vehicle leasing services	Lease of vehicles which are ready to be provided under autonomous driving vehicle solutions, as a try-before-you-buy option for potential autonomous driving vehicle solution customers	Corporate customers	Commercial vehicles in airports and factories	L4	Transaction-based	Number: 25; Duration: Recurring, typically ranging from three months to one year	Monthly rental payments	<ul style="list-style-type: none"> We typically have sole ownership of our background IP; Our customers typically have sole ownership of IP relating to their data, materials and information provided to us during the performance of the relevant agreement with us

Note:

(1) We offer operation and maintenance services in exchange for service fees under our autonomous driving vehicle solutions and autonomous driving kit solutions. Our customers may purchase customized services as part of the solutions in combination with vehicles or kits, while they may also purchase services only after the warranty period or service period agreed in the initial purchase agreement expires. We already entered into agreements with several autonomous driving vehicle solution customers regarding provision of operation and maintenance services only in the Track Record Period. Our revenue generated from operation and maintenance services amounted to RMB1.1 million, RMB3.3 million and RMB7.4 million in 2023, 2024 and 2025, respectively, all of which was attributable to our autonomous driving vehicle solutions. See Note 5 to the Accountants' Report in Appendix I to this prospectus for details. In the future, we expect such services will gradually evolve into our "AI driver subscription services", which are expected to be standardized service packages designed for different types of customers, as opposed to customized services negotiated case-by-case. We believe such subscription-based services, which by its nature delivers a high gross profit margin, will eventually improve our overall gross profit margin when a larger proportion of customers enter into renewed contracts solely subscribing for the AI driver services after the our customer base reaches a certain scale.

SUMMARY

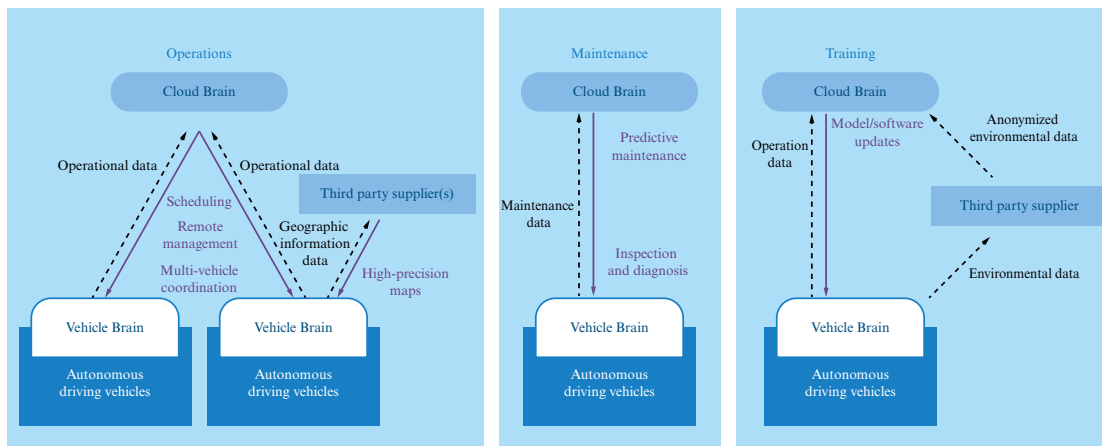
All of our solutions and services are designated Specialist Technology Products as defined under Chapter 18C of the Listing Rules and all revenues generated during the Track Record Period are from sales of these Specialist Technology Products. Our autonomous driving solutions fall under the acceptable sectors of “Advanced hardware and software — Electric and autonomous vehicles — autonomous vehicles: vehicles and trucks equipped with self-driving solutions.” See “Business — Our Solutions and Services” for details.

L4 autonomous driving technology has been our business focus, and substantially all of our total revenue during the Track Record Period was generated from solutions utilizing L4 technologies. We also provided certain L2 and L2+ autonomous driving kit and software solutions to passenger car manufacturers for strategic reasons, that the testing data are valuable for us to enhance its algorithms.

In terms of application scenarios, we have been focused on commercial vehicles in closed scenarios especially at airports and factories. Such focus has been demonstrated by the revenue contribution from solutions applied in such scenarios during the Track Record Period. See “Business — Our Business and Revenue Models — Revenue — Revenue by types of autonomous vehicles, types of scenarios and application scenarios.”

Our Autonomous Driving Operating Platform

Our self-developed autonomous driving operating platform comprises two major components, namely the vehicle brain and the cloud brain. The vehicle brain primarily consists of software, i.e. our U-Drive[®] system, and hardware, i.e. autonomous driving domain controllers. The cloud brain is a centralized cloud service that consists of a lot of micro-services for three different purposes, namely operation (managing a fleet of autonomous vehicles), maintenance (applying data analytics to provide predictive maintenance services for autonomous vehicles) and training (training new AI algorithms/models continuously based on the vehicles/scenario data). The following diagram depicts the interactions and synergies of the vehicle brain and the cloud brain:



U-Drive[®] system

Our U-Drive[®] system is a unified autonomous driving platform that supports multiple scenarios, including closed scenarios and open roads, and also multiple vehicle types. It is designed to be highly generalizable, with optimal reusability of its algorithms and data, and can be optimized for different scenarios to meet specific needs. We have adopted a multi-redundant architecture system design, incorporating redundancy and fault-tolerance mechanisms at the algorithm, software, hardware, and control levels to enhance safety and operational efficiency.

Historically, we have completed the iterative upgrade of four major versions of U-Drive[®]. Our latest version, U-Drive[®] 5.0, introduces a higher level of generalization, self-learning, and adaptation, reducing reliance on high-precision maps and improving fault tolerance in dynamic scenarios. The system features a scenario library of over 100 scenarios and more than 50 vehicle models, with domain controllers and sensors to be iterated every one

SUMMARY

to two years. By combining a highly automated tool chain and a closed data loop throughout the product life cycle, the development cycle for new models and scenarios can be shortened to less than one month, better supporting the diversification of vehicle models and the fragmentation of scenarios.

Autonomous Driving Domain Controllers

Autonomous driving domain controllers are the main hardware component of our vehicle brain, enabling autonomous driving vehicles to process data from different sensors including cameras, radars, and LiDAR. Our in-house development of domain controllers began as early as 2017, making us one of the first in China's autonomous driving industry to develop in-house domain controllers, according to Frost & Sullivan. Historically, we have completed the R&D of three product lines of autonomous driving domain controllers, the UC3200/5200 series is our high-end series for open L4 autonomous mobility scenarios; the UC2200/4200/6200 series is for L4 autonomous logistics scenarios, and we have shifted from international to domestic chips starting with the UC4200 to achieve 100% domestic sourcing, which is integrated with high-end L2+ intelligent driving; while UC1000 series is oriented to low-end L2+ intelligent driving, such as our UC1200 controller which is designed to be a low-cost, fully domestic integrated circuit solution that can be used with advanced driver-assistance system to support all the basic L2 autonomous driving functions, such as adaptive cruise control, lane-keeping assist, blind zone detection, and automated parking. In addition, we have realized the pin compatibility of different types of domain controllers for the first and second product lines. In December 2022, we were awarded the ASIL-D functional safety certification by TÜV Rheinland, based on ISO 26262:2018 standard.

Cloud Brain: Cloud-based Management Systems

Our proprietary cloud brain, consisting of multiple cloud-based management systems, is the core infrastructure for realizing the commercialization and landing of autonomous driving. Since 2019 when our cloud brain R&D project was supported by the Shanghai Artificial Intelligence Innovation and Development Special Fund, our cloud brain has completed several major technology upgrades and now has the mature capability to support large-scale commercialization. After years of continuous iterative upgrading, we have built a complete autonomous driving technology system that integrates functions including remote operations, intelligent dispatching, fleet collaboration, and overall control management.

See “Business — Our Autonomous Driving Operating Platform.”

Our Solutions and Services

Our autonomous driving solutions are primarily deployed on commercial vehicles and passenger cars. We design and outsource the manufacturing of various vehicles such as tractors, buses, trucks, and passenger cars/pickup trucks to vehicle manufacturers, and deploy vehicle brain hardware that is empowered with our proprietary autonomous driving system, U-Drive[®], at our warehouse, assembly and testing center in Jiaxing, Zhejiang. We provide either standalone or a combination of our solutions or services depending on our customers' needs. As our customers usually have evolving and differentiated needs, we also cross-sell across our different solutions and services. Leveraging our quality solutions and services, we are also well positioned to up-sell to our existing customers. Among the 35 Fortune China and Global 500 companies we supplied our solutions and services to, many are our repeat customers. Our autonomous driving solutions include:

Autonomous Driving Vehicle Solutions

Our autonomous driving vehicle solutions are all-in-one solutions that combines our standardized, driverless, all-weather commercial vehicles with a customizable combination of L4 autonomous driving functions to meet our corporate customers' specific business needs such as delivery and shuttle commuting needs for multiple application scenarios, and related autonomous driving services such as deployment service, technological maintenance of vehicles and software update service.

Autonomous Driving Kit Solutions

Our autonomous driving kit solutions are all-in-one solutions which includes either our L4 autonomous driving kits consisting of comprehensive hardware and software systems that

SUMMARY

add autonomous driving capabilities to our customers' vehicles or L2+ autonomous driving kits that enable vehicles with a series of autonomous navigation, following and parking functions to passenger car manufacturers and commercial vehicle manufacturers, and related autonomous driving services such as deployment service, technological maintenance of kits and software update service.

Autonomous driving software solutions

We provide our customers with autonomous driving software solutions, which primarily include software development services on a project-by-project basis, where we tailor-make autonomous driving software, such as L2 driver assistance technology, comprehensive AI data infrastructure, autonomous driving operating system, cloud brain software, and software tools, that meet our customers' specific requirements, and after-sales technological support such as bug fixing services. We are also able to upgrade the software's functions and performance at customers' requests, charging them separately.

Autonomous driving vehicle leasing services

As part of our efforts to gain new customers, we also lease them our commercial vehicles with various L4 autonomous driving functions as a try-before-you-buy option.

See "Business — Our Solutions and Services."

OUR COMPETITIVE STRENGTHS

- Early mover in realizing large-scale autonomous driving operations in airports
- Comprehensive coverage of autonomous driving solutions for passenger and commercial vehicles powered by an all-scenario autonomous driving operating system based on a unified technology foundation
- Strong R&D and engineering capabilities in both autonomous driving-related algorithms and systems
- Autonomous driving capabilities that achieve scalable commercialization with driverless operation, 24/7 all-weather capability, and optimized operational costs
- A suite of well-known customers and collaborators as well as reputable investors
- Our visionary senior management team and talented key employees with scientific expertise

See "Business — Our Competitive Strengths."

OUR STRATEGIES

- Continue to increase R&D investment to drive technological innovation and breakthroughs
- Consolidate our leading market position in key sectors, and execute our "overseas expansion" strategy
- Expand our business into new sectors, promote the maturation of AI driver subscription model and maintain ecological positioning
- Strengthen team building to ensure sustainable development
- Seek strategic investments/acquisitions to enhance our competitive edge

See "Business — Our Strategies." As the above growth strategies are fundamentally similar to our growth strategies adopted in the Track Record Period, that is, (i) strong revenue growth, (ii) maintaining its relatively high gross profit margin, and (iii) increasing operating

SUMMARY

expense efficiency as our revenue increases, we do not consider our growth strategies will result in any material changes in revenue mix by end user industry/use case/application scenario and/or on our cost structure in the next three years.

COMPETITIVE LANDSCAPE

The market for autonomous driving solutions is rapidly evolving and competitive, with many potential applications under development. We face competition from a range of companies developing autonomous driving solutions for these applications, some of which may be similar to ours. Our primary competitors include other autonomous driving solution providers. We believe that we are strategically well-positioned in our market and compete favorably with others based on our advanced autonomous driving technology that delivers superior performance and quality, our broad range of solutions and services, and our strong R&D capabilities. See “Industry Overview.”

CUSTOMERS AND SUPPLIERS

Our major customers include corporate customers, commercial vehicle manufacturers, and passenger car manufacturers. In each year of 2023, 2024 and 2025, revenue contributed from our five largest customers amounted to RMB106.5 million, RMB122.7 million and RMB123.9 million, respectively, accounted for 66.0%, 46.2% and 37.8% of our total revenue in the same years, respectively. In each year of 2023, 2024 and 2025, revenue contributed from our largest customer amounted to RMB61.3 million, RMB49.0 million and RMB31.7 million, respectively, accounting for 38.0%, 18.5% and 9.7% of our total revenue in the same years, respectively.

Our suppliers for our main business operations consisted primarily of vehicle manufacturers, software and hardware manufacturers, and testing service providers. In each year of 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB39.7 million, RMB64.8 million and RMB113.1 million, respectively, accounting for 35.5%, 33.7% and 38.8% of our total purchases in the same years, respectively. In each year of 2023, 2024 and 2025, purchases attributable to our largest supplier amounted to RMB18.2 million, RMB17.8 million and RMB45.6 million, respectively, accounting for 16.2%, 9.3% and 15.7% of our total purchases in the same years, respectively.

See “Business — Sales and Marketing — Our Customers” and “Business — Procurement and Supply — Our Suppliers.”

RESEARCH AND DEVELOPMENT

We have established our R&D centers in Beijing, Shanghai and Chongqing, focusing on AI and L4 autonomous driving, hardware and cloud brain, and smart driving of passenger cars, respectively. As of December 31, 2025, our R&D team consisted of 227 members, including 221 R&D personnel and six management personnel, 50.2% of which possessed a master’s degree or above. Our R&D team is led by our Co-founder, executive Director and chief executive officer Mr. Wu Gansha, who has extensive experience in the autonomous driving industry. Each of our core R&D team members possesses more than eight years of industry experience, with global working experience in reputable technology companies. Utilizing our R&D centers, we actively engage in resolving challenges associated with design and development of autonomous driving technologies to bolster the overall competitiveness of our solutions and services.

Among our R&D accomplishments, our U-Drive[®] 5.0 system features an AI algorithm library with high generalization, enabling on-demand configuration and combination of algorithms. We expect that future products based on U-Drive[®] system will further expand its knowledge-based technology, from the vehicle-cloud collaboration VLM with limited vehicle-side computing power to the self-contained VLM by vehicle-side distillation, continuously improving the cognitive ability of the vehicle side. At the same time, we expect to integrate the R&D of imitation learning (such as end-to-end imitation learning), world models, and reinforcement learning methods. For example, we plan to combine the VLM with end-to-end imitation learning to form a vision-language-action model. Our target is that after two iterations, our U-Drive[®] 7.0 system may be gradually approaching human cognitive abilities, and ultimately outperform the best human drivers by more than 100 times in terms of

SUMMARY

safety, efficiency, experience, operability, cost, and longevity. All of these core technologies are in-house developed, and are currently used in the R&D of our products.

During the Track Record Period, our R&D expenses amounted to RMB184.4 million, RMB196.4 million and RMB233.7 million in 2023, 2024 and 2025, respectively, demonstrating our significant and continuous efforts into the R&D of our solutions, services and technologies.

See “Business — Research and Development” and “Financial Information — Description of Selected Items from Consolidated Statements of Profit or Loss.”

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including: (1) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (2) timely registration, filing and application for ownership of our intellectual properties, (3) actively tracking the registration and authorization status of intellectual properties and taking action in timely manner if any potential conflicts with our intellectual property rights are identified, and (4) clearly stating all rights and obligations regarding the ownership and protection of intellectual properties in the employment agreements we enter into.

As of the Latest Practicable Date, we were granted 661 patents and filed 217 patent applications. As of the same date, we had 75 software copyrights registered in the PRC. A vast majority of our intellectual property rights are self-developed and we did not in-license any intellectual property rights in the past. As of the Latest Practicable Date, of all the 878 patents and patent applications, 860 were internally developed, 14 were co-developed and co-owned under research programs with our collaborators, and four were developed by third parties that were acquired and solely owned by us. Each of the co-owners has full title to such patents, and there are no contractual tenure and material payment obligations associated with such co-owned patents. While we believe that the specific and generic claims contained in our pending applications provide adequate protection for various aspects of our solutions, services and technology, third parties may nevertheless challenge such claims. Our Directors have confirmed that the Group did not experience any instances of infringement of third parties’ intellectual property rights during the Track Record Period and up to the Latest Practicable Date. See “Business — Intellectual Property.”

RISK FACTORS

There are certain risks and uncertainties involved in our operations and the investing in our Offer Shares, some of which are beyond our control. We believe the most significant risks we face include but are not limited to the following: (i) if we are unable to develop and introduce new solutions and services or improve existing solutions and services in a cost-effective and timely manner, our competitive position would be negatively impacted and our business, results of operations, and financial condition would be adversely affected; (ii) we invest significantly in R&D, and to the extent our R&D efforts are unsuccessful, our competitive position would be negatively impacted and our business, results of operations, and financial condition would be adversely affected; (iii) we are a company with a history of losses, which makes it difficult to evaluate our current business and predict our future performance; our historical financial and results of operations may not be indicative of our future performance; (iv) we have a relatively short track record in the commercialization of our solutions and services and may experience difficulties in managing our growth and expanding our operations; (v) because some of the raw materials and key components in our autonomous driving solutions come from single or limited source of suppliers, we may be susceptible to supply shortages, long lead times for components, supply changes, and changes in business relationship, any of which could disrupt our supply chain and could delay deliveries of our solutions and services to customers; (vi) we recorded net operating cash outflows during the Track Record Period and may continue to record net operating cash outflows in the future; and (vii) our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the IP rights of third parties. See “Risk Factors.”

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option),

SUMMARY

Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be directly interested in an aggregate of 32.35% of the total share capital of our Company. Pursuant to the Acting-in-Concert Arrangement, each of Mr. Jiang, Mr. Zhou and Mr. Peng agreed to exercise his voting rights in a consistent manner with Mr. Wu. Accordingly, Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be a group of Controlling Shareholders under the Listing Rules. See “Relationship with our Controlling Shareholders”.

PRE-IPO INVESTMENTS

We have received substantial investments and support from renowned private equity and strategic investors, and have raised funds of over RMB1,735 million. See “History, Development and Corporate Structure — Pre-IPO Investments.”

According to the capital increase agreements entered into by our Company and the then Shareholders from April 2016 to March 2023, our Company issued ordinary shares with a total consideration of approximately RMB1,746.4 million. Pursuant to the aforementioned capital increase agreements as well as the joint venture agreements entered into between our Company and the then Shareholders and the articles of association of our Company adopted in May 2023 (as superseded by a shareholders’ agreement entered into in October 2024), the Pre-IPO Investors were granted by our Company with redemption rights and liquidation preferences rights. There was no exercise of redemption rights and liquidation preferences rights granted by our Company throughout the Track Record Period.

On May 26, 2025, our Company and the Pre-IPO Investors subsequently entered into a termination agreement, agreeing that certain of the special rights granted by our Company to Pre-IPO investors, including redemption rights and liquidation preferences rights, had been immediately terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the termination agreement, the Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the redemption rights and liquidation preferences rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value prior to entering into the termination agreement, (i) the financial liabilities measured at fair value, total current liabilities, net current liabilities and net liabilities would have been:

	December 31, 2023	December 31, 2024	December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial liabilities measured at fair value	3,358,748	3,484,343	–
Total current liabilities	3,547,683	3,674,428	350,811
Net current assets/(liabilities)	(2,829,001)	(3,113,958)	173,316
Net assets/(liabilities)	(2,727,087)	(3,034,054)	267,603

; and (ii) the fair value changes associated with the financial liabilities measured at fair value, the net loss during the Track Record Period, basic and dilutive losses per share would have been:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Fair value changes associated with the financial liabilities measured at fair value	95,790	125,595	169,449
Total net losses	(308,916)	(337,174)	(399,619)
Basic and diluted losses per share (expressed in RMB)	(2.15)	(2.26)	(2.68)

For further details of the financial impacts, see note 30 to the Accountants’ Report.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in

SUMMARY

Appendix I. You should read this summary in conjunction with our consolidated financial information included in the Accountants' Report in Appendix I, including the accompanying notes, and the information set forth in "Financial Information."

Description of Selected Items from Consolidated Statements of Profit or Loss

	2023		Year ended December 31, 2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
REVENUE	161,363	100.0	265,496	100.0	328,257	100
Cost of sales	(82,546)	(51.2)	(149,489)	(56.3)	(160,380)	(48.9)
Gross profit	78,817	48.8	116,007	43.7	167,877	51.1
Other income and gains	22,553	14.0	20,748	7.8	7,308	2.2
Selling and marketing expenses	(68,721)	(42.6)	(76,110)	(28.7)	(83,349)	(25.4)
Administrative expenses	(57,440)	(35.6)	(63,254)	(23.8)	(66,415)	(20.0)
Research and development expenses	(184,396)	(114.3)	(196,447)	(74.0)	(233,690)	(71.2)
Impairment losses on trade receivables and contract assets, net	(572)	(0.4)	(7,550)	(2.8)	(16,966)	(5.2)
Other expenses and losses	(140)	(0.1)	(1,516)	(0.6)	(566)	(0.2)
Finance costs	(2,980)	(1.8)	(3,076)	(1.2)	(3,158)	(1.0)
Share of loss of a joint venture	(247)	(0.1)	(381)	(0.1)	(1,211)	(0.4)
Loss before tax	(213,126)	(132.1)	(211,579)	(79.7)	(230,170)	(70.1)
LOSS FOR THE YEAR	<u>(213,126)</u>	<u>(132.1)</u>	<u>(211,579)</u>	<u>(79.7)</u>	<u>(230,170)</u>	<u>(70.1)</u>

For details on the accounting treatment of redemption rights and liquidation preference rights of Pre-IPO Investments, see "— Pre-IPO Investments" above and note 30 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Measure

In evaluating our business, we consider and use adjusted net loss, a non-IFRS financial measure, to supplement the review and assessment of our operating performance. We believe such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating the potential impact of certain items. We believe that the measure provides useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for analysis of, or superior to, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss (non-IFRS measure) as net loss adjusted by adding back share-based compensation expenses and listing expenses. Share-based compensation expenses mainly represent expenses incurred in connection with our Pre-IPO Incentive Schemes, which is a non-cash item. Listing expenses are expenses related to the Global Offering. The following table sets forth our adjusted net loss (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB'000)		
Net loss for the year	(213,126)	(211,579)	(230,170)
Add:			
Share-based compensation expenses	32,566	41,707	49,945
Listing expenses	—	8,980	11,328
Adjusted net loss (non-IFRS measure)	<u>(180,560)</u>	<u>(160,892)</u>	<u>(168,897)</u>

SUMMARY

Our net loss and adjusted net loss (non-IFRS measure) narrowed from RMB180.6 million in 2023 to RMB160.9 million in 2024, primarily attributable to the higher gross profits of (i) autonomous driving software solutions, primarily attributable to an increase in the revenue from autonomous driving software solutions resulting from an increase in average contract value of our autonomous driving software solutions; and (ii) our autonomous driving kit solutions, primarily attributable to an increase in the revenue from autonomous driving kit solutions in relation to an increase in the number of customers and average contract value. Our net loss and adjusted net loss (non-IFRS measure) slightly increased from RMB160.9 million in 2024 to RMB168.9 million in 2025, primarily because we incurred higher R&D expenses.

We expect to achieve profitability leveraging a similar growth strategy adopted in the Track Record Period. See “Business — Path to Profitability.”

Revenue

Revenue by Business Lines

The table below sets forth a breakdown of our revenue by business lines in absolute amounts and as a percentage of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Autonomous driving vehicle solutions	96,301	59.7	146,623	55.2	195,171	59.5
Autonomous driving kit solutions	27,383	17.0	48,738	18.4	10,497	3.2
Autonomous driving software solutions	34,428	21.3	67,462	25.4	121,318	37.0
Autonomous driving vehicle leasing services	3,251	2.0	2,673	1.0	1,271	0.3
Total	161,363	100.0	265,496	100.0	328,257	100.0

Our revenue generated from autonomous driving vehicle solutions increased throughout the Track Record Period primarily attributable to the increase in the number of our customers and contract value of our autonomous driving vehicle solutions business, driven by the growing downstream demand as well as the enhanced customers recognition of our autonomous driving vehicle solutions and our dedicated business development efforts.

Our revenue generated from autonomous driving kit solutions increased from 2024 as compared with 2023 due to the increasing demand for our autonomous driving kits as we were exploring new customers in various application scenarios; it decreased in 2025 mainly because of the relatively low transaction value of the orders delivered in 2025, primarily as we offered a relatively low price to a new customer who has placed bulk orders for 30,000 kits, approximately 7,800 of which were delivered in 2025.

Our revenue generated from autonomous driving software solutions increased throughout the Track Record Period, primarily due to an increase in average contract value.

Our autonomous driving vehicle leasing services are provided as part of our efforts to gain new customers. We lease our commercial vehicles with various L4 autonomous driving functions to customers as a try-before-you-buy option with an expectation to potentially convert them into our autonomous driving vehicle solutions customers. Our revenue generated from autonomous driving vehicle leasing services decreased in the Track Record Period as such customers decided to purchase our autonomous driving vehicle solutions.

See “Financial Information—Description of Selected Items from Consolidated Statements of Profit or Loss.”

SUMMARY

Description of Certain Items of Consolidated Statements of Financial Position

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

	As of December 31,			As of
	2023	2024	2025	March 31, 2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Total non-current assets	127,812	107,312	105,662	103,449
Total non-current liabilities	25,898	27,408	11,375	10,377
Total current assets	718,682	560,470	524,127	499,833
Total current liabilities	188,935	190,085	350,811	369,379
Net current assets	529,747	370,385	173,316	130,454
Net assets	631,661	450,289	267,603	223,526
Non-controlling interests	(724)	(4,792)	(2,320)	(2,707)

For details on the accounting treatment of redemption rights and liquidation preference rights of Pre-IPO Investments, see “— Pre-IPO Investments” above and note 30 to the Accountants’ Report set out in Appendix I to this prospectus.

Among our non-current assets, our property, plant and equipment increased from RMB32.7 million as of December 31, 2023 to RMB36.1 million as of December 31, 2024, primarily due to an increase in electronic equipment and others in relation to the newly added purchase of servers to support our business growth, partially offset by (i) a decrease in machinery equipment and (ii) a decrease in leasehold improvements. Our property, plant and equipment decreased to RMB28.0 million as of December 31, 2025, primarily due to depreciation.

Our net current assets decreased from RMB173.3 million as of December 31, 2025 to RMB130.5 million as of March 31, 2026. Our total current assets decreased from RMB524.1 million as of December 31, 2025 to RMB499.8 million as of March 31, 2026, primarily due to a decrease in trade and bills receivables of RMB29.1 million, partially offset by an increase in inventories of RMB12.3 million. Our total current liabilities increased from RMB350.8 million as of December 31, 2025 to RMB369.4 million as of March 31, 2026, primarily due to an increase in interest-bearing bank loans of RMB25.9 million, partially offset by a decrease in other payables and accruals of RMB7.2 million.

Our net current asset decreased from RMB370.4 million as of December 31, 2024 to RMB173.3 million as of December 31, 2025. Our total current assets decreased from RMB560.5 million as of December 31, 2024 to RMB524.1 million as of December 31, 2025, primarily due to (i) a decrease in financial assets measured at fair value through profit or loss (“FVTPL”) and (ii) a decrease in cash and cash equivalents, partially offset by an increase in trade and bills receivables. Our total current liabilities increased from RMB190.1 million as of December 31, 2024 to RMB350.8 million as of December 31, 2025, primarily due to (i) an increase in interest-bearing bank loans and (ii) an increase in trade and bills payables. Our net assets decreased from RMB450.3 million as of December 31, 2024 to RMB267.6 million as of December 31, 2025, primarily due to (i) an increase in accumulated losses attributable to owners of the parent and a decrease in non-controlling interests as a result of our net loss for the year; and (ii) a decrease in the fair value reserve of financial assets at fair value through other comprehensive income, partially offset by an increase in capital reserve due to the recognition of equity-settled share-based payment reserve.

SUMMARY

Our net current assets decreased from RMB529.7 million as of December 31, 2023 to RMB370.4 million as of December 31, 2024. Our total current assets decreased from RMB718.7 million as of December 31, 2023 to RMB560.5 million as of December 31, 2024, primarily due to (i) a decrease in cash and cash equivalents, (ii) a decrease in financial assets at FVTPL, and (iii) a decrease in inventories, partially offset by an increase in trade and bills receivables. Our total current liabilities increased from RMB188.9 million as of December 31, 2023 to RMB190.1 million as of December 31, 2024, primarily due to a decrease in interest-bearing bank loans, partially offset by (i) an increase in other payables and accruals, and (ii) an increase in trade and bills payables. Our net assets decreased from RMB631.7 million as of December 31, 2023 to RMB450.3 million as of December 31, 2024, primarily due to (i) an increase in accumulated losses attributable to owners of the parent and a decrease in non-controlling interests as a result of our net loss for the year; and (ii) a decrease in the fair value reserve of financial assets at fair value through other comprehensive income, partially offset by (i) an increase in capital reserve due to the recognition of equity-settled share-based payment reserve; (ii) an increase in capital reserve due to loss of control of an entity; and (iii) an increase in paid-in capital due to capital contribution from investors.

See “Financial Information — Description of Certain Items of Consolidated Statements of Financial Position.”

As we are still at the early stage of the commercialization of our solutions, while we have made substantial investments in R&D activities and incurred a substantial amount of expenses in our business operations, we recorded net losses which resulted in our accumulated losses during the Track Record Period.

Liquidity and Capital Resources

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash flows used in operating activities	(119,948)	(208,503)	(173,867)
Net cash flows from/(used in) investing activities	(57,363)	24,264	17,417
Net cash flows from/(used in) financing activities	326,772	(8,302)	46,804
Net (decrease)/increase in cash and cash equivalents	149,461	(192,541)	(109,646)
Cash and cash equivalents at beginning of year	263,423	412,968	221,733
Effect of foreign exchange rate changes, net	84	1,306	1,262
Cash and cash equivalents at end of year	412,968	221,733	113,349

As we are still at the early stage of the commercialization of our solutions, while we have made substantial investments in R&D activities and incurred a substantial amount of expenses in our business operations, we recorded loss before tax which was the primary factor leading to our net operating cash outflows during the Track Record Period.

See “Financial Information — Liquidity and Capital Resources.”

SUMMARY

Long cash conversion cycle and cashflow mismatch

During the Track Record Period, we noted that it took us long time to turn inventories into cash in our operation which may result in cashflow mismatch. Our inventory turnover days were 302.1 days, 138.6 days and 119.2 days, respectively, in 2023, 2024 and 2025; our trade and bills receivables turnover days were 295.1 days, 263.6 days and 310.8 days, respectively, in 2023, 2024 and 2025; while our trade and bills payables turnover days were 125.2 days, 122.7 days and 194.6 days, respectively, in 2023, 2024 and 2025.

Going forward, we will (i) continue to adhere to our current inventory management measures, and expects to further improve our inventory management by prioritizing the utilization of existing inventories and close observation on the market price of key raw materials to facilitate a more efficient procurement plan; and (ii) prudently review the recoverability of trade receivables and long-aged trade receivables and strive to negotiate more favorable credit terms when entering into new contracts with customers. See “Financial Information — Description of Certain Items of Consolidated Statement of Financial Position — Inventories”, “Financial Information — Description of Certain Items of Consolidated Statement of Financial Position — Trade and Bills Receivables.”

Key Financial Ratios

The following table sets forth certain of our key financial and operational ratios as of the dates or for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Revenue growth rate ⁽¹⁾	146.4%	64.5%	23.6%
Gross profit margin ⁽²⁾	48.8%	43.7%	51.1%
	As of December 31,		
	2023	2024	2025
Gearing ratio ⁽³⁾	25.4%	32.6%	57.5%
Current ratio ⁽⁴⁾	3.8	2.9	1.5
Cash ratio ⁽⁵⁾	2.6	1.3	0.3

See “Financial Information — Key Financial Ratios.”

Key Operational Data

Total number of customers and new customers

We had a total of 88, 100 and 110 customers in 2023, 2024 and 2025, respectively. We had 64, 72 and 73 new customers in 2023, 2024 and 2025, respectively. Our growing customer base demonstrates the market’s confidence in and acceptance of our solutions and services.

Notes:

- (1) Revenue growth rate is calculated by dividing revenue for the relevant year by revenue for the previous year and multiplied by 100%.
- (2) Gross profit margin is calculated by dividing revenue for the relevant year by gross profit for the relevant year and multiplied by 100%.
- (3) Gearing ratio is calculated by dividing total assets by total liabilities as of the year end and multiplied by 100%.
- (4) Current ratio is calculated by dividing total current assets by total current liabilities as of the year end.
- (5) Cash ratio is calculated by dividing the sum of cash and cash equivalents, restricted cash, and financial assets at FVTPL by total current liabilities as of the year end.

SUMMARY

Key customer retention rate and net dollar retention rate of key customers

In each of 2023, 2024 and 2025, our average retention rate of key customers⁽¹⁾ was 75.0%, 75.0% and 66.7%, respectively, serving as the proof of the quality of our solutions and services. The net dollar retention rate of such key customers⁽²⁾ was 122.9%, 124.9% and 68.3%, respectively, in each of 2023, 2024 and 2025. The key customer retention rate and dollar retention rate of key customers declined in 2025, primarily because one customer that purchased autonomous driving kit solution in 2024 did not place new orders in 2025 as it was developing new vehicle chassis which would require additional time for re-adaptation with our products, while two other customers that purchased autonomous driving software solutions maintain stable operations and had no new customized service requirements in 2025. The continued acceptance of our products by those key customers may also lead to a positive public perception of our offerings in the market.

Key operational and financial indicators by business lines

Autonomous driving vehicle solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions ⁽¹⁾	56	94	126
Number of vehicles	117	204	216
Number of customers	45	66	83
Revenue (<i>RMB'000</i>)	96,301	146,623	195,171

Note:

(1) Some transactions were relating to operation and maintenance services only in a certain year.

Autonomous driving kit solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions	26	28	12
Number of kits	86	168	7,829
Number of customers	19	27	10
Revenue (<i>RMB'000</i>)	27,383	48,738	10,497

Our kit solutions customers in 2023 and 2024 are commercial vehicle manufacturers, while in the second half of 2025, we secured and delivered a significantly larger number of kits to a new customer which is a passenger car manufacturer with significantly larger demand in view of its target customers. We have offered a relatively low price to such customer as it is a new customer and has placed bulk orders for 30,000 kits, which has led to the decrease in revenue from kit solutions.

Autonomous driving software solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions	18	13	23
Number of customers	15	12	16
Revenue (<i>RMB'000</i>)	34,428	67,462	121,318

(1) Calculated by dividing the number of key customers contributing to our revenue in both the current year and the previous year by the number of key customers contributing to our revenue in the previous year. Key customers are those have a cumulative contribution to our revenue of more than RMB10 million in the Track Record Period.

(2) Calculated by dividing the revenue generated from retained key customers of a certain year by the revenue generated from those customers in the previous year.

SUMMARY

Autonomous driving vehicle leasing services

	Year ended December 31,		
	2023	2024	2025
Number of transactions	11	8	6
Number of vehicles	35	13	15
Number of customers	9	7	3
Number of customers subsequently purchased autonomous driving vehicle solutions in the same year	4	3	2
Revenue (<i>RMB'000</i>)	3,251	2,673	1,271

Some of our customers purchased more than one type of solutions or services during the Track Record Period. They are counted as one customer in each of the corresponding business lines in the tables above.

Order backlog

In 2025, we had entered into orders with transaction value amounting to approximately RMB519 million from which we had recognized approximately RMB270 million of revenue as of December 31, 2025, with the remaining orders to be delivered in 2026; and we further secured additional orders with transaction value amounting to approximately RMB95.2 million subsequent to December 31, 2025 and up to the Latest Practicable Date primarily relating to the sales of our autonomous driving vehicle solutions and autonomous driving software solutions, which are expected to be delivered in 2026 and 2027.

According to Frost & Sullivan, all the calculation basis of the key operating metrics are in line with industry norm, and that the average retention rates of key customers during the Track Record Period were considered high when compared to its industry peers.

Burn Rate

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditure, and (iii) lease payment. Our historical monthly average cash burn rate was RMB13.0 million, RMB21.1 million and RMB15.7 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities of RMB298.0 million in aggregate as of December 31, 2025. We estimate that we will receive net proceeds of approximately HK\$795.4 million after deducting the listing expenses payable by us in the Global Offering, assuming no Offer Size Adjustment Option is exercised and assuming an Offer Price of HK\$60.30 per Offer Share.

We assume that the average cash burn rate going forward will be similar to the cash burn rate level in 2025 for the sake of prudence although the cash burn rate is subject to change due to various factors including but not limited to the business development, industry trend and customers' requirement, and we estimate that our cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities as of December 31, 2025 will be able to maintain our financial viability for approximately 18.9 months or, if we take into account 10% of the estimated net proceeds from the Global Offering (namely, the portion allocated for our working capital and other general purposes), approximately 23.4 months or, if we take into account 100% of the estimated net proceeds (based on the Offer Price) from the Global Offering, for approximately 63.2 months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status.

We have no immediate plan for future financing after the Listing for purpose of our commercialization plan as disclosed in this prospectus taking into account our available cash, proceeds from the Global Offering and based on our cash burn rate. However, with the continuing expansion of our business and development of our solutions or services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

See "Financial Information — Working Capital Sufficiency".

SUMMARY

APPLICATION FOR THE LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and the conversion of Unlisted Shares into H Shares. on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules (as modified by the Joint Announcement of the SFC and the Stock Exchange in relation to Temporary Modifications to Requirements for Specialist Technology Companies and De-SPAC Transaction dated August 23, 2024) as a Commercial Company with reference to our expected market capitalization at the time of Listing, which, based on the Offer Price stated in this prospectus, exceeds HK\$4 billion.

OFFERING STATISTICS

	Based on the Offer Price of HK\$60.30 per Offer Share
Market capitalization of our Shares upon completion of the Global Offering assuming the Offer Size Adjustment Option is not exercised ⁽¹⁾	HK\$9,797.8 million
Unaudited pro forma adjusted net tangible assets per Offer Share ⁽²⁾	HK\$6.83

Notes:

- (1) The calculation of market capitalization is based on 162,485,020 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised).
- (2) See “Appendix II — Unaudited Pro Forma Financial Information” for further details regarding the assumptions used and the calculation method.

LISTING EXPENSES

Based on the Offer Price of HK\$60.30 per Share, the total estimated listing expenses in relation to the Global Offering are RMB67.2 million (HK\$76.8 million), assuming the Offer Size Adjustment Option is not exercised, which constitute approximately 8.8% of the gross proceeds. Our total estimated listing expenses consist of (i) underwriting-related expenses of RMB30.6 million (HK\$35.0 million), and (ii) non-underwriting-related expenses of RMB36.6 million (HK\$41.8 million), including (a) fees payable to our legal advisors and Reporting Accountant of RMB22.3 million (HK\$25.5 million) and (b) other fees and expenses, including fees payable to the sponsor and the fees of other professional parties such as financial printers, industry consultant, background search agent and share registrar, of RMB14.3 million (HK\$16.3 million). During the Track Record Period, RMB20.3 million (HK\$23.2 million) had been recognized as expenses in our consolidated statements of profit or loss. Subsequent to the Track Record Period, we expect RMB12.5 million (HK\$14.3 million) will be recognized as expenses in our consolidated statements of profit or loss, and RMB34.4 million (HK\$39.3 million) is to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$795.4 million, assuming an Offer Price of HK\$60.30 per Offer Share, after deducting the underwriting commissions and estimated expenses paid or payable by us in connection with the Global Offering and assuming that the Offer Size Adjustment Option is not exercised.

In line with our strategies, we intend to apply the net proceeds from the Global Offering, in the next three to four years, for the following purposes and in the amounts set forth below:

- approximately 46.7% of the net proceeds, or HK\$371.5 million, will be used to continuously enhance our R&D capabilities and solutions provision;
- approximately 33.5% of the net proceeds, or HK\$266.5 million, will be used for our overseas and domestic business development and improving our commercialization capability;
- approximately 9.8% of the net proceeds, or HK\$77.9 million, will be used for making strategic investments; and
- approximately 10.0% of the net proceeds, or HK\$79.5 million, will be used for working capital and general corporate purposes.

See “Future Plans and Use of Proceeds.”

DIVIDENDS

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

- (a) recovery of accumulated losses, if any;
- (b) allocation to the statutory common reserve fund an amount of 10% of our profit after tax, as determined under the Accounting Standards for Business Enterprises issued by the MOF (the “**PRC GAAP**”); until such fund has reached more than 50% of our registered capital; and
- (c) allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders in a shareholders’ meeting.

Payment of dividends is subject to restrictions under PRC laws. Under PRC laws, dividends may be paid only out of distributable profits. As such, we cannot pay dividends in view of our accumulated losses as advised by our PRC Legal Advisors. Distributable profits are our net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make.

SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Developments

The table below sets forth the volume of our solutions and services delivered to our customers from January 1, 2026 to March 31, 2026:

	Number of transactions	Number of vehicles/kits
Autonomous driving vehicle solutions	36 ⁽¹⁾	12
Autonomous driving kit solutions	3	1,811
Autonomous driving software solutions	4	N/A
Autonomous driving vehicle leasing services	2	7

Notes:

(1) Including transactions under which we only delivered services.

Subsequent to December 31, 2025 and up to March 31, 2026, we had obtained additional banking facilities amounting to RMB210 million to further strengthen our working capital sufficiency.

Recent shifts in global trade policies, including rising geopolitical tensions and an escalation in tariff measures between major economies such as China and the United States, have increased regulatory uncertainty across many sectors. As of the Latest Practicable Date, these developments have not had any material adverse impact on our business operations or financial performance. This is primarily because we do not procure key materials from the United States, nor do we engage in any direct sales to the U.S. market. For further discussion of the potential risks and impacts related to international trade tensions and policy changes, see “Risk Factors — Risks Relating to Our Industry and Business Operations — Changes in international relationships and trade policies may adversely impact our business, financial condition, and results of operations.” and “Business — Impact of Trade Restrictions, Tariff Policies and International Sanctions.”

Recent regional conflicts and war in the Middle East has not had any material adverse impact on our business operations or financial performance as of the Latest Practicable Date, as we did not have ongoing projects in the Middle East and our negotiations with local partners were still ongoing as of the Latest Practicable Date. Our business expansion into the Middle East will be implemented in a prudent manner in view of the current situation. For further discussion of the potential risks and impacts related to such regional conflicts and war, see “Risk Factors — Our ‘overseas expansion’ strategy will be subject to a variety of costs and legal, regulatory, political and economic risks” and “Risk Factors — Risks Relating to Our Industry and Business Operations — A severe or prolonged downturn in the global or regional economy could materially and adversely affect our business and financial condition.”

No Adverse Change

Our Directors confirm that up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end of the year reported on as set out in the Accountants’ Report included in this prospectus, and up to the date of this prospectus.

As we are still in the early stage of commercialization, and we expect to incur a substantial amount of R&D expenses to further strengthen our R&D capabilities, develop, upgrade and iterate our technologies and solutions, while we will continue to expand our sales and marketing team to execute our business expansion plan, we expect to record loss for the year in 2026.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms.”

“Accountant’s Report”	the accountant’s report for the Track Record Period of our Company, details of which is set out in Appendix I to this prospectus
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Acting-in-Concert Arrangement”	the arrangement under the acting-in-concert agreement dated December 17, 2019 entered into among Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng, details of which are set out in “History, Development and Corporate Structure — Acting-in-Concert and Voting Proxies Arrangements”
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix V to this prospectus
“AUM”	assets under management
“Beijing Simaju”	Beijing Simaju Technology Center (Limited Partnership) (北京司馬駒科技中心(有限合夥)), a limited partnership established in the PRC on April 19, 2016, which is owned as to (i) 18.53% by Mr. Wu (its general partner) beneficially; and (ii) 61.47% by Mr. Wu and 20% by Mr. Zhou (its limited partner) for the benefit of the option grantees under the Pre-IPO Incentive Schemes
“Board” or “Board of Directors”	our board of Directors
“business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compounded annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result
“Capital Market Intermediaries” or “capital market intermediary(ies)”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chairman”	chairman of our Board

DEFINITIONS

“China” or “PRC”	the People’s Republic of China which, for the purpose of this prospectus and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Co-founders”	the co-founders of our Company, namely Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Mr. Zhao
“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”, “the Company”, “we” or “us”	UISEE Technologies (Beijing) Co., Ltd. (馭勢科技(北京)股份有限公司), a company established as a limited liability company in the PRC on February 3, 2016 which was converted into a joint stock company with limited liability on November 8, 2024
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to the group of Shareholders comprising Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju
“Core R&D Team”	our core R&D team, background of which is set out in “Business — Research and Development — Our R&D Team”
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Deep Glint”	Beijing Deep Glint Technology Co., Ltd. (北京格靈深瞳信息技術股份有限公司), a company established in the PRC on August 16, 2013, the shares of which are listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688207.SH), and one of our Shareholders. As of the Latest Practicable Date, Mr. Zhao was interested in 27.14% of the number of its issued shares
“Director(s)”	the director(s) of our Company

DEFINITIONS

“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time
“Exchange Participant(s)”	a person: (a) who, in accordance with the Rules of the Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“Fast Interface for New Issuance” or “FINI”	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
“F&S Report” or “Frost & Sullivan Report”	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this prospectus
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange, as amended or supplemented or otherwise modified from time to time
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater China”	for the purpose of this prospectus and for geographical reference only, includes the Chinese Mainland, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Group”, “our Group”, “we”, “our” or “us”	our Company, its subsidiaries and entities which we previously controlled, the financial results of which were consolidated and accounted for as subsidiary of our Company through contractual arrangements, or any of them
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“H Share Registrar”	Tricor Investor Services Limited
“HK eIPO White Form”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at www.hkeipo.hk

DEFINITIONS

“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk
“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a clearing participant or a custodian participant under HKSCC to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operation and functions of CCASS, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollar(s)” or “HKD” or “HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong Offer Shares”	the 723,100 H Shares initially being offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), subject to and in accordance with the terms and conditions set out in this prospectus
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus

DEFINITIONS

“Hong Kong Underwriting Agreement”	the underwriting agreement dated May 11, 2026 relating to the Hong Kong Public Offering entered into among our Company, the Controlling Shareholders, the Sole Sponsor, the Overall Coordinators and the Hong Kong Underwriters, as further described in the section headed “Underwriting — The Hong Kong Public Offering” in this prospectus
“IASB”	International Accounting Standards Board
“IFRSs”	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and Interpretation issued by the International Accounting Standards Committee
“Independent Third Party(ies)”	individual(s) or company(ies) which, to the best of our Directors’ knowledge, information, and belief, having made all reasonable enquiries, is/are not our connected persons
“International Offer Shares”	the 13,738,100 H Shares being offered for subscription at the Offer Price under the International Offering, together, where relevant, with any additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, subject to reallocation as described in “Structure of the Global Offering”
“International Offering”	the offer of the International Offer Shares at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) outside the United States in offshore transactions in accordance with Regulation S, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in “Structure of the Global Offering”
“International Sanctions Legal Advisors”	King & Wood, our legal advisors as to international sanctions law in connection with the Global Offering
“International Underwriters”	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering to be entered into by, among others, our Company, the Overall Coordinators and the International Underwriters on or about Monday, May 18, 2026, as further described in “Underwriting”
“IP”	intellectual property
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus

DEFINITIONS

“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus
“Latest Practicable Date”	May 3, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of our H Shares on the Main Board
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about Wednesday, May 20, 2026, on which dealings in our H Shares first commence on the Main Board
“Listing Guide”	the Guide for New Listing Applicants, as published by the Stock Exchange, as amended or supplemented or otherwise modified from time to time
“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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Chiang”	Mr. Chiang Tsung Che (江宗哲), our executive Director, chief financial officer, Board secretary and joint company secretary
“Mr. Jiang”	Mr. Jiang Yan (姜岩), one of our Co-founders and one of our Controlling Shareholders
“Mr. Peng”	Mr. Peng Jinzhan (彭進展), one of our Co-founders and one of our Controlling Shareholders, our head of innovation business division and deputy general manager

DEFINITIONS

“Mr. Wu”	Mr. Wu Gansha (吳甘沙), one of our Co-founders and one of our Controlling Shareholders, our Chairman, executive Director and chief executive officer
“Mr. Zhao”	Mr. Zhao Yong (趙勇), one of our Co-founders
“Mr. Zhou”	Mr. Zhou Xin (周鑫), one of our Co-founders and one of our Controlling Shareholders, executive Director, chief products officer and deputy general manager
“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)
“Offer Price”	the offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares
“Offer Size Adjustment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters), pursuant to which our Company may allot and issue up to an aggregate of 2,169,150 additional H Shares (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering) at the Offer Price, to cover the excess demand in the International Offering, if any, as described in the section headed “Structure of the Global Offering — The International Offering — Offer Size Adjustment Option”
“Overall Coordinators”	CLSA Limited, BOCOM International Securities Limited, DBS Asia Capital Limited, China Galaxy International Securities (Hong Kong) Co., Limited
“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023
“Pathfinder SII(s)”	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the Pre-IPO Investor(s) which are set out in “History, Development and Corporate Structure — Pre-IPO Investments — Information about the Pre-IPO Investors — Our Pathfinder SIIs”
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)

DEFINITIONS

“PRC government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them
“PRC Legal Advisors”	King & Wood, our legal advisors as to PRC laws in connection with the Global Offering
“Pre-IPO Incentive Schemes”	the 2017 incentive scheme of our Company as effective on March 2017, and the 2020 incentive scheme of our Company as effective on April 29, 2020 which superseded the 2017 incentive scheme
“Pre-IPO Investments”	the investments made by the Pre-IPO Investors in our Company, the principal terms of which are summarized out in “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Investors”	the investor(s) who participated in the Pre-IPO Investments, details of which are set out in “History, Development and Corporate Structure — Pre-IPO Investments — Information about the Pre-IPO Investors”
“Regulation S”	Regulation S under the U.S. Securities Act
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Accountants”	Ernst & Young, our reporting accountant
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each before the Share Subdivision, and RMB0.10 each after the Share Subdivision
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subdivision”	the subdivision of each Share with a nominal value of RMB1.00 each into ten Shares with a nominal value of RMB0.10 each pursuant to the resolution passed by the then Shareholders on May 15, 2025
“Sole Sponsor”	CITIC Securities (Hong Kong) Limited

DEFINITIONS

“Sophisticated Independent Investor(s)” or “SII(s)”	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the Pre-IPO Investor(s) set out in “History, Development and Corporate Structure — Pre-IPO Investments — Information about the Pre-IPO Investors — Our Pathfinder SIIs” and “History, Development and Corporate Structure — Pre-IPO Investments — Information about the Pre-IPO Investors — Our Sophisticated Independent Investors”
“Sponsor-Overall Coordinator”	CLSA Limited
“sq.m.”	square meter
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the years ended December 31, 2023, 2024 and 2025
“UISEE Beijing”	UISEE Future (Beijing) Technology Co., Ltd. (馭勢未來(北京)科技有限公司), a company established in the PRC with limited liability on January 24, 2019 and a direct wholly-owned subsidiary of our Company
“UISEE Chongqing”	UISEE Tianxia (Chongqing) Automobile Technology Co., Ltd. (馭勢天下(重慶)汽車科技有限公司), a company established in the PRC with limited liability on March 17, 2023 and a direct non-wholly owned subsidiary of our Company which is owned as to 93.02% by our Company and 6.98% by UISEE Tianjin Management
“UISEE Hong Kong”	UISEE Technologies (Hong Kong) Limited (馭勢科技(香港)有限公司), a company incorporated in Hong Kong with limited liability on June 7, 2022 and an indirect wholly-owned subsidiary of our Company
“UISEE Qatar”	UISEE Technologies Ltd, a single-member limited liability company incorporated in Qatar on October 8, 2024 and a direct wholly-owned subsidiary of our Company
“UISEE Shanghai”	UISEE (Shanghai) Automobile Technology Co., Ltd. (馭勢(上海)汽車科技有限公司), a company established in the PRC with limited liability on November 1, 2016 and a direct wholly-owned subsidiary of our Company

DEFINITIONS

“UISEE Shenzhen”	UISEE Future (Shenzhen) Technology Co., Ltd. (馭勢未來(深圳)科技有限公司), a company established in the PRC with limited liability on May 17, 2021 and a direct wholly-owned subsidiary of our Company
“UISEE Singapore”	UISEE Technologies (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on April 16, 2024 and an indirect wholly-owned subsidiary of our Company
“UISEE Tianjin”	UISEE Technologies (Tianjin) Co., Ltd. (馭勢科技(天津)有限公司), a company established in the PRC with limited liability on June 27, 2019 and a direct wholly-owned subsidiary of our Company
“UISEE Tianjin Management”	Tianjin UISEE Enterprise Management Partnership (Limited Partnership) (天津馭勢企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 16, 2021 which is owned as to 0.01% by Tianjin Damang Technologies Co., Ltd. (天津大莽科技有限公司) (a company wholly owned by Mr. Wu) as general partner, and 99.98% by Mr. Wu and 0.01% by Mr. Peng as limited partners
“UISEE Wuhan”	UISEE Technologies (Wuhan) Co., Ltd. (馭勢科技(武漢)有限公司), a company established in the PRC with limited liability on October 15, 2020 and a direct wholly-owned subsidiary of our Company
“UISEE Yizhi”	UISEE Yizhi (Beijing) Technology Co., Ltd. (馭勢亦智(北京)科技有限公司), a company established in the PRC with limited liability on March 10, 2025 and a direct wholly-owned subsidiary of our Company
“UISEE Zhejiang”	UISEE Technologies (Zhejiang) Co., Ltd. (馭勢科技(浙江)有限公司), a company established in the PRC with limited liability on July 18, 2017 and a direct wholly-owned subsidiary of our Company
“Underwriter(s)”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB0.10 each, which is/are not listed or traded on any stock exchange
“U.S.” or “United States”	the United States of America, its territories, its possessions, any State of the United States, and the District of Columbia
“U.S. dollar(s)” or “USD” or “US\$”	United States dollar(s), the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“VAT”	value-added tax; all amounts are exclusive of VAT in this prospectus except where indicated otherwise
“VIE”	variable interest entity
“Voting Proxies Arrangement”	the arrangement under the agreements dated September 9, 2020, November 5, 2020 and December 30, 2020 entered into among Mr. Wu, Xinding Huaqi, Keyuan Shenneng and Jiaying Jiayao, details of which are set out in “History, Development and Corporate Structure — Acting-in-Concert and Voting Proxies Arrangements”
“Yujia Zhejiang”	Yujia Trading (Zhejiang) Co., Ltd. 馭嘉貿易(浙江)有限公司, a company established in the PRC with limited liability on November 7, 2017 and a direct wholly-owned subsidiary of our Company
“Yuxing Zhejiang”	Yuxing Technology (Zhejiang) Co., Ltd. (馭行科技(浙江)有限公司), a company established in the PRC with limited liability on June 28, 2019 which, as of the Latest Practicable Date, has been wholly owned by Mr. Zhang Hongtao (張紅濤), an Independent Third Party

Unless the content otherwise requires, references to “2023”, “2024” and “2025” in this prospectus refer to our financial year ended December 31 of such year, respectively.

Unless the context otherwise requires, (i) the terms “associate(s),” “close associate(s),” “connected person(s),” “core connected person(s),” “subsidiary(ies),” “substantial shareholder(s)” and “treasury share(s)” shall have the meanings ascribed to them under the Listing Rules, (ii) the term “PRC Governmental Body” shall have the meaning ascribed to it under Chapter 19A of the Listing Rules, and (iii) the terms “Commercial Company,” “Specialist Technology,” “Specialist Technology Company,” “Specialist Technology Industry” and “Specialist Technology Product(s)” shall have the meanings ascribed to them under Chapter 18C of the Listing Rules.

Certain amounts and percentage figures included in this prospectus were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

For the purpose of this prospectus, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

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

“ADAS”	advanced driver assistance system, a system made up of various components, sensors and controllers, which together with the human driver ensure the correct and safe movement of the vehicle, enabling L1 to L2 automation
“ADS”	automated driving system, being a system supporting L3 to L5 automation
“AET”	autonomous electric tractor
“AI”	artificial intelligence, simulation of human intelligence processes by machines, especially computer systems
“algorithm”	a finite sequence of well-defined instructions, typically used to solve a class of specific problems or to perform a computation
“all-weather”	all weather conditions in which a human driver can safely operate a vehicle, including extreme weather such as rain, snow, fog and dust storm
“all-scenario”	autonomous vehicle operation scenarios encompassing open and closed scenarios, featuring logistics, operation, and mobility vehicles and encompassing autonomous driving levels from L2 to L4
“APC”	autonomous patrol cruiser
“ASB”	autonomous shuttle bus
“ASIL”	automotive safety integrity level, a risk classification scheme used to specify the necessary safety requirements for achieving an acceptable level of risk in automotive systems defined by the ISO 26262 standard for functional safety for road vehicles, with four levels from A to D, where A is the lowest and D is the highest
“autonomous driving”	the concept of vehicles that can operate without human intervention, utilizing AI to control their movements and make decisions based on real-time data collected from sensors and geographic information systems
“Bayesian network”	a type of graphical model that uses probability to determine the occurrence of an event
“BEV”	birds’ eye view
“chip”	a small electronic device that contains multiple interconnected components on a single semiconductor chip, also known as an integrated circuit or microchip

GLOSSARY OF TECHNICAL TERMS

“cloud”	the computers and connections that support cloud computing
“cloud computing”	the practice of storing computer data and programs on multiple servers that can be accessed through the internet
“commercial vehicles”	vehicles that are primarily designed and manufactured for transporting personnel (excluding passenger cars) and goods, or for carrying out specialized operations
“deep learning”	a form of machine learning that enables computers to learn from experience and understand the world in terms of a hierarchy of concepts
“domain controller”	a centralized computer that controls a set of vehicle functions within a specific area or domain
“drive-by-wire”	the technology that uses electronics or electro-mechanical systems in place of mechanical linkages to control driving functions
“L2”	level 2 autonomous driving, also known as partial driving automation, a level of autonomous driving where the vehicle can assist with some driving tasks, but the driver must remain alert and in control
“L2+”	level 2+ autonomous driving, a level of autonomous driving where the vehicle can handle more complex driving tasks than L2 autonomous vehicles, such as automated lane changing, navigation on autopilot, and hands-off driving under certain conditions
“L3”	level 3 autonomous driving, also known as conditional driving automation, a level of autonomous driving where a vehicle can perform certain driving tasks without the active control of a human driver
“L4”	level 4 autonomous driving, also known as high driving automation, a level of autonomous driving where the vehicle can handle most driving situations independently, without the need for a human driver
“L5”	level 5 autonomous driving, also known as full driving automation, a level of autonomous driving where a vehicle can drive itself in all circumstances, without the need for a human driver
“machine learning”	the scientific study of algorithms and statistical models that computer systems use to effectively perform specific tasks without being explicitly programmed to do so
“MWh”	milliwatt-hour
“over-the-air”	any method of making data transfers or transactions wirelessly using the cellular network instead of a cable or other local connection

GLOSSARY OF TECHNICAL TERMS

“passenger cars”	vehicles that are primarily designed and manufactured for transporting passengers and their personal belongings, with no more than nine seats including the driver’s seat
“proof-of-concept” or “PoC”	an early stage of development used to demonstrate that an idea or technology is likely to be successful
“R&D”	research and development
“robobus”	an L4 autonomous shuttle bus, capable of operating without a human driver
“robotaxi”	an L4 autonomous vehicle that operates as a taxi in an online ride-hailing service
“rule-based model”	a class of machine learning models that make predictions by applying a set of predefined rules to input features
“rule-based systems”	knowledge-based systems that represent the domain knowledge with a set of rules and suggest a solution to or conclusion of a problem by using a rule-based reasoning method
“SoC”	system on a chip, an integrated circuit design that combines elements of an electronic device onto a single chip instead of using separate components
“TOPS”	tera operations per second
“V2X”	vehicle-to-everything, the exchange of data between a vehicle and any other entity in its environment or the exchange of power between an electric vehicle and another device
“VectorNet”	a hierarchical graph neural network that first exploits the spatial locality of individual road components represented by vectors and then models the high-order interactions among all components
“VLAM”	visual-language-action model, a foundation model that allows control of robot actions through vision and language commands
“VLM”	visual-language model, a fusion of vision and natural language models. It ingests images and their respective textual descriptions as inputs and learns to associate the knowledge from the two modalities

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains certain forward-looking statements and information relating to our Company that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would” and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects and the nature of, and potential for, future development of our business;
- future developments, trends and conditions in the industries and markets in which we operate;
- our strategies, plans, objectives and goals and our ability to successfully implement the same;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment;
- our financial condition and operating results and performance;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs and offer competitive prices;
- our ability to attract customers and build our brand image;
- our dividend policy;
- our ability to attract and retain senior management and key employees;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- certain statements in “Business” and “Financial Information” with respect to trends in prices, operations, margins, overall market trends, and risk management; and
- other statements in this prospectus that are not historical facts.

FORWARD-LOOKING STATEMENTS

This prospectus also contains market data and projections that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our H Shares. In addition, due to the rapidly changing nature of the PRC economy and the autonomous driving industry, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

We do not guarantee that the transactions and events described in the forward-looking statements in this prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in “Risk Factors.” You should read this prospectus in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

RISK FACTORS

An investment in our H Shares involves significant risks. You should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. Particularly, we are a Commercial Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our operations and the specialist technology industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investments in our H Shares.

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our H Shares could decline due to any of these risks, and you may lose all or part of your investment. 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 “Forward-looking Statements.”

RISKS RELATING TO OUR INDUSTRY AND BUSINESS OPERATIONS

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

Autonomous driving technology has been and will continue to undergo rapid development and evolution. New technological advancements in the autonomous driving industry could render the technologies and solutions that we developed obsolete or commercially not viable. Thus, our business, results of operations, and financial condition depend on our ability to continually enhance our existing autonomous driving solutions and develop new solutions that incorporate and integrate the latest technological advancements in hardware such as sensors, processors and domain controllers, software, and mapping and AI technologies. For example, we will need to complete the development and achieve cost efficient series production of the next-generation commercial vehicles with various L4 autonomous driving functions and upgrade our autonomous driving operating system. We are currently developing and upgrading our autonomous driving vehicles and kits and our full-scenario L4 autonomous driving operating system, U-Drive[®] system. We cannot guarantee that the new solutions and services we are currently working on will be released as expected in a timely manner, or at all, or achieve market acceptance.

The autonomous driving industry can be characterized by a significant number of technical and commercial challenges, including an expectation for better-than-human driving performance, substantial funding requirements, long vehicle development lead times, specialized skills and expertise requirements of personnel, inconsistent and evolving regulatory frameworks, a need to build public trust and brand image, and real-world operation of new technologies. Therefore, we may encounter significant unexpected technical and commercial challenges, or delays in completing the development of these and other solutions and services and commercializing our solutions and services in a cost-efficient manner. If we are not able to overcome these challenges, our business, prospects, financial condition, and results of operations will be negatively impacted and our efforts to create a commercially viable business may not materialize at all. The development of these and other new and enhanced solutions and services requires us to invest resources in R&D and also requires that we, among others: (i) achieving sufficiently safe autonomous driving performance and earning recognition from regulatory agencies, our customers, users and the general public; (ii) design more innovative, accurate, and safety- and comfort-enhancing functions than those of our competitors; (iii) continuously improve the reliability of our autonomous driving technology; and (iv) respond to technological changes, changing customer requirements, market conditions, and regulatory and rating standards quickly and cost-effectively.

RISK FACTORS

If there are delays in, or if we fail to complete when expected or at all, our existing and new development programs, we may not be able to satisfy our customers' requirements, obtain additional letters of nomination with existing or new customers, obtain new purchase orders, or achieve broader market acceptance of our solutions and services, and our business, results of operations, and financial condition would be adversely affected.

We invest significantly in R&D, and to the extent our R&D efforts are unsuccessful, our competitive position would be negatively impacted and our business, results of operations, and financial condition would be adversely affected.

We must maintain successful R&D efforts, develop new solutions and services, and improve our existing solutions and services that are competitive in the market to maintain our leading position in the industry, which requires significant investments in our R&D activities. Our R&D expenses were RMB184.4 million, RMB196.4 million and RMB233.7 million in 2023, 2024 and 2025, respectively. We may incur substantial R&D costs as part of our efforts to design, develop, manufacture and commercialize new solutions and services and enhance existing solutions and services. We are focusing our R&D efforts across several key technologies, including AI, automation, and autonomous driving technologies. We cannot guarantee that all of these efforts will deliver the benefits we anticipate or be homologated as expected. We may not be able to realize returns from these R&D efforts despite our substantial investment in R&D. We must make R&D investments based on our views of the most promising approaches to address future customer needs in rapidly evolving markets, and we cannot be certain that we will target our R&D investments appropriately, or correctly anticipate the manner in which these markets will evolve. To the extent our R&D efforts do not produce timely improvements in utility, accuracy, safety, cost and operational efficiency, our competitive position will be harmed. Some of our efforts to develop new solutions and services may fail, and the solutions and services we invest in and develop may be challenged by regulators or may not be well received by customers, who may adopt competing technologies. In addition, we expect to further increase R&D investments as we roll out new solutions and services and improve existing solutions and services. Such contributions at times may not meet our expectations or even cover the costs of such investments, which would adversely affect our business, results of operations, and financial condition.

If our key R&D employees terminate their relationships with us or develop relationships with a competitor or delay their delivery of adequate research results, our ability to conduct R&D, the progress of our R&D programs, and our ability to protect our IP could be adversely affected.

In advancing our self-developed autonomous driving operating platform and improving our capabilities in providing autonomous driving solutions, we work with a number of key R&D employees. The development of our autonomous driving solutions requires R&D personnel to possess high level of specialized skills and expertise. There can be no assurance that we can attract and retain a large and growing number of key R&D personnel, or our key R&D employees would deliver adequate results to support our R&D. In 2023, 2024 and 2025, the attrition rate of our R&D personnel was 16.0%, 28.6% and 20.6%, respectively. The relatively high attrition rate in 2024 was caused by the departure of R&D personnel as we streamlined the organizational structure of our R&D department; and the relatively high attrition rate in 2025 was due to our disposal of Yuxing Zhejiang. As a result, this may adversely affect our ability to advance our autonomous driving operating platform and further develop our autonomous driving solutions. Furthermore, the ability to meet our expertise needs, including the ability to find qualified personnel to fill positions that become vacant in our R&D department, while controlling our costs, is generally subject to numerous external factors such as the availability of qualified persons in the market and prevailing wage rates. If costs of labor to attract or retain key R&D personnel or related costs to maintain relationships with research collaborators increase for other reasons, our business, financial condition and results of operations could be materially adversely affected.

The data and information that we gather in our R&D process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.

We collect, aggregate, process, and analyze data and information from our R&D activities. If we make mistakes in the capture, input, or analysis of these data, our ability to develop and provide high-quality autonomous driving solutions may be materially harmed. More importantly, the inaccuracy and incompleteness of such R&D data may lead to defects in our autonomous driving solutions or services, potentially resulting in undesired outcomes such as personal injury accidents. In addition, we may collaborate with other third parties to

RISK FACTORS

monitor and manage data for some of our ongoing and future R&D programs and control only certain aspects of their activities. If any of these third parties does not perform to our standards in terms of data accuracy or completeness, data from those R&D programs may be compromised as a result, and our reliance on these parties may expose us to regulatory or other liabilities, which may materially and adversely affect our business, reputation, financial condition and results of operations.

We are a company with a history of losses, which makes it difficult to evaluate our current business and predict our future performance; our historical financial and results of operations may not be indicative of our future performance.

Our revenue increased from RMB161.4 million in 2023 to RMB265.5 million in 2024, and further to RMB328.3 million in 2025. There are a wide array of factors that will affect our performance and growth such as our customers' budget, the overall economy, and market acceptance of our solutions and services, many of which are beyond our control. We cannot assure you that we will be able to maintain our growth at the same rate as we did in the past, or avoid any decline in the future. In addition, we recorded net losses of RMB213.1 million, RMB211.6 million and RMB230.2 million in 2023, 2024 and 2025. Our relatively limited operating history makes it difficult to evaluate our current business, future prospects and the risks and challenges we may encounter. Risks and challenges we have faced or expect to face include our ability to, among others: (i) provide solutions and services of acceptable performance; (ii) attract and retain customers; (iii) comply with laws and regulations applicable to our business; (iv) forecast our revenue and budget and manage our expenses; and (v) plan for and manage capital expenditures, and manage our supply chain and supplier relationships related to our current and future solutions and services. If we fail to address the risks and difficulties that we face, or our assumptions regarding these risks and uncertainties are incorrect or change, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

The size of our addressable markets and the demand for our solutions and services may not increase as rapidly as we anticipate due to a variety of factors, which could 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 our key specialist technology solutions and services. Our future financial performance will depend on our ability to make timely investments to seize the correct market opportunities. If one or more of these markets experience a shift in customer demand, our solutions and services may not compete as effectively, or at all. Given the evolving nature of the markets in which we operate, it is difficult to predict customer demand for or market acceptance of our solutions and services or the future growth of the markets in which we operate. Even if our addressable markets grow substantially, there is no guarantee that demand for our solutions and services will correlate with that growth. There is also no guarantee that our business will be successful simply because of the growing trends of our addressable markets.

We face and may in the future face competition from market participants that have substantially greater resources or established competitors in certain application scenarios.

We face and may in the future face competition from a range of companies developing autonomous driving solutions for these applications, some of which may be similar to ours, as well as established and new technology companies, car manufacturers, and other competitors in certain application scenario such as ports. Some of our competitors may have better-established resources than we do to devote to the design, development, manufacturing, distribution, promotion, sale, and support of their products. Our future success will depend on, among other things, our ability to continue developing superior advanced technology to remain competitive with our existing and any new competitors. Competition is based on, among other things, cost efficiency, reliability, the ability to develop and deploy increasingly complex technologies that provide for vehicle, passenger and pedestrian safety, the ability to gather or access large validation datasets, the ability to integrate technologies and hardware with overall vehicle design and production, adoption by different industries, and the ability to develop and maintain strategic relationships.

RISK FACTORS

Additionally, increased competition may result in pricing pressure and reduced margins and may impede our ability to predict our future revenue and operations, increase the sales of our solutions and services or cause us to lose market share, any of which will adversely affect our business, financial condition and results of operations.

We have a relatively short track record in the commercialization of our solutions and services and may experience difficulties in managing our growth and expanding our operations.

We have relatively limited experience in launching, commercializing, sales and marketing of our solutions and services. Therefore, our ability to successfully commercialize our solutions and services may involve more inherent risks, take longer, and cost more. 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 industry knowledge to communicate effectively with industry professionals, sufficient experience in sales and marketing of our cutting-edge solutions and services, and extensive industry connections with car manufacturers as well as academic and research institutions.

Furthermore, our future results of operations depend to a large extent on our ability to manage this expansion and growth successfully. Risks that we face in undertaking this expansion include, among others: (i) managing our supply chain to support fast business growth; (ii) managing a larger organization; (iii) controlling expenses and investments for business expansion; (iv) establishing or expanding new product development, assembly sales, and service facilities; (v) improving our operational, financial and management controls, compliance programs and reporting systems; and (vi) addressing new markets and potentially unforeseen challenges as they arise. Any failure to manage our growth effectively could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our autonomous driving solutions are generally provided on a project-by-project basis. If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business and results of operations may be materially and adversely affected.

Our abilities to retain existing customers, attract new customers, as well as increase the spending by our customers depend on a number of factors, including our ability to offer more or new autonomous driving solutions that address the needs of our customers at competitive prices, the strength of our technologies and the effectiveness of our sales and marketing efforts. In each of 2023, 2024 and 2025, our retention rate of key customers, being customers that have a cumulative contribution to our revenue of more than RMB10 million in the Track Record Period, was 75.0%, 75.0% and 66.7%, respectively. Such retention rate of key customers is calculated by dividing the number of key customers contributing to our revenue in both the current year and the previous year by the number of key customers contributing to our revenue in the previous year.

In addition, since our customers typically purchase our solutions on a project-by-project basis, we cannot guarantee that our existing customers will procure additional autonomous driving solutions from us or that we can expand our business or attract new customers, or that we can provide customers with highly individualized solutions and services that meet the specific demand of each and every customer and timely customer support. Failure to achieve any of the aforementioned could result in a slower or no growth at all or decrease in our revenue, and our business, financial condition and results of operations could be materially and adversely affected. Our inability to meet customer service expectations may also damage our reputation and could consequently limit our ability to retain existing customers and attract new customers, which would materially and adversely affect our business and results of operations.

RISK FACTORS

If there is any unfavorable publicity in the autonomous driving industry, our business, prospects, operating results and financial condition could be materially harmed.

Regulatory, safety and reliability issues, or the perception thereof, many of which are beyond our control, could also lead to unfavorable publicity of the autonomous driving industry in general and cause the public or our potential business partners and end users to lose confidence in autonomous driving solutions in general. The safety of such technology depends in part on end users of the autonomous vehicles, as well as other drivers, pedestrians, other obstacles on the roadways or other unforeseen events. Accidents involving autonomous vehicles, even purely caused by end users, could result in suspension or prohibition of autonomous vehicles, which could negatively affect our business and the autonomous driving industry as a whole. If safety and reliability issues for autonomous driving technology cannot be addressed properly, our business, prospects, operating results, and financial condition could be materially harmed.

Our autonomous driving solutions are highly technical and very complex. We cannot guarantee that our solutions will perform as intended which could reduce the market adoption of our solutions and services, damage our reputation with current or prospective customers, expose us to product liability and other claims and adversely affect our results of operations.

The majority of our autonomous driving solutions are sold to airports and factories. Those solutions and services are highly technical and very complex and require high standards to manufacture and may in the future experience defects, errors or reliability issues at various stages of development. We may be unable to timely correct problems that have arisen or correct such problems to our customers' satisfaction. Additionally, undetected errors, defects or security vulnerabilities, especially as new products or versions are released, could result in serious injury or even death to the passengers of vehicles equipped with our solutions and services or those in the surrounding area, litigation against us, negative publicity and other consequences. These risks are particularly prevalent in the autonomous driving industry. Some errors or defects in our products may only be discovered after they have been tested, commercialized and deployed by customers, in which case we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims, including class actions, against us by our customers or others. Our reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy our solutions and services, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our financial results. Furthermore, any defects in or significant malfunctioning of autonomous driving solutions provided by market players may weaken customer confidence in autonomous driving solutions, which could have a material adverse impact on the future of such markets in general and our business prospects in particular.

Our solutions and services may not perform as well as we expect or take us longer to commercialize than is currently projected.

The commercial application of our autonomous driving solutions requires us to meet very high standards of technology performance and system safety due to their technical and complex nature. We may be unable to timely release, develop or deploy new solutions and services that meet our intended commercial use cases, and we may therefore experience limited than expected commercialization of our technology. The achievement of broadly applicable autonomous driving technology will require further technology improvements including, for example, handling non-compliant or unexpected corner cases and inclement weather conditions. These improvements may take us longer than expected, which would increase our capital requirements for technology development, delay our timeline to commercialization, and reduce the potential financial returns that may be expected from the business.

Our continued enhancement of our autonomous driving technology is and will be subject to risks, including but not limited to our ability to: (i) achieve sufficiently safe autonomous driving system performance; (ii) develop cutting-edge autonomous driving solutions that enable autonomous driving functions on vehicles; (iii) obtain acceptance from our customers and potential customers, as well as the general public of our autonomous driving solutions and the autonomous driving technology in general; (iv) continue to enhance our data analytics and software technology; (v) successfully complete system testing,

RISK FACTORS

validation and obtain safety approvals; (vi) obtain and maintain approvals, licenses or certifications from regulatory agencies; (vii) design, develop and secure necessary components on acceptable terms and in a timely manner; and (viii) expand and strengthen cooperative relationships with our business partners.

We continue to implement strategic initiatives designed to grow our business, including developing new technologies, solutions and services. We cannot assure you that our choices of technologies, solutions and services to focus on will prove correct, or that our initiatives will succeed and bring sufficient growth in revenue to offset the costs and expenses.

We continue to make investments and implement initiatives designed to grow our business. In particular, we have formulated plans to focus our R&D efforts on certain new technologies, solutions and services which we believe will be essential to our future growth. For example, we are in the process of developing and upgrading our autonomous vehicles such as our UiBox, AET and ASBs, and our full-scenario L4 autonomous driving operating system, U-Drive[®] system. See “Business — Research and Development — Key R&D Projects” for more details. However, as the autonomous driving industry is relatively new and rapidly evolving and we have a short operating history and limited experience, we cannot assure you that our choices of technologies, solutions or services to focus on will prove correct. In the event that our new technologies, solutions or services fail to be adopted by the market, our business prospects and financial condition could be materially and adversely affected.

In addition, our strategic initiatives may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue, if at all, in an amount sufficient to offset these higher costs and expenses and to achieve and maintain profitability. Some of the market opportunities we are pursuing are at an early stage of development, and it is difficult to predict the size and growth rate of our target markets, customer demand for our solutions and services, commercialization timelines, developments in technology, the entry of competitive solutions and services, or the success of existing competitive solutions and services. If our revenue does not grow over the long term, our ability to achieve and maintain profitability may be adversely affected.

Any flaws or misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

AI technologies are at early stages of development and continue to evolve. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in the PRC and other jurisdictions or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies.

Our L4 autonomous driving operating system is powered by AI technologies. Flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the decisions and analyses made by our autonomous driving operating system, which may impair the safety, reliability, and resilience of our autonomous driving operating system and may result in property damages, injuries or even deaths. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and the related solutions and services, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

Because some of the raw materials and key components in our autonomous driving solutions come from single or limited source of suppliers, we may be susceptible to supply shortages, long lead times for components, supply changes, and changes in business relationship, any of which could disrupt our supply chain and could delay deliveries of our solutions and services to customers.

Some of the raw materials and key components such as chips and LiDAR in our autonomous driving solutions, particularly our commercial vehicles with various L4

RISK FACTORS

autonomous driving functions, come from limited sources of supply. Some of our chip suppliers may apply a non-cancellable non-refundable policy to their products or require us to provide binding forecasts of our procurement. We may therefore be subject to the risk of shortages and long lead times in the supply of these components and the risk that our suppliers discontinue or modify components used in our vehicles. Our suppliers may dedicate more resources to other companies, including our competitors. Thus, we may experience such material component shortages and price fluctuations of certain key components and materials in the future, and the availability and pricing of these components may be beyond our control. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner in the case of limited sources. Any supply interruption or delay, or the inability to obtain these parts or components from alternate sources at acceptable prices and in a timely manner, would adversely affect our ability to meet our scheduled delivery of solutions and services to customers, which in turn harm our relationships with our customers. Even where we are able to pass increased component costs along to our customers, there may be a lapse of time before we are able to do so such that we must absorb the increased cost initially. If we are unable to source these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to meet customer demand, which may result in our customers using competitive solutions and services instead of ours.

In addition, we may source certain components from international suppliers. Any health epidemics and outbreaks may adversely affect our ability to source components in a timely or cost-effective manner. For example, we remain dependent on third-party chips for our solutions and services. Any future shortage in chip supplies in turn may lead to increases in the prices of chips and may cause chip suppliers to allocate available chips more selectively among their customers across these industries. We may not be able to obtain adequate supplies of chips on commercially acceptable terms or at all, and as a result we may fail to fulfill our customers' orders and cause us to record lower sales and lose customers. Our procurement of chips may also be subject to sanctions and export controls administered by the U.S. See “— We could be adversely affected as a result of any transactions we make with certain entities or in certain industries that are, or become subject to, sanctions and export controls or investment restrictions, administered by the U.S. and other relevant authorities.”

We have engaged and may continue to pursue collaborations arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements, which may fail to produce anticipated benefits and adversely affect our operations.

We have engaged and may continue to pursue opportunities for collaborations, joint ventures, acquisitions of business or technology, strategic alliances, or partnerships that we believe would advance our development. However, proposing, negotiating and implementing these opportunities may be a lengthy and complex process may disrupt our current operations, result in significant expenses, decrease our profitability, or divert management resources that otherwise would be available for our existing business. We may not be able to identify, secure, complete, or realize the anticipated benefits of, any such transactions or arrangements in a timely manner, on a cost-effective basis and acceptable terms, or at all.

Furthermore, partners, collaborators, or other parties to such transactions or arrangements may fail to fully perform their obligations or meet our expectations or cooperate with us satisfactorily for various reasons and subject us to potential risks, including, but not limited to, that partners, collaborators, or other parties: (i) have significant discretion in determining the efforts and resources that they will apply to a transaction or arrangement; (ii) could develop independently or with third parties, solutions and services that compete with ours; (iii) may not properly maintain, defend or use our IP rights; (iv) may have disputes with us that cause the delay or termination of the research, development, or commercialization of the solutions or services developed under the collaboration with us, or that result in costly litigation or arbitration that diverts management's attention and resources; and (v) may deny us the exclusive right to commercialize IPs that we may own or jointly own under the collaboration.

Any such transactions or arrangements may also require actions, consents, approval, waiver, participation or involvement of various degrees from third parties, such as regulators, government authorities, creditors, related individuals, suppliers, distributors, shareholders, or

RISK FACTORS

other stakeholders or interested parties. There is no assurance that such third parties will be cooperative as we desire, or at all, in which case we may be unable to carry out the relevant transactions or arrangements.

There are various risks associated with our acquisitions and investments, which may include the following: (i) inherent valuation risks in connection with acquisitions or investments; (ii) challenges related to integration of acquired company's or investee's operations into our business; (iii) events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize the anticipated benefits, synergies, cost savings or efficiencies from such transaction; (iv) potential increase in indebtedness that could constrain our operations; (v) exposure to unknown or contingent liabilities that could require significant expenditures and capital injections; (vi) failure to train, motivate, integrate and retain employees of acquired company or investee; (vii) diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and (viii) unanticipated write-offs or charges and impairment of goodwill. If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be materially and adversely affected.

If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our solutions or services, our management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We must maintain and enhance our brand identity while increasing market awareness of the reputation of our business, solutions and services. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our solutions and services, attract and retain customers, maintain our current market leadership, and successfully differentiate our offerings from those of competitors. These efforts require substantial expenditures and may not yield increased revenue, and we anticipate expenses will increase as our market becomes more competitive and as we expand into new markets. In addition, adverse publicity, with or without merits, relating to events or activities attributed to us, our management, directors, employees, shareholders, business partners or their affiliates, industry, or solutions or services similar to ours, may tarnish our reputation and reduce the value of our brand. Moreover, our brand value depends on our ability to provide safe solutions and services that meet automobile-grade standards in our markets. Damage to our reputation and loss of brand equity may reduce demand for our solutions and services, and may also require additional resources to rebuild our reputation and restore the value of the brands. If we are unable to successfully enhance and protect our reputation, our business operations, results of operations, and financial condition could be materially and adversely affected.

Our business may suffer from claims relating to, among other things, actual or alleged defects in our solutions and services, or if our solutions and services actually or allegedly fail to perform as expected, and publicity related to these claims could harm our reputation and decrease demand for our solutions and services or increase regulatory scrutiny of our solutions and services.

Most of our solutions and services are related to automobiles. The applications of our autonomous driving solutions to automobiles present the potential risk of significant injury, including fatalities and may subject us to significant litigation claims due to the potentially severe consequences of traffic collisions or other accidents even if our solutions and services or their features or the failure thereof did not cause such accidents. Moreover, other parties involved in the accidents may hold a different point of view regarding the cause and initiate claims against us, and the ultimate results of such claims are subject to investigations, negotiations or legal proceedings (if any). We cannot ensure the results will always be favorable to us even though our solutions and services did not cause such accidents. For instance, we encountered certain incidents during the Track Record Period. See "Business — Quality Control" for details. There also remains significant uncertainty in the legal implications to providers of emerging autonomous driving technologies of traffic collisions or other accidents involving such technologies, particularly given variations in legal and regulatory regimes that are emerging in different jurisdictions, and we may become liable for losses that exceed the current industry norms as the regulatory and legal landscape develops. In addition, if the relevant authorities were to determine that the use of our solutions and services or certain autonomous driving applications in general, increased the risk of injury to all or a subset of our customers, end-users and passengers, they may pass laws or adopt regulations that limit the use of our solutions and services or increase our liability associated with the use of our solutions and services or that regulate the use of or delay the deployment of autonomous driving technology. Any of these events could adversely affect our brand, relationships with customers, results of operations or financial condition.

RISK FACTORS

We typically offer a standard one-year product warranty to customers of our products. The occurrence of any material defects in our solutions and services could make us liable for damages and warranty claims. We are also legally obligated to assume the product liability in the event of any quality defects in our products that result in personal or property damage. We could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our solutions and services could affect our brand image, partner and customer demand, and adversely affect our results of operations and financial condition.

Furthermore, we could face material legal claims for breach of contract, product liability, fraud, tort or breach of warranty as a result of these problems. Defending a lawsuit, regardless of its merit, could be costly and may divert management's attention and adversely affect the market's perception of us and our solutions and services. In addition, our insurance coverage could prove inadequate with respect to a claim and future coverage may be unavailable on acceptable terms or at all. These product-related issues could result in claims against us and our business could be adversely affected.

We could be adversely affected as a result of any transactions we make with certain entities or in certain industries that are, or become subject to, sanctions and export controls or investment restrictions, administered by the U.S. and other relevant authorities.

International Trade Regulations

Our reliance on global markets exposes us to risks associated with international trade regulations and geopolitical developments. For example, recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, including in the industry in which we operate. These policies have introduced uncertainties to global supply chains, limited access to critical raw materials and components, and increased production and compliance costs for companies operating in affected industries. Geopolitical tensions between China and the United States may intensify and the United States may adopt even more restrictive measures in the future, including by imposing additional sanctions on, or further restricting U.S. investment in, Chinese-affiliated companies.

Outbound Investment Rules

In August 2023, former President Biden issued Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern," (the "**Executive Order**"). In accordance with the Executive Order, on October 28, 2024, the U.S. Department of the Treasury released new regulations (the "**Final Rule**") prohibiting or requiring notification of U.S. outbound investments in certain Chinese-affiliated companies operating in the semiconductor and microelectronics, quantum information technology, and artificial intelligence sectors ("**covered foreign persons**"). The Final Rule took effect on January 2, 2025. The Final Rule imposes additional diligence responsibilities, record-keeping, and notification requirements and restrictions on U.S. persons and their controlled foreign entities. Specifically, depending on the covered foreign person's specific activities, U.S. persons are either prohibited from making certain types of investments in the covered foreign person, or must notify covered investments to the U.S. Department of the Treasury.

As advised by our International Sanctions Legal Advisors, we are falling within the definition of "a covered foreign person" due to our business activities, specifically those related to the development of AI systems intended to be used for the control of robotics systems. However, the acquisition of our shares through the Global Offering is not a prohibited transaction under the Final Rule, because our products are neither intended for, nor will they be used in military end use, government intelligence or mass-surveillance end use and cyber monitoring and information security applications. In addition, the computing power utilized in our products does not meet the thresholds for prohibited transactions in the Final Rule. Based on the advice of our International Sanctions Legal Advisors, we understand that, in light of the nature of our activities, neither the intended use of our products nor the level of computing power involved falls within the scope of prohibited transactions. U.S. persons would be required to notify the U.S. Department of Treasury of their participation in

RISK FACTORS

the Global Offering. We also note that, should the U.S. Department of the Treasury amend or reinterpret the relevant regulations in the future, U.S. persons participating in the Global Offering may become subject to additional notification requirements or other compliance obligations. As a result, the Final Rule may have increased the compliance burden of the U.S. investors. For instance, U.S. investors may need to adopt a more cautious approach in their investment in us, which may negatively impact our ability to raise capital.

The Final Rule excludes certain investments from the scope of covered transactions, including investments in publicly traded securities that do not afford the U.S. persons rights beyond standard minority shareholder protections. Accordingly, as a result of the Final Rule currently in effect, upon completion of the Global Offering, despite that we are a covered foreign person, U.S. persons are allowed to purchase our publicly-traded shares on the Hong Kong Stock Exchange without notification obligations, provided that such transactions do not afford the U.S. person rights beyond “standard minority shareholder protections” under the Final Rule. However, even though the purchase of our shares by U.S. persons from the Stock Exchange will be exempted from the scope of covered transactions under the Final Rule, the relevant laws, regulations, and policies continue to evolve, and we cannot rule out potential amendments to the Final Rule that further restrict U.S. person investment. The rules and regulations regarding U.S. outbound investment may be subject to further development. For example, on February 21, 2025, President Donald Trump issued a National Security Presidential Memorandum titled America First Investment Policy (the “**Memorandum**”). The Memorandum, among other things, directs the U.S. Secretary of the Treasury to consider expanding restrictions on outbound investment to China into new sectors, as well as expanding coverage of the restrictions over more types of transactions, to potentially include publicly-traded securities. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

Export Control Regulations

On October 7, 2022, the U.S. Department of Commerce, the U.S. Bureau of Industry and Security (“**BIS**”) published rules that introduce new restrictions related to semiconductors, semiconductor manufacturing, supercomputers, and advanced computing items and end uses in the Chinese Mainland, Hong Kong SAR or Macau SAR (the “**U.S. Chip Export Restrictions**”). BIS’ rules on advanced computing and semiconductor manufacturing were implemented in two key areas. First, these rules impose restrictive export controls on certain advanced computing semiconductor chips and software, transactions for supercomputer end-uses, and transactions involving certain entities on the Entity List. Second, these rules impose new controls on certain semiconductor manufacturing items and on transactions for certain integrated circuit (“**IC**”) end uses.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not sell any products subject to the EAR to customers that are designated on BIS’ Entity List, Denied Persons List, Unverified List or any other sanctions list, nor customers that are headquartered in or ordinarily resident in, or owned or controlled by a government of, any countries or regions subject to comprehensive trade embargos under U.S. export controls (which currently include the Crimea region, Cuba, Iran, North Korea, Syria, Luhansk People’s Republic (“**LPR**”) and Donetsk People’s Republic (“**DPR**”), (collectively, the “**Sanctioned Targets**”)); and (ii) our activities do not involve operations or transactions that have violated or would violate (a) the restrictions on Sanctioned Targets; and (b) the U.S. Chip Export Restrictions set forth in the EAR.

The BIS published a final rule on January 16, 2025 (the “**BIS Final Rule**”) prohibiting the sale or import into the United States of certain automotive hardware and software, as well as “connected vehicles” incorporating this technology, from or linked to China or Russia. The Final Rule took effect on March 17, 2025. Specifically, the BIS Final Rule prohibits (i) knowingly importing into the U.S. vehicle connectivity system (“**VCS**”) hardware that is designed, developed, manufactured, or supplied by persons linked to China or Russia; (ii) knowingly importing into or selling within the U.S. completed connected vehicles that incorporate VCS or automated driving software designed, developed, manufactured, or supplied by persons linked to China or Russia; and (iii) knowingly selling or distributing in the U.S. completed connected vehicles that incorporate VCS hardware or covered software if

RISK FACTORS

the seller is linked to China or Russia, regardless of whether the vehicles are manufactured or assembled in the U.S. However, we consider that we are not materially affected by the BIS Final Rule, as we do not sell, distribute, or import items into the United States.

Our products (i.e. autonomous driving solutions) are produced in China and do not incorporate any controlled U.S.-origin commodities or technologies, nor are they bundled with controlled U.S.-origin software. Specifically, certain U.S.-origin electric linear actuators incorporated into our products are subject to the EAR but are classified as EAR99 items. In addition, we procured certain U.S.-branded chips that are not of U.S. origin and are not controlled items under the EAR, as they do not require an export licence for export to China. Accordingly, neither the U.S.-origin electric linear actuators nor the U.S.-branded chips procured by us required any export licence. Based on the advice of our International Sanctions Legal Advisors, the incorporation of such U.S.-origin electric linear actuators and U.S.-branded chips into our products does not render our products subject to the EAR. During the Track Record Period and up to the Latest Practicable Date, we did not sell any item subject to the EAR to any entity listed by BIS. On this basis, and as advised by our International Sanctions Legal Advisors, there is no indication that our business activities during the Track Record Period and up to the Latest Practicable Date may give rise to any violation of U.S. BIS export control. However, as the Entity List and other U.S. export control laws and regulations continue to expand and evolve, future U.S. export controls may materially affect or target some of our significant suppliers or customers, raw material and key components necessary for our operations, in which event our business may be affected if we fail to promptly secure alternative sources of supply or demand on terms acceptable to us. Certain components (including chips and software) deployed in our controllers are subject to the EAR. These sanctions and export controls could adversely affect us and/or our supply chain, business partners, or customers, and our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions. We cannot provide any assurance that our future business will be free of sanctions and export controls risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. If any of the foregoing happens, we may need to source new product or collaborate with other suppliers as an alternative, which may not be successful. If we have to identify comparable alternatives for the chips and/or software that are used in our controllers in view of the export control restrictions, any resulting new product may not be accepted by our existing or potential customers. We therefore cannot assure that we can successfully promote such new product, and our business, results of operations, and financial condition would be adversely affected.

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

Significant changes in the markets in which we purchase materials, components, and supplies for the production of our solutions and services may adversely affect our profitability. As a result of the global semiconductor shortage and inflationary pressures, we experienced increases in the cost of our raw materials prior to the Track Record Period, and we cannot be certain that similar price fluctuations will not happen in the future. Our gross profit 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, and, even where we are able to achieve price increases that would offset such increased costs, in some cases there may be a delay before we are able to do so. 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.

If we fail to maintain adequate inventory, or if we mismanage our inventory, we could lose sales or incur high inventory-related expenses, which could negatively affect our financial condition and results of operations.

Our inventories mainly include raw materials, work-in-progress and finished goods. As of December 31, 2023, 2024 and 2025, we had inventories of RMB68.9 million, RMB44.6 million and RMB60.1 million, respectively. We depend on our demand forecasts to make purchase decisions for raw materials and to pace our production progress to manage our inventories. We may not be able to accurately predict such demand as it can change

RISK FACTORS

significantly from time to time due to different factors that are not within our control such as market conditions, new product launches, pricing and discounts. In addition, we may not be successful in establishing stable and favorable supplier relationships or accurately forecasting demand for raw materials of any new solutions or services we develop in the future and such procurement may require significant lead time and prepayment. We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, nor can we guarantee that all of our inventory can be sold as products within a reasonable period of time. If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial condition.

Changes in the market or our solutions and services may affect our pricing models and adversely affect our operating results.

As the market for our solutions and services grows, as our competitors introduce new solutions or services that compete with ours or reduce their prices, or as we enter into new verticals or international markets, we may be unable to attract new customers or retain existing customers based on our historical pricing models. We may not be able to accurately predict customer renewal or retention. Certain users may also demand higher price discounts. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position and cash flow. In addition, the price of our solutions and services depends on the bundle included in the specific solutions and services, and our prices vary significantly across our solutions and services. If we adjust our business mix or fail to maintain our gross margin and operating margin for our solutions and services, our business, results of operations and financial condition would be adversely affected.

Our “overseas expansion” strategy will be subject to a variety of costs and legal, regulatory, political and economic risks.

Our business and results of operations are affected by our ability to execute our overseas expansion strategy, which primarily involves expanding into new international markets. Operating internationally subjects us to additional risks and challenges such as: (i) exchange rate fluctuations; (ii) political and economic instability; (iii) potential for violations of anti-corruption laws and regulations; (iv) preference for locally branded solutions and services, and laws and business practices favoring local competition; (v) increased difficulty in managing inventory; (vi) delayed revenue recognition; (vii) stringent regulation of the autonomous or other systems or products using our solutions and services and stringent consumer protection and product compliance regulations; (viii) import and export laws and the impact of tariffs; and (ix) revisions in local tax and customs duty laws.

Our international expansion plans will place increased demands on our operational, managerial and administrative resources. In particular, we face regulatory uncertainties and may incur substantial compliance costs when we enter into a new overseas market. Regulations in different overseas markets could vary significantly. Being compliant with laws and regulations in one jurisdiction does not necessarily mean our business practice would comply with laws and regulations in another jurisdiction and we may need to make adjustments to our business accordingly to comply with local laws. Non-compliance may subject us to sanctions by regulatory authorities, to monetary penalties, or to restrictions on our activities or revocation of our licenses, which may result in a material adverse effect on our business, financial condition and results of operations in the relevant overseas market. We also have to closely monitor changes in local laws and complete all necessary procedures and filings accordingly. Our overseas expansion may also be adversely impacted by factors and events beyond our control. For instance, the recent regional conflicts and war in the Middle East may impact our development of business relationship with local customers, especially where our target customers are airports, and we cannot ensure our business plans will always be executed as planned in a timely manner due to such factors beyond our control.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. Our monitoring of environmental

RISK FACTORS

and climate-related risks and a wide range of indicators such as power consumption, water consumption and waste generation, as well as commitment to providing adequate support to our employees to nurture a friendly and inspirational corporate culture, may entail incurring substantial additional costs and would potentially impact our profitability. See “Business — Environmental, Social and Governance (“ESG”).” In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing solutions and services from other companies, which may materially and adversely affect our results of operations and financial conditions.

Legal defects regarding some of our leased properties may adversely affect our business, financial condition and results of operations.

Under PRC law, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, we had not completed lease registration for nine leased properties in the PRC. Although failure to register does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority, so the total penalty for our unregistered leases will range from RMB8,000 to RMB80,000. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. Furthermore, we cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises. Such relocation may result in additional expenses or business interruption, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

We depend on key management as well as experienced and capable personnel generally, and any failure to attract, motivate and retain our staff could severely hinder our ability to maintain and grow our business.

Our future success is significantly dependent upon the continued service of our key executives and other key employees, in particular, we rely on the expertise and experience of core members of our senior management team. We may lose the services of any member of management or key personnel for reasons that are not within our control such as their personal circumstances or intensified competition for talents in the industry, and we may not be able to locate, or may incur great costs to recruit and train suitable or qualified replacements in a timely manner, or at all. If we fail to attract or retain key management and personnel with suitable expertise, or to maintain an adequate labor force on a continuous and sustained basis, our financial position and results of operations could be materially and adversely affected.

Failures or perceived failures to comply with privacy, data protection, and information security requirements, or theft, loss, or misuse of personal information about our employees, customers, end users, or other third parties, or other information, could increase our expenses, damage our reputation, or result in legal or regulatory proceedings.

The theft, loss, or misuse of the operational data collected, used, stored, or transferred by us to run our business could result in significantly increased business and security costs or costs related to defending legal claims may be required to expend significant resources to comply with data breach requirements if, for example, third parties improperly obtain and use the operational data, or we otherwise experience a data loss with respect to the operational data. A major breach of our network security and systems may result in fines, penalties, and damages, harm our reputation, and adversely affect our business, results of operations, and financial condition.

We are subject to a variety of local, national and international laws, directives, and regulations that apply to the collection, use, retention, protection, security, disclosure,

RISK FACTORS

transfer, and other processing of personal data in the different jurisdictions in which we operate (“**Data Protection Laws**”). Global privacy legislation, enforcement, and policy activity in this area are rapidly expanding and creating a complex regulatory compliance environment. Because many Data Protection Laws are new or subject to recent revisions or updates, there is often little clarity as to their interpretation or best practices for compliance, as well as a lack of precedent for the scope of enforcement. Costs to comply with Data Protection Laws are significant, and may require us to change our business practices and compliance manners. Any failure by us or our vendors or other business partners to comply with such Data Protection Laws could result in regulatory or litigation-related actions against us, legal liability, fines, damages, ongoing audit requirements, and other significant costs.

We are subject to cybersecurity risks to operational systems, security systems, infrastructure, integrated software in our solutions and services and customer data processed by us or third-party vendors or suppliers. Any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business and reduce confidence in us and our solutions and services.

We are at risk for interruptions, outages and breaches of: operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers; facility security systems, owned by us or our third-party vendors or suppliers; in-product technology owned by us or our third-party vendors or suppliers; the integrated software in our products such as in-vehicle systems; or operational data that we process or our third-party vendors or suppliers process on our behalf. Such cyber incidents could materially disrupt operational systems; result in loss of IP, trade secrets or other proprietary or competitively sensitive information; compromise certain operational data; jeopardize the security of our facilities; or affect the performance of in-product technology and the integrated software in our products. Our information technology measures designed to protect us against IP theft, data breaches and other cyber incidents will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost. If we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or IP could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

A significant cyber incident could impact production capability, harm our reputation, cause us to breach our contracts with other parties or subject us to regulatory actions or litigation, any of which could materially affect our business, prospects, financial condition and results of operations. In addition, our insurance coverage for cyber-attacks may not be sufficient to cover all the losses we may experience as a result of a cyber incident.

In particular, our autonomous driving solutions contain complex information technology. These systems may affect the control of various vehicle functions including engine, steering and braking. Hackers may attempt in the future to gain unauthorized access to modify, alter, and use such systems to gain control of, or to change, the functionality, user interface and performance characteristics of vehicles incorporating our solutions and services, or to gain access to data stored in or generated by the vehicle. In addition, as we also offer solutions and services that involve cloud-based enhancements and supports over-the-air updates, our solutions and services may increasingly be subject to cyber threats. We also transmit and store certain data on the third-party cloud, and we depend on the third-party cloud for securing data stored with it. Hackers may attempt to infiltrate, steal, corrupt, or manipulate such data on the cloud, which could also result in our in-vehicle systems malfunctioning. Malicious cybersecurity attacks against our in-vehicle systems that relate to automotive safety and related data, such as the data described in the preceding sentence, could potentially lead to bodily injury or death of end users, passengers, and others. Any unauthorized access to or control of vehicles incorporating our solutions and services or their systems could adversely impact the safety of those vehicles, or result in legal or regulatory claims or proceedings, liability, or regulatory penalties.

RISK FACTORS

Non-compliance with law of any third parties with which we conduct business could disrupt our business and adversely affect our financial condition and results of operations.

Third parties with which we conduct business, such as suppliers and other business partners, may be subject to regulatory penalties or punishments because of their failure to comply with relevant regulatory or may be infringing upon other parties' legal rights, which may, directly or indirectly, disrupt our business. We cannot be certain whether such third party has violated any regulatory requirements or infringed or will not violate or infringe any other parties' legal rights; furthermore, we cannot rule out potential legal liability or losses that may arise from any violations by such third party. For example, the data that we obtain from our collaborating business partners may be defective, and we may not be able to identify all instances of IP infringement, and we may be held liable and pay damages for such infringement. Any legal liabilities and regulatory actions affecting third parties involved in our business may affect our business activities and reputations, and may in turn affect our business, results of operations and financial condition.

We may not have sufficient insurance coverage to cover our business risks.

We may not be able to acquire insurance for all types of risks we face, and our coverage may not be adequate to compensate for all losses or claims that may occur anytime. We do not maintain any business interruption insurance, which is not mandatory under the relevant laws of the Chinese Mainland and we believe it is in line with general market practice. We do not maintain key-man life insurance during the Track Record Period. Any business disruption, material litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions or natural disasters could expose us to substantial costs and diversion of resources, and we have no insurance to cover such losses or we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our business, results of operations and financial condition may be adversely affected by natural disasters, health epidemics and pandemics, civil and social disruption and other outbreaks.

Any significant natural disasters, including earthquakes, extreme weather conditions, as well as health scares related to epidemic diseases could materially impact our business in the future. In the event of a major disruption caused by a natural disaster, public health epidemic or pandemic, or man-made problem, such as power disruptions, computer viruses, data security breaches or terrorism, we or our customers may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or otherwise disrupt our business operations and adversely affect our financial condition and results of operations.

A severe or prolonged downturn in the global or regional economy could materially and adversely affect our business and financial condition.

The global macroeconomic environment has been facing numerous challenges in recent years. The war in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. Unrest, terrorist threats and the regional conflicts and war in the Middle East and elsewhere may increase market volatility across the globe. The relationship between the countries or regions we operate in with other countries or regions with respect to trade policies, treaties, government regulations and tariffs, among other matters, may affect the macroeconomic environment, both domestically and internationally, and potentially leave an impact on the market we operate in. Any severe or prolonged slowdown in the global or regional economy may materially and adversely affect our business, results of operations and financial condition.

Changes in international relationships and trade policies may adversely impact our business, financial condition, and results of operations.

Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our solutions and services, impact our competitive position,

RISK FACTORS

or prevent us from being able to conduct business in certain countries. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could affect our business, financial condition, and results of operations. Recently, there have been heightened tensions in international economic relations, such as the one between the U.S. and the PRC. The recent U.S.-China trade tensions have led to the introduction of higher tariffs on various goods traded between the two countries. There is a possibility that the trade restrictions could expand if the U.S. and China do not reach an agreement to resolve the issues. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be being subject to tariffs or new unfavorable trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy. In particular, prior to 2025, products of Chinese origin being exported into the U.S. were subject to duties ranging from 7.5% to 50% under Section 301 of the U.S. Trade Act of 1974, and imports from the PRC and Hong Kong were free of these duties using informal entry procedures if they have an aggregate fair retail value of less than US\$800 (per person, per day) (the “**De Minimis Exemption**”) under the U.S. Tariff Act of 1930. Since early 2025, the U.S. government has issued multiple executive orders implementing additional tariff on imports from various jurisdictions. As of the Latest Practicable Date, following the ruling of the U.S. Supreme Court and pursuant to the relevant executive orders and official notices issued by the U.S. government, the tariffs previously imposed under the International Emergency Economic Powers Act (“**IEEPA**”) became inactive on February 24, 2026. In lieu thereof, a temporary 10% tariff was imposed under Section 122 of the Trade Act of 1974 for a period of 150 days. Accordingly, as of the Latest Practicable Date, a 10% tariff applies to goods imported into the United States from China after revoking the tariffs under the IEEPA effective on February 24, 2026. Such tariff arrangement is temporary in nature and remains subject to further regulatory developments and policy changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. Rising tensions could reduce levels of trade, investments, technological exchanges and other economic activities between the PRC and other countries, which would have an effect on global economic conditions, the stability of global financial markets, and international trade policies.

We have not been engaged in any direct or indirect exports to the U.S during the Track Record Period and up to the Latest Practicable Date. Accordingly, as advised by our International Sanctions Legal Advisors, U.S. -China tariff policies have not had, and are not expected to have any material adverse impact on our operations or financial performance.

Although the direct impact of the current international trade and other tension, and any escalation of such tension, on the autonomous driving industry in the PRC is evolving, the impact on general, economic and social conditions of the PRC may consequently impact our business, financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

Our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the IP rights of third parties.

The markets we operate in are subject to rapid technological change and substantial litigation regarding patent and other IP rights. Our competitors may have substantially greater resources to make substantial investments in patent portfolios and competing technologies, and may apply for or obtain patents that could prevent, limit or otherwise interfere with our ability to make, use and sell our solutions, services or technologies. Numerous third-party patents exist in fields relating to our technologies, and it is difficult for industry participants, including us, to identify all third-party patent rights relevant to our solutions, services or technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, we cannot be certain that third parties have not filed patent applications that cover our solutions, services and technologies.

Patents could be issued to third parties and we may ultimately be found to infringe such patents. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from using our technologies. Our failure to obtain or maintain a license to

RISK FACTORS

any third-party IP rights that we require may materially harm our business, financial condition and results of operations. Furthermore, we would be exposed to risks of litigation.

Third-party IP right holders may also actively bring infringement or other IP-related claims against us, even if we have received patent and other IP protection for our technologies, solutions, and services. Regardless of the merit of third parties claims against us for infringement, misappropriation or violations of their IP rights, such third parties may seek and obtain injunctive or other equitable relief, which could effectively block our ability to continue to offer our solutions or services. Further, if a patent or other IP infringement suit were brought against us, we could be forced to stop or delay our R&D activities and the provision of our solutions or services, the regulatory approval process, the use of the challenged trademarks, or other activities that are the subject of such suit. Any adverse ruling or perception of an adverse ruling in defending ourselves could have a material adverse impact on our cash position and Share price. Such litigation or proceedings could incur substantial expenses which could substantially increase our operating costs and reduce the resources available for R&D activities, or any future business activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately as some of our competitors might have.

Furthermore, because of the substantial amount of discovery required in connection with IP litigation in the U.S., there is a risk that some of our confidential information could be compromised by disclosure requirements during such litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Shares. The occurrence of any of these events may have a material adverse effect on our business, financial condition, and results of operation.

We may become involved in lawsuits to protect or enforce our patents or other IP, which could be expensive, time consuming and unsuccessful, and any unfavorable outcome from such litigation could limit our R&D activities and/or our ability to commercialize our solutions or services.

Competitors may infringe our patent rights or misappropriate or otherwise violate our IP rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. An adverse result in any litigation proceeding could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Any of these occurrences could adversely affect our competitive business position, business prospects, and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Because of the substantial amount of discovery required in connection with IP litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

We may be unsuccessful in obtaining or maintaining patent or other adequate IP protection for our technologies, solutions or services, due to any rejections of our patent applications.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend patent and other IP protection with respect to our autonomous driving operating platform, such as our AI algorithms, autonomous driving and other technologies. As of the Latest Practicable Date, we were granted 661 patents, including 597 in the PRC, 11 in South Korea, six in Hong Kong, 24 in the U.S., 13 in Japan, and 10 in Europe; and filed 217 patent applications, including 203 in the PRC, seven in Europe, four in the U.S., two in South Korea, and one in Singapore. As of the same date, we had 75 software copyrights registered in the

RISK FACTORS

PRC. See “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Our Intellectual Property Rights” for more information. If we are unable to obtain or maintain patent protection with respect to any proprietary technologies, solutions or services, our business, financial condition, results of operations, and prospects could be materially harmed.

We cannot be certain that patents will be issued or granted with respect to our patent applications that are pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our technologies, solutions and services, or otherwise provide us with any competitive advantage. Moreover, some of our patents and patent applications are, and may in the future be, jointly owned with third parties. If we are unable to obtain an exclusive license to any such third-party jointly-owned interest in such patents or patent applications, such joint owners may be able to license or assign their rights to other third parties, including our competitors, and our competitors could market competing solutions or services and/or use the same technologies. In addition, we may need the cooperation of any such joint owners of our patents in order to enforce such patents against third parties, and we may not be able to achieve such cooperation. Furthermore, certain of our patents were used as collateral to secure our financing activities, and if we fail to repay certain loans, we may not be able to maintain such patent rights. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. As such, we do not know the degree of future protection that we will have on our technologies, solutions and services, if any, and a failure to obtain adequate IP protection with respect to our technologies, solutions and services could have a material adverse impact on our business.

There can be no assurance that the existence, validity, enforceability, or scope of our IP rights will not be challenged by a third party, or that we can obtain sufficient scope of claim in those patents to prevent a third party from utilizing our technologies or competing against our solutions or services. A court may decide that patent rights or other IP rights owned by us are invalid or unenforceable, or may refuse to order the other party to refrain from utilizing the technology at issue on the ground that our patent rights or other IP rights do not cover the technology in question. An adverse result in any litigation or administrative proceedings 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. Furthermore, because of the substantial amount of discovery required in connection with IP litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Our limited use of open-source software may pose particular risks to our business.

We may use open-source software in very few non-core modules such as interfacing with third party software in our solutions and services. Some open-source software licenses may require us to disclose all or part of the source code of our proprietary software, which could result in our proprietary software being made available in the source code form and/or licensed to others under open-source licenses, which could allow our competitors or other third parties to use and modify our proprietary software freely without spending the development effort. This could lead to a loss of the competitive advantage of our proprietary technologies, as a result, sales of our solutions and services. There is a risk that open-source software licenses may be construed in a manner that imposes unanticipated conditions on our ability to provide solutions and services or retain ownership of our proprietary intellectual property, particularly given that the terms of many open-source licenses to which we are subject have not been interpreted by courts of law. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the derivative works that we developed using such open-source software, which could include our proprietary source code, or otherwise seeking to enforce the terms of, or alleging breach of, the applicable open-source license. These claims could result in costly litigation and could require us to make our proprietary software source code freely available, purchase a costly license, or cease offering the implicated solutions and services unless and until we can re-engineer them to avoid using or being based on any open-source software or otherwise avoid breach of the applicable open-source software licenses or potential infringement. This re-engineering process could require us to expend significant additional R&D resources, and we cannot guarantee that we will be successful.

RISK FACTORS

Additionally, the use of certain open-source software can lead to greater security and operational risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open-source software, and we cannot ensure that the authors of such open-source software will implement or push updates to address security risks or will not abandon further development and maintenance. Any undetected errors or defects in the open-source software that we rely on could prevent the deployment or impair the functionality of our solutions and services, delay the introduction of new solutions and services, result in a failure of our solutions and services, and harm our reputation. Moreover, undetected errors or defects in open-source software could render it vulnerable to data breaches or cyberattacks and make our systems more vulnerable to such attacks and breaches. We cannot be sure that all open-source software is identified or submitted for approval prior to use in connection with our solutions and services. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our ownership of proprietary technology, the security of our systems and vehicles using them, or our business, results of operations, and financial condition.

We may be subject to claims challenging the inventorship or ownership of our patents and other IP.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other IP as an inventor or co-inventor. In addition, we cannot assure you that all inventors have been or will be identified by us despite diligent effort. The failure to name the proper inventors on a patent application could result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our technologies, solutions and services or as a result of questions regarding joint ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such IP. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable IP rights, such as exclusive ownership of, or right to enforce, such valuable IP. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Our collaborators and business partners may have relied on consultants or other third parties such that our collaborators and business partners are not the sole and exclusive owners of the patents we in-licensed or utilized. If such third parties have ownership rights or other rights to our in-licensed or utilized patents, they may be able to license such patents to our competitors, and our competitors could market competing technologies, solutions or services. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights. We may not be able to enter into invention assignment and confidentiality agreements with all of our employees and third parties. Such agreements may not prevent ownership disputes or unauthorized disclosure of trade secrets and other proprietary information.

We rely upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by entering into agreements, including patent or invention assignment agreements, confidentiality agreements and non-disclosure 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 disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised. In addition, to the extent that our employees, consultants or contractors use IP 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, consultants, contractors or business partners may intentionally or inadvertently disclose our trade secret information to

RISK FACTORS

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 may enter into agreements to sponsor individuals or research institutions to conduct research relevant to our business in the future. The ability of these individuals or research institutions to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect our confidential information. If we do not file patent application(s) prior to such publication, or if we cannot otherwise maintain the confidentiality of our proprietary technologies and other confidential information, then our ability to obtain patent protection or to protect our trade secret or proprietary information may be jeopardized, which could adversely affect our business, financial condition and results of operations.

We may not obtain invention assignment agreements from our employees and consultants in all circumstances, and the assignment of IP under such agreements may not be self-executing. It is possible that technology relevant to our business will be independently developed by a person that is, or is not, a party to such an agreement. Furthermore, if the employees, consultants or collaborators 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. Any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

We may be subject to claims that our employees, consultants and/or advisors have wrongfully used or disclosed alleged trade secrets of their former employers.

Some of our employees, consultants and/or advisors were previously employed at universities or other companies, which may our competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees have used or disclosed IP, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable IP rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

IP rights do not necessarily protect us from all potential threats to our competitive advantage.

The degree of future protection afforded by our IP rights is uncertain because IP rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. Examples include: (i) others may be able to independently develop similar or alternative technologies or designs that are similar to our solutions or services but not covered by the claims of the patents that we own or have obtained an exclusive license to; (ii) we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own, or file patent applications covering certain of our inventions, which could result in the patent applications not issuing or being invalidated after issuing; (iii) our pending patent applications will possibly not lead to issued patents, and issued patents have limited patent terms; (iv) issued patents that we own or have obtained an exclusive license to may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors; (v) we may fail to apply for or obtain adequate IP protection in all the jurisdictions in which we operate, and our competitors might conduct R&D activities in such countries develop competitive solutions and services for commercialization in our major markets; (vi) we may fail to develop additional proprietary technologies that are patentable; and (vii) the patents of others may have an adverse effect on our business, for example by preventing us from commercializing one or more of our solutions and services.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business.

RISK FACTORS

RISKS RELATING TO OUR FINANCIAL PROSPECTS AND NEED FOR ADDITIONAL CAPITAL

Failure to collect our trade and bills receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. We usually grant a credit period of 30 to 180 days to our customers; in certain cases, we may grant a longer credit term on a case-by-case basis. Trade receivables are generally settled in accordance with the terms of the respective contracts, except for some of our customers did not strictly follow the stipulated payment schedule, which resulted in trade and bills receivables turnover days being longer than the general credit terms under the contracts. As of December 31, 2023, 2024 and 2025, our trade and bills receivables were RMB140.2 million, RMB243.3 million and RMB315.5 million, respectively. Our trade and bills receivables turnover days were 295.1 days, 263.6 days and 310.8 days for the years ended December 31, 2023, 2024 and 2025.

We cannot assure you that we will be able to collect all or any of our trade and bills receivables or collect the amount for any unbilled work on time, or at all, after meeting the agreed program payment milestones. Our customers may face unexpected circumstances, such as they may delay or even default in their payment obligation. As a result, we may not be able to receive such customers' payment of uncollected debts in full, or at all, and we may need to make provisions for trade and bills receivables. The occurrence of such events would materially and adversely affect our financial condition and results of operations. As of December 31, 2023, 2024 and 2025, we made impairment of trade and bills receivables of RMB9.6 million, RMB14.8 million and RMB31.1 million for the same years, respectively.

We recorded net operating cash outflows during the Track Record Period and may continue to record net operating cash outflows in the future.

During the Track Record Period, we had experienced net operating cash outflows. In 2023, 2024 and 2025, we had net operating cash outflows of RMB119.9 million, RMB208.5 million and RMB173.9 million, respectively. The pressure on us to generate positive cash flow from operating activities may be further exacerbated if we fail to collect our trade receivables in time. We cannot assure you that we may generate positive cash flow from operating activities in the future for a number of reasons, including lack of demand for our solutions and services, development in the government policies toward the autonomous driving industry, increasing market competition, failure of collecting our trade receivables in time or at all, as well as other risks discussed herein.

We recorded net loss and accumulated loss during the Track Record Period, which may continue in the future.

We recorded net loss of RMB213.1 million, RMB211.6 million and RMB230.2 million, respectively, in 2023, 2024 and 2025. Our adjusted net loss (non-IFRS measure), calculated by adding back share-based compensation expenses and listing expenses amounted to RMB180.6 million, RMB160.9 million and RMB168.9 million, respectively, in 2023, 2024 and 2025. We may continue to incur net losses in the foreseeable future. Due to our historical net loss, we recorded accumulated losses of RMB1,224.8 million, RMB698.0 million and RMB924.7 million as of December 31, 2023, 2024 and 2025, respectively. We cannot assure you we will recover our accumulated losses in the near future.

We may not be able to shorten our cash conversion cycle and to manage our cashflow mismatch.

Our working capital, future operations and cashflow largely depend on the timely conversion of our inventories into cash, our ability to shorten our inventory turnover days and our trade receivables turnover days and our ability to lengthen our trade payables turnover days. During the Track Record Period, our inventory turnover days were 302.1 days, 138.6 days and 119.2 days, our trade and bills receivables turnover days were 295.1 days, 263.6 days and 310.8 days, and our trade and bills payables turnover days were 125.2 days, 122.7 days and 194.6 days, respectively, in 2023, 2024 and 2025. See "Financial Information — Description of Certain Items of Consolidated Statement of Financial Position." There is no assurance that our working capital management measures will be effective to achieve the intended purposes. Should we fail to effectively implement our strategies to shorten our cash

RISK FACTORS

conversion cycle and to manage our cashflow mismatch, we will continue to fund our operation using external financing as our internal generated funds will be insufficient.

Our sales and financial performance may be influenced by seasonality.

As the negotiations with our new customers and the new customers' internal procedures to complete the execution of purchase agreements usually occur in the first few months of a year, while the orders are made subsequently, with a larger proportion of products scheduled to be delivered in the second half of a year. As a result, we generally recognize a larger proportion of revenue and cost of sales in the second half of a year, and our financial performance is seasonal during a year as a result.

We may need additional capital in the future to meet our financial obligations and to pursue our business objectives. Additional capital may not be available on acceptable terms, or at all, which could compromise our ability to meet our financial obligations and grow our business.

We may require additional cash resources to further improve our R&D capability, expand our production capacity, and pursue opportunities for investments, capital expenditures or similar actions, or if we experience change in business condition or other unanticipated developments. In 2023, we incurred significant amount of cash outflows for investing activities. Since we have not recorded net profit or continuous positive cash flows from operating activities during the Track Record Period, we may continue to rely on equity or debt financing to meet our working capital and capital expenditure requirements. Our ability to obtain external financing in the future is subject to a variety of uncertainties. We are subject to certain regulatory approval and/or filing procedures with local governmental authorities and other regulatory authorities for any future equity financing, which may be time-consuming and may result in our missing the best market windows for debt or equity issuances. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations. Our ability to access international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, which could limit our ability to raise funds. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all, and we may fail to implement our business plans or experience disruptions in our operating activities, and our business, financial condition and results of operations would be materially and adversely affected. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

Fluctuations in the changes in fair value of these financial assets at fair value through profit or loss would affect our financial results.

We recorded financial assets at fair value through profit or loss of RMB82.0 million, RMB27.1 million and RMB1.7 million as of December 31, 2023, 2024 and 2025, respectively. These financial assets at fair value through profit or loss included our investments in wealth management products issued by banks. Any change in the performance of such wealth management products managed by banks may lead to a change in the fair value of the financial assets, which in turn could negatively affect our financial conditions and results.

Our failure to fulfill our obligations in respect of contract liabilities may materially and adversely affect our liquidity and financial position.

Our contract liabilities primarily include advance payments from our customers for our solutions and services. We recorded contract liabilities of RMB3.9 million, RMB4.7 million and RMB8.7 million as of December 31, 2023, 2024 and 2025, respectively. For further details, see "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Contract liabilities." There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the completion of our R&D work and delivery of solutions and services are subject to various factors, including the supply of materials and components, and the normal operation of our business. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and our liquidity and financial position may be adversely affected.

Any termination of, or changes to, the preferential tax treatment or government grants that we enjoy could adversely affect our profitability.

We enjoyed certain preferential tax rates and government grants in relation to our operations during the Track Record Period. We, UISEE Shanghai and UISEE Zhejiang obtained the high and new technology enterprise accreditation in 2021, 2022 (renewed in 2025) and 2020 (renewed in 2023), respectively, and hence are currently entitled to the

RISK FACTORS

preferential tax treatments of 15%, instead of 25%. However, the relevant government authorities may decide to cancel or modify such preferential treatment for high and new technology enterprises. We also recorded government grants as other income of RMB5.1 million, RMB4.2 million and RMB2.8 million in 2023, 2024 and 2025, respectively, primarily for our R&D activities. Government grants mainly represent incentives received from local governments for the purpose of compensation of research and development expenses, and local economic contribution and additional input value-added tax credit, which are subject to the discretion of the relevant government authorities and non-recurring in nature. The discontinuation, retroactive or future reduction or refund of any preferential tax treatment or government grants currently available to us could have an adverse effect on our results of operations.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

The Pre-IPO Incentive Schemes were established for the benefit of our Directors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. For the principal terms of the Pre-IPO Incentive Schemes, see “Appendix VI — Statutory and General Information — D. Pre-IPO Incentive Schemes”. In 2023, 2024 and 2025, we recorded an aggregate of RMB32.6 million, RMB41.7 million and RMB49.9 million, respectively in share-based payments. As of the Latest Practicable Date, options to acquire a total of 16,294,928 incentive units under the Pre-IPO Incentive Schemes were granted. To further incentivize our employees, we may incur additional share-based payment expenses in the future. Expenses incurred with respect to such share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance. Issuance of additional H Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WE OPERATE

Developments in the political and economic policies, as well as the evolving laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by economic, political, and legal developments in the PRC. The overall economic growth is influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. Any of the foregoing may affect our business, financial condition, results of operations and prospects.

Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, so as to develop a comprehensive system of commercial law. In addition, the interpretation and implementation of the laws and regulations relating to the autonomous driving industry also evolve from time to time.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

Laws, rules and regulations in relation to overseas offerings and listings are promulgated from time to time. On July 6, 2021, the relevant PRC government authorities issued the 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 emphasize the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by PRC-based companies and propose to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC-based overseas-listed companies. On February 17, 2023, the CSRC promulgated the Trial Administrative Measures for Overseas Securities Offering 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 “Overseas Listing Trial

RISK FACTORS

Measures”) along with five relevant guidelines, which became effective on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to offer or list securities overseas are required to file with the CSRC. We are also required to comply with the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》). See “Regulatory Overview — Regulations Relating to Overseas Securities Offering and Listing.” Subsequent to the Global Offering, we may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities from time to time.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our business, prospects, results of operations, financial condition, and cash flows may be adversely affected.

Holders of H Shares may be subject to PRC income taxes.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within the PRC or gains on transfer of shares and shall be withheld and paid by the withholding agent. According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, if a non-resident enterprise has no presence or establishment within the PRC, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within the PRC with a reduced rate of 10%. Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region (“Hong Kong”) for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; or (ii) otherwise, 10% of the total amount of dividends. Considering the foregoing, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares. See “Appendix III — Taxation and Foreign Exchange — Taxation of Security Holders — The PRC taxation” for more details.

While this may also apply to other jurisdictions, there might be difficulties in effecting service of legal process, enforcing foreign judgments against us or our executive Directors and senior management in the Chinese Mainland.

Substantially all of our assets are located in the Chinese Mainland and most of our executive Directors and senior management reside in the Chinese Mainland. Therefore, it may be difficult for investors to directly effect service of process within elsewhere outside of the Chinese Mainland upon us or our executive Directors or senior management.

RISK FACTORS

On July 14, 2006, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between 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》) (“Arrangement”), which came into effect on August 1, 2008. Under this Arrangement, where any designated people's court of the Chinese Mainland or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court of the Chinese Mainland or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese 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 “New Arrangement”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the Chinese Mainland. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement has come into take effect on January 29, 2024 and superseded the Arrangement. After the New Arrangement became effective, a judgment rendered by a Hong Kong court can still be recognized and enforced in the Chinese Mainland even if the parties in the dispute do not agree to enter into a choice of court agreement.

Nevertheless, judgments rendered in jurisdictions with which the Chinese Mainland does not have treaties that provide for the reciprocal recognition and enforcement of judicial rulings and awards may not be so recognized or enforced in the Chinese Mainland.

Fluctuations in exchange rates could result in foreign currency exchange losses or a decrease in our gross profit margin.

The value of RMB against other currencies may fluctuate, subject to changes resulting from relevant government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rates between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In 2023 and 2024, we had net foreign exchange gains of RMB0.1 million and RMB1.3 million, respectively, and we recorded foreign exchange loss of RMB0.4 million in 2025. The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, the H Shares in foreign currency terms.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no previous public market for our H Shares, and the liquidity and market price of our H Shares may be volatile.

Prior to the Global Offering, there has been no public market for our H Shares. The Offer Price for our H Shares was the result of negotiations among us and the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Offer Price may differ significantly from the market price for our H Shares following the Global Offering. We have applied for listing of and permission to deal in our H Shares on the Stock Exchange. There is no assurance that the Global Offering will result in the development of an active, liquid public trading market for our H Shares. Factors such as variations in our revenue, earnings and cash flows or any other developments of us may affect the volume and price at which our H Shares will be traded. Furthermore, the price and trading volume of our H Shares may be volatile. The following factors, among others, may cause the market price of

RISK FACTORS

our H Shares after the Global Offering to vary significantly from the Offer Price: (i) our financial results; (ii) unexpected business interruption resulting from natural disasters or power shortages; (iii) major changes in our key personnel or senior management; (iv) development in laws and regulations in regions where we operate; (v) our inability to compete effectively in the autonomous driving industry; (vi) our inability to obtain or maintain regulatory approval for our operations; (vii) fluctuations in stock market prices and volume; (viii) changes in analysts' estimates of our financial performance; (ix) political, economic, financial and social developments in regions where we operate and in the global economy; and (x) involvement in material litigation.

As a result, it is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, investors in our H Shares may suffer substantial losses.

We have been, and will continue to be, substantially influenced by our Controlling Shareholders, whose interests may differ from those of other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately upon completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be directly interested in an aggregate of 32.35% of the total share capital of our Company, and will be a group of Controlling Shareholders under the Listing Rules. See "Relationship with Our Controlling Shareholders." This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, our Controlling Shareholders of our Company may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the market price of our H Shares.

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted shares, the requisite internal approval processes (but without the necessity of Shareholders' approval) have been duly completed and the filing with the CSRC has been completed. In addition, such conversion, trading and listing must comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the listing of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. This could increase the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may adversely affect the trading price of H Shares.

RISK FACTORS

A future significant increase or perceived significant increase in the supply of our H Shares in public markets, including any actual or perceived sale or availability for sale of substantial amounts of our H Shares by our Directors and/or existing Shareholders, could cause the market price of our H Shares to decrease significantly, and/or dilute shareholdings of holders of H Shares.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may: (i) further limit our ability or discretion to pay dividends; (ii) increase our risks in adverse economic conditions; (iii) adversely affect our cash flows; or (iv) limit our flexibility in business development and strategic plans.

As the Offer Price of our H Shares is higher than our consolidated net tangible assets book value per H Share, purchasers of our H Shares in the Global Offering may experience immediate dilution upon the Shareholding percentage of our H Shares.

As the Offer Price of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the Global Offering, purchasers of our H Shares in the Global Offering may experience an immediate dilution. In addition, we may consider offering and issuing additional Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. Purchasers of our H Shares may experience further dilution in terms of the net tangible asset value per Share if we issue additional Shares or equity-related securities in the future at a price that is lower than the consolidated net tangible asset value per Share.

There can be no assurance whether and when we will pay dividends in the future, and payment of dividends is subject to laws and regulations in regions where we operate.

During the Track Record Period, we have not declared or paid any dividends on our Shares. We expect to continue to invest in technology and innovation to implement our growth strategies, which we believe will contribute to the value creation for customers, employees and Shareholders. Our Board of Directors will review our dividend policy by taking into consideration a number of factors, including our evolving strategies, results of operations, financial condition, operating and capital investment requirements and other factors it may deem relevant. Any declaration and payment, as well as the amount of the dividends, will be subject to our Articles and the relevant PRC laws and regulations, according to which the dividends may be paid only out of the distributable profits as determined under PRC GAAP or IFRSs, whichever is lower, although there is no significant difference between PRC GAAP and IFRSs in this respect. In addition, we rely on dividends and other distributions on equity from our subsidiaries for our cash requirements to pay dividends. Our ability to pay dividends may be adversely affected if our subsidiaries fail to adequately pay dividends and other distributions to us in a timely manner due to their respective capital needs. As a result, there can be no assurance whether, when and in which form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy. See “Financial Information — Dividends” for more details of our dividend policy.

RISK FACTORS

You should read the entire prospectus carefully and should not consider or rely on any particular statements in this prospectus or in published media reports or other publicly available information without carefully considering the risks and other information contained in this prospectus.

There may have been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media or otherwise publicly available, nor the fairness or appropriateness of any estimates/forecasts, views or opinions expressed by the press or other media or otherwise publicly available regarding our H Shares or the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decision whether to invest in our H Shares or in the Global Offering. You should rely solely upon the information contained in this prospectus, and any formal announcements made by us in making your investment decision regarding our H Shares.

Forward-looking information in this prospectus is subject to risks and uncertainties.

This prospectus contains forward-looking statements and information relating to us and our operations and prospects that are based on our current beliefs and assumptions as well as information currently available to us. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “plans,” “prospects,” “going forward,” “intend” and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and various assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this prospectus. Whether actual results will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official governmental sources contained in this Prospectus.

This Prospectus, particularly the section headed Industry Overview, contains information and statistics relating to our industry. Certain information and statistics have been derived from various official government publications. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. Information and statistics from official government sources have not been independently verified by us, our Directors and the Sole Sponsor, and no representation is given as to their accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our Company does not, and for the foreseeable future will not, have executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules. Our Group's business operations and assets are primarily based outside Hong Kong, and it would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong, or to appoint additional executive Directors for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Mr. Wu, our Chairman, executive Director and chief executive officer and one of our Co-founders and Controlling Shareholders, and Mr. Chiang, our executive Director, chief financial officer and joint company secretary, who will act as our principal channel of communication with the Stock Exchange. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email. Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. Sham Ying Man ("**Ms. Sham**"), our joint company secretary, has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;
- (b) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, fax numbers and email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and authorized representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;
- (c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**"), which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide issued by the Stock Exchange, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual 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 a company secretary.

According to Chapter 3.10 of the Listing Guide, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case, will not exceed three years from the Listing Date (the “**Waiver Period**”) and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Mr. Chiang and Ms. Sham as our joint company secretaries. Mr. Chiang joined our Group as the chief financial officer in February 2017 and has been serving as the secretary of our Board since October 2017. He has been appointed as our Director in October 2024 (re-designated as our executive Director in May 2025) and our joint company secretary in April 2025. Since his joining of our Group in February 2017, Mr. Chiang has been primarily responsible for financing, corporate governance and company secretarial matters of our Group. Our Directors are of the view that, having regard to Mr. Chiang’s thorough understanding of the overall business operations and corporate governance matters of our Group, he is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Mr. Chiang as a company secretary whose presence in the headquarters of our Group enables him to attend the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Mr. Chiang does not possess a qualification stipulated in Rule 3.28(1) of the Listing Rules nor the “relevant experience” set out in Rule 3.28(2) of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Mr. Chiang, we have appointed Ms. Sham, a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Mr. Chiang during the Waiver Period so as to enable Mr. Chiang to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge his duties as a company secretary of a listed issuer.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Chiang as our joint company secretary on the condition that Mr. Chiang will be assisted by Ms. Sham as our joint company secretary throughout the Waiver Period. By virtue of her experience in corporate secretarial practice, Ms. Sham is, in our Directors’ opinion, a qualified and suitable person to render assistance to Mr. Chiang so as to enable him to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge his duties. In addition, Mr. Chiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Our Company will further ensure that Mr. Chiang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Sham ceases to provide such assistance or our Company commits any material breaches of the Listing Rules during the Waiver Period. Before the expiry of such three-year period, we must demonstrate and seek the Stock Exchange’s confirmation that Mr. Chiang, having had the benefit of Ms. Sham’s assistance during the three year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver will not be necessary.

See “Directors and Senior Management” for the biographical information of Mr. Chiang and Ms. Sham.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

CONSENT IN RESPECT OF PROPOSED SUBSCRIPTION OF SHARES BY CERTAIN CORNERSTONE INVESTOR WHO IS A CONNECTED CLIENT

Paragraph 1C of Appendix F1 to the Listing Rules (the “**Placing Guidelines**”) states that no allocations will be permitted to “connected clients” of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate members(s)) without prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Placing Guidelines states that “connected clients” in relation to an exchange participant means any client of such member who is a company which is a member of the same group of companies as such exchange participant.

Starwin International A LPF (“**Starwin International**”) has entered into a cornerstone investment agreement with the Company, the Sole Sponsor and the Overall Coordinators. Starwin International’s general partner is Starwin Wealth Management Limited and its investment manager is Hong Tai Securities Limited (“**Hong Tai Securities**”). As Hong Tai Securities is one of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters, Starwin International is a connected client of Hong Tai Securities.

We have applied for, and the Stock Exchange has granted, consent under paragraph 1C of the Placing Guidelines to permit Starwin International to participate in the Global Offering as a cornerstone investor on the following bases and conditions as set out in paragraph 5 of Chapter 4.15 of the Guide:

- (a) any Offer Shares to be allocated to Starwin International will be held on behalf of independent third parties;
- (b) the cornerstone investment agreement of Starwin International does not contain any material terms which are more favorable to it than those in other cornerstone investment agreements;
- (c) no preferential treatment has been, nor will be, given to Starwin International by virtue of its relationship with Hong Tai Securities, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the cornerstone investment agreement following the principles set out in Chapter 4.15 of the Guide that the cornerstone investment agreement of Starwin International does not contain any material terms which are more favorable to it than those in the other cornerstone investment agreements;
- (d) Starwin International confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with Hong Tai Securities, other than the assured entitlement under the relevant cornerstone investment agreements;
- (e) each of (i) the Company, (ii) the Overall Coordinators, (iii) Hong Tai Securities and (iv) Starwin International has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and
- (f) details of the cornerstone investments has been disclosed in this prospectus and details of the allocations will be disclosed in the allotment results announcement.

For further information about the cornerstone investment of Starwin International, please refer to the section headed “Cornerstone Investors” in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

CSRC FILING

We have filed the required documents with the CSRC, and the CSRC has issued the filing notice dated December 22, 2025, confirming our completion of the filing pursuant to the new filing regime introduced by the Overseas Listing Trial Measures for the Global Offering, for the conversion of certain Unlisted Shares into H Shares and the application for listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 723,100 Offer Shares and the International Offering of initially 13,738,100 Offer Shares (subject to, in each case, reallocation on the basis as set out in “Structure of the Global Offering” and, in case of the International Offering, any exercise of the Offer Size Adjustment Option).

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Overall Coordinators, the Sponsor-Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in “Structure of the Global Offering”, and the procedures for applying for Hong Kong Offer Shares are set out in “How to apply for Hong Kong Offer Shares.”

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for the conversion of 112,264,250 Unlisted Shares held by 41 Shareholders into H Shares and see “History, Development and Corporate Structure” and “Share Capital” for details of their interests in our Company and relevant procedures for the conversion of Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing.

The relevant filing procedure in relation to the conversion of Unlisted Shares into H Shares has been completed on December 22, 2025.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her/its acquisition of the Hong Kong Offer Shares to, confirm that he/she/it is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares outside Hong Kong or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances where such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

UNDERWRITING

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement. For more information on the Underwriters and the Underwriting Agreements, see “Underwriting.”

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

Our Company has applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option) and the H Shares to be converted from the Unlisted Shares.

Dealings in the H Shares on the Stock Exchange are expected to commence on Wednesday, May 20, 2026. No part of our Shares is listed or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, our H Shares on the Stock Exchange pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our H Shares on the Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling our H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All H Shares issued pursuant to applications made in the Global Offering and converted from Unlisted Shares will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in our H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to our Shareholders as recorded on our H Share register of members in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder. Cash dividends to domestic investors of H-share "full circulation" shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and it has agreed not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

- agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law and our Articles of Association;
- agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and
- authorizes us to enter into a contract on his/her/its behalf with each of the Directors, managers and officers whereby such Directors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates of any of the Directors or an existing Shareholder or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to the H Shares. None of our Company, the Sole Sponsor, the Overall Coordinators, the Sponsor-Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or the exercise of any rights in relation to, the H Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English prospectus that are not in the English language and are English translations, the names in their respective original languages shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages.

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this prospectus may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars at specified rates.

Unless otherwise specified, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this prospectus was made at the following rates:

RMB0.87581 to HK\$1.00

RMB6.86280 to US\$1.00

HK\$7.83595 to US\$1.00

The RMB to HK\$ and US\$ to RMB exchange rates are quoted by the PBOC for foreign exchange transactions prevailing on May 3, 2026. No representation is made that any amounts in RMB or Hong Kong dollars can be or could have been at the relevant dates converted at the above rate or any other rates or at all.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING
--

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Mr. Wu Gansha (吳甘沙)	Room 307, Building 1 Courtyard 20 Jindi Zhongyangshijia Shunyi District Beijing, PRC	Chinese
Mr. Zhou Xin (周鑫)	3-1809, Building 26 Xibahebeili Chaoyang District Beijing, PRC	Chinese
Mr. Chiang Tsung Che (江宗哲)	No. 202, Unit 5, Building 9 No. 2, Xibahedongli Chaoyang District Beijing, PRC	Chinese (Taiwan)
<i>Non-executive Directors</i>		
Mr. Wu Jun (吳軍)	14632 Carnelian Glen Ct. Saratoga, CA95070 United States of America	American
Mr. Zhou Jun (周軍)	Room 502, Unit 1, Building 70 Huayanbeili Chaoyang District Beijing, PRC	Chinese
Mr. Gao Xiaohu (高曉虎)	Room 2101, Unit A, Building 214 Jijing Qinyuan Community Wangjing Chaoyang District Beijing, PRC	Chinese
<i>Independent non-executive Directors</i>		
Mr. Chow Ming Sang (周明笙)	Room 2011, Tsui Yiu Court Lai Chi Ling Road Kwai Chung Kowloon, Hong Kong	Chinese (Hong Kong)
Ms. Bai Rui (白蕊)	No. 8 Mingde Road Chaoyang District Changchun Jilin Province, PRC	Chinese
Mr. Du Zide (杜子德)	1608 Building 2 Xinkexiangyuan Haidian District Beijing, PRC	Chinese

See “Directors and Senior Management” for further details of our Directors and senior management.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING
--

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong
Sponsor-Overall Coordinator	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	BOCOM International Securities Limited 9/F, Man Yee Building 68 Des Voeux Road Central, Central Hong Kong
	DBS Asia Capital Limited 73/F, The Center 99 Queen's Road Central, Central Hong Kong
	China Galaxy International Securities (Hong Kong) Co., Limited 20/F, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong
Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager	Hong Tai Securities Limited Units 1803-1804, 18/F, Infinitus Plaza 199 Des Voeux Road Central Hong Kong
Joint Bookrunners and Joint Lead Managers	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway Admiralty Hong Kong
	CEB International Capital Corporation Limited 34/F – 35/F, Everbright Centre 108 Gloucester Road Wan Chai Hong Kong
	uSmart Securities Limited Room 2405-06, 24/F 308 Central Des Voeux Sheung Wan Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CNCB (Hong Kong) Capital Limited

10/F, AIA Central
1 Connaught Road Central
Central
Hong Kong

Quam Securities Limited

5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

Lego Securities Limited

Room 1506, 15/F, Wheelock House
20 Pedder Street
Central
Hong Kong

Patrons Securities Limited

Unit 3214, 32/Floor, Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

SBI China Capital Financial Services Limited

4/F, Henley Building
No. 5 Queen's Road Central
Hong Kong

Capital Market Intermediaries

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

BOCOM International Securities Limited

9/F, Man Yee Building
68 Des Voeux Road Central, Central
Hong Kong

DBS Asia Capital Limited

73/F, The Center
99 Queen's Road Central, Central
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited

20/F, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

Hong Tai Securities Limited

Units 1803-1804, 18/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CEB International Capital Corporation Limited

34/F – 35/F, Everbright Centre
108 Gloucester Road
Wan Chai
Hong Kong

uSmart Securities Limited

Room 2405-06, 24/F
308 Central Des Voeux
Sheung Wan
Hong Kong

CNCB (Hong Kong) Capital Limited

10/F, AIA Central
1 Connaught Road Central
Central
Hong Kong

Quam Securities Limited

5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

Lego Securities Limited

Room 1506, 15/F, Wheelock House
20 Pedder Street
Central
Hong Kong

Patrons Securities Limited

Unit 3214, 32/Floor, Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

SBI China Capital Financial Services Limited

4/F, Henley Building
No. 5 Queen's Road Central
Hong Kong

Legal advisors to our Company

As to Hong Kong and United States laws

Sidley Austin

39/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

As to PRC laws and international sanctions law

King & Wood

18th Floor, East Tower
World Financial Center
No. 1 Dongsanhuan Zhonglu
Chaoyang District
Beijing, PRC

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

As to Hong Kong laws (in relation to the operations of the Group):

ONC Lawyers
19th Floor, Three Exchange Square
8 Connaught Place
Central, Hong Kong

As to Singapore laws (in relation to the operations of the Group):

Lee & Lee LLP
25 North Bridge Road
Level 7
Singapore 179104

As to Qatar laws (in relation to the operations of the Group):

Hassan Al Khater Law Office
No 6 Saha 952, Arab League Street, Jelaiah
Doha, Qatar

Legal advisors to the Sole Sponsor and the Underwriters

As to Hong Kong and United States laws

Herbert Smith Freehills Kramer
23rd Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

As to the PRC laws

JunHe LLP
20/F, China Resources Building
8 Jianguomenbei Avenue
Dongcheng District
Beijing, PRC

Auditor and Reporting Accountants

Ernst & Young
Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Independent Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Room 2504, Wheelock Square
1717 West Nanjing Road
Jingan District, Shanghai
PRC

Receiving Banks

DBS BANK (HONG KONG) LIMITED
16/F The Center
99 Queen's Road Central
Hong Kong

CMB Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

China CITIC Bank International Limited
79 Floor, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CORPORATE INFORMATION

Headquarters and registered office in the PRC	Room 101, 1/F, Yuan Building 1 No. 85 Hongan Road Fangshan District Beijing, PRC
Principal place of business in Hong Kong	Shop Nos. 202-203 2nd Floor, Regal Airport Hotel 9 Cheong Tat Road Chek Lap Kok New Territories Hong Kong
Company's website	<u>www.uisee.com</u> <i>(Information on this website does not form part of this prospectus)</i>
Joint company secretaries	Mr. Chiang Tsung Che (江宗哲) No. 202, Unit 5, Building 9 No. 2, Xibahedongli Chaoyang District Beijing, PRC Ms. Sham Ying Man (岑影文) <i>(Chartered secretary, chartered governance professional and associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized representatives	Mr. Wu Gansha (吳甘沙) Room 307, Building 1 Courtyard 20 Jindi Zhongyangshijia Shunyi District Beijing, PRC Mr. Chiang Tsung Che (江宗哲) No. 202, Unit 5, Building 9 No. 2, Xibahedongli Chaoyang District Beijing, PRC
Audit Committee	Mr. Chow Ming Sang (周明笙) (<i>Chairman</i>) Ms. Bai Rui (白蕊) Mr. Wu Jun (吳軍)
Remuneration and Appraisal Committee	Mr. Du Zide (杜子德) (<i>Chairman</i>) Mr. Chow Ming Sang (周明笙) Mr. Chiang Tsung Che (江宗哲)
Nomination Committee	Mr. Wu Gansha (吳甘沙) (<i>Chairman</i>) Mr. Du Zide (杜子德) Ms. Bai Rui (白蕊)

CORPORATE INFORMATION

Strategic Committee	Mr. Wu Gansha (吳甘沙) (<i>Chairman</i>) Mr. Zhou Xin (周鑫) Mr. Du Zide (杜子德)
Compliance Advisor	Somerley Capital Limited 20/F, China Building 29 Queen's Road Central Hong Kong
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banks	Beijing Zhongguancun Bank Co., Ltd. Rooms 301-306, Floors 4-10 Unit 2, Building 2 No. 9 Fenghao East Road Xibeiwang Town, Haidian District Beijing, PRC Hangzhou Bank Co., Ltd., Jiaxing Jiashan Branch Room 201, No. 185 Yangguang East Road Luoxing Street, Jiashan County Jiaxing City, Zhejiang Province PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section and elsewhere in this prospectus are derived from various official government and other publicly available sources, and from the market research report prepared by Frost & Sullivan, an independent industry consultant which was commissioned by us (the “Frost & Sullivan Report”). Our Company and the Sole Sponsor believe that the information has been derived from appropriate sources and have taken reasonable care in compiling, extracting and reproducing the information. Our Company and the Sole Sponsor have no reason to believe that the information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. No independent verification has been carried out on the information from official government sources by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any other parties (other than Frost & Sullivan) involved in the Global Offering or their respective directors, officers, employees, advisors, or agents, and no representation is given as to the accuracy.

SOURCES OF INFORMATION AND RESEARCH METHODOLOGY

We engaged Frost & Sullivan for preparing an independent industry report in respect of China’s and global autonomous driving markets. The information from Frost & Sullivan disclosed in the prospectus is extracted from the F&S Report, a report commissioned by us for a fee of RMB800,000, and is disclosed with the consent of Frost & Sullivan. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) China’s and global social, economic and political conditions currently discussed will remain stable during the forecast period, (ii) China’s and global government policies on autonomous driving industry will remain consistent during the forecast period, (iii) China’s and global autonomous driving industry will be driven by the factors which are stated in the F&S Report in the forecast period. The F&S Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

OVERVIEW OF CHINA’S AND GLOBAL AUTONOMOUS DRIVING MARKETS

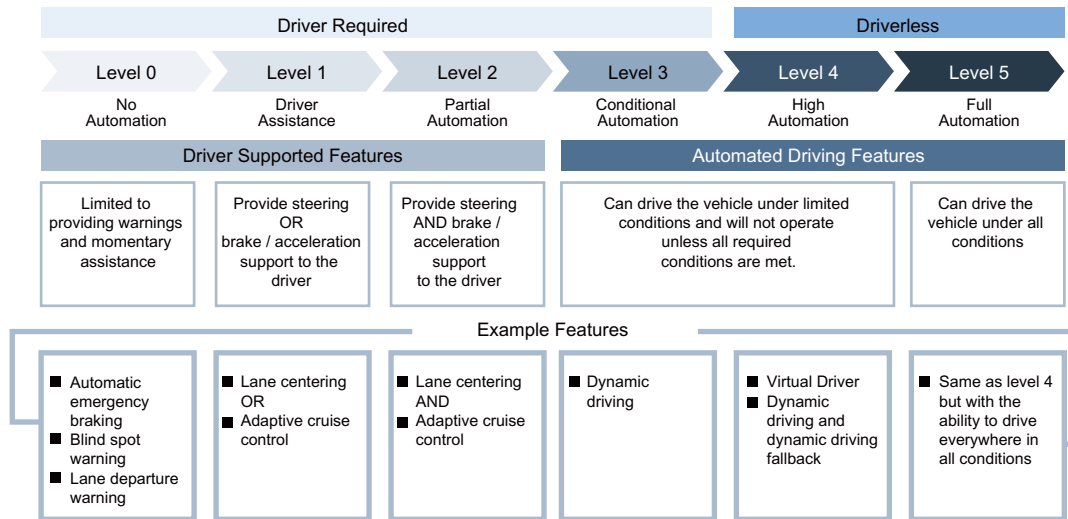
Definition and Classification of Autonomous Driving

Autonomous driving technology refers to the integration of advanced software and hardware to enable vehicles to drive with minimal or no human intervention. Based on the extent of human intervention and the breadth of the driving scenarios handled autonomously, autonomous driving is classified by levels ranging from L0 to L5.

L1 to L2 provide safety functions, driving assistance features, and improve user experience, which have gained significant consumer acceptance. L3 to L5, on the other hand, provide automated driving features and allow vehicles to operate with little or even no human intervention, poised to revolutionize personal travel experience and transportation systems in the future. Currently, L2 autonomous driving vehicles are penetrating the market rapidly, while L4 autonomous driving vehicles are still in development. Specifically, L4 autonomous driving commercial vehicles have been deployed in closed scenarios. Looking ahead, new energy vehicles (NEVs) are considered the optimal platform for integrating autonomous driving functions, due to their inherent advantages such as more advanced electronic and electrical architectures, consistent power supply, and rapid system responsiveness. As the NEV market expands and as the autonomous driving technology evolves, there is considerable potential for the L4 autonomous driving market.

INDUSTRY OVERVIEW

Autonomous driving applies to both passenger cars and commercial vehicles. The following chart illustrates the classification and features of each level of autonomous driving:



Note: A system enabling L1 to L2 automation is commonly known as advanced driving assistance system (“ADAS”), while a system supporting L3 to L5 automation is known as automated driving system (“ADS”).

Source: SAE International, Frost & Sullivan Report

Advantages of Autonomous Driving for commercial vehicles

Alleviating Labor Shortage

Due to harsh working conditions, the transportation and logistics industry faces challenges of low employment willingness and labor shortages. Generally, in airports, tarmac presents environments highly unsuitable for employees, with working temperatures reaching up to 50°C in summer and plummeting to -30°C in winter under the most extreme situations. The intense noise from aircraft engines also has a severe impact on workers’ hearing. In factories, the demand of continuous production forces workers to engage in long hours of repetitive labor. By implementing L4 autonomous driving technology, automation can be achieved in these scenarios, effectively alleviating the issues of labor shortages.

Enhancing safety

Owing to their heavy weight, large size, long braking distances, and numerous blind spots, commercial vehicles, are particularly prone to accidents. Prolonged periods of high-intensity driving may also lead to fatigue, excessive speeding or other unsafe behaviors. Approximately 90% accidents are caused by human factors, and autonomous driving vehicles can prevent over 90% of these accidents by perceiving the surroundings, quickly identifying potential hazards, and swiftly reacting to situations. Moreover, the implementation of autonomous driving technology can reduce human intervention, enhance privacy and data security during operation, and strengthen asset security and prevent thefts.

Reducing cost

The demanding working conditions at airports and factories result in high employee turnover rates, which in turn raise training costs. The total cost of ownership (“TCO”) is an important parameter in measuring the economical viability of commercial vehicles. TCO refers to total costs incurred throughout a vehicle’s entire lifecycle, including vehicle purchase costs, energy costs, labor costs, maintenance costs, and other related expenses. As labor costs typically account for around 20% of the TCO of trucks, the implementation of L4 autonomous driving technology could reduce the TCO. Additionally, limited working hours and driver noncompliance with applicable regulations not only reduce productivity but also increase energy consumption. Energy costs make up nearly 30% of the TCO of trucks. By

INDUSTRY OVERVIEW

adopting L4 autonomous driving technology that learns the most energy-efficient driving behaviors and enables continuous operations, energy costs can be significantly reduced, thereby lowering the TCO.

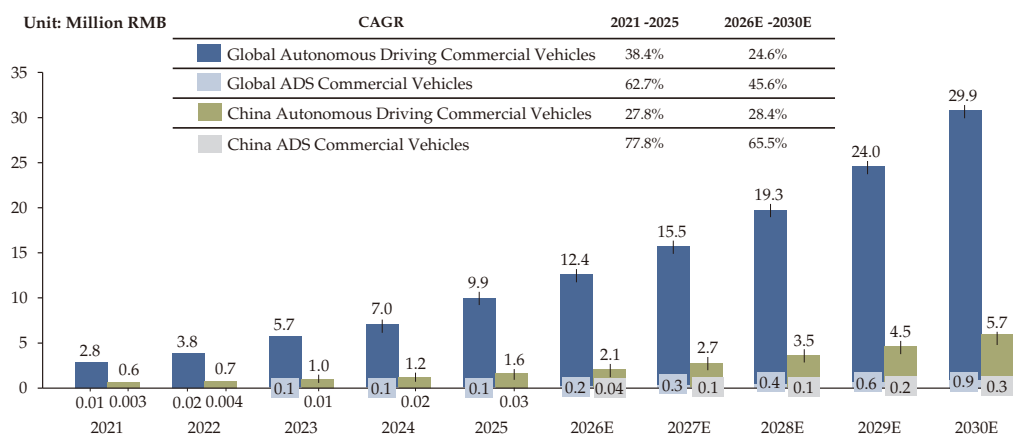
China's and Global Autonomous Driving Market Size

Since 2023, autonomous driving vehicles have become popular worldwide. In China, the sales volume of autonomous driving vehicles reached 27.6 million in 2025, among which ADAS vehicles accounted for 97.6%, and ADS vehicles accounted for 2.4%. Globally, the sales volume of autonomous driving vehicles reached 68.0 million in 2025, among which ADAS vehicles accounted for more than 98.5%, and ADS vehicles accounted for less than 1.6%.

In China, the sales volume of autonomous driving passenger cars was 26.0 million in 2025, among which ADAS passenger cars accounted for more than 97.6% among China's market. Globally, the sales volume of autonomous driving passenger cars was 58.1 million in 2025, among which ADAS passenger cars accounted for 98.3% among the global market. More affordable technologies and increasing customer acceptance led to the widespread use of autonomous driving passenger cars. By 2030, the sales volume of autonomous driving passenger cars is expected to reach 49.5 million in China, and 82.2 million globally. In recent years, autonomous driving technology has been increasingly adopted in commercial vehicles. In China, the sales volume of autonomous driving commercial vehicles was 1.6 million in 2025, among which ADS commercial vehicles accounted for 1.9% among China's market. Globally, the sales volume of autonomous driving commercial vehicles was 9.9 million in 2025, among which ADS commercial vehicles accounted for 1.0% among the global market. Since ADS technology can effectively address issues such as labor shortages, safety incidents, and high costs in commercial vehicle operations, ADS vehicles are expected to gain a widespread use in the near future. It is anticipated that sales volume of ADS commercial vehicles will reach 0.9 million by 2030 globally, accounting for 3.0% among the global autonomous driving commercial vehicles market. The sales volume of ADS commercial vehicles in China will reach 0.3 million, accounting for 5.3% among China's autonomous driving commercial vehicles market.

The following chart demonstrates the market size of China's and global autonomous driving commercial vehicles in terms of sales volume:

Global and China Autonomous Driving Commercial Vehicles Sales Volume



Source: *The International Organization of Motor Vehicle Manufacturers (OICA)*, *China Association of Automobile Manufacturers (CAAM)* and *Frost & Sullivan Report*

Notes:

- (1) Autonomous driving vehicles refer to vehicles equipped with L1 to L5 autonomous driving technology.
- (2) Commercial vehicles include buses, trucks, and SPVs (special purpose vehicles).

L3 applications are still in pilot verification stage and yet to be commercialized at large scale due to the following reasons: (i) the regulatory framework and liability regime remain incomplete, as key rules relating to accident liability allocation, operational permits and data governance are still under development in major markets. Existing regulations in many jurisdictions primarily permit testing or pilot operations, rather than full commercial deployment of L3 functions; (ii) safety risks remain under complex real-world operating conditions, as the system is required to assume full driving control under L3 mode, while its performance in handling diverse and unpredictable traffic environments continues to be subject to further validation; and (iii) the L3 systems still require a driver to remain on standby and ready to take over, meaning labor costs cannot be meaningfully reduced in commercial operations. By contrast, L4 fleet operation enables driver removal and offers a clearer structural cost advantage, making L4 more commercially viable. Meanwhile, L5 commercial vehicles currently lack a commercial foundation mainly due to unresolved systematic challenges in technology, regulations, costs and social acceptance. Therefore, it is practicably difficult to collect all relevant information for L3 and L5 commercial vehicles accordingly and the market size of ADS commercial vehicles refers to that of L4 commercial vehicles, according to Frost & Sullivan.

Current Status of the Autonomous Driving Market

Autonomous driving has gained market recognition and applied in closed scenarios

With the increasing demand for driverless commercial vehicles and the development of technology, the acceptance of autonomous driving has steadily increased. Specifically, L4 autonomous driving commercial vehicles have already been implemented in closed scenarios such as airports, factories, ports and mining areas, significantly enhance operational efficiency, optimize logistics processes, reduce costs, and improve safety.

Diversity of autonomous driving commercial vehicles enhances customer loyalty and profit margin

Autonomous driving commercial vehicles are characterized by diverse vehicle models serving fragmented application scenarios, and operating under non-standardized business practices, which result in higher customer stickiness and profit margins. Specifically, diverse application scenarios and differentiated customer needs result in a wide variety of models for autonomous driving commercial vehicles. Suppliers need to offer customized solutions to meet the specific requirements of different customers, boosting customer loyalty and increasing profit margins.

The application of autonomous driving commercial vehicles faces challenges in ensuring advanced safety, efficiency, business non-interruptions and low mileage cost

Autonomous driving commercial vehicles need to ensure advanced safety, efficiency, non-interruptions and low mileage cost during operation. Advanced safety refers to lower risk of accidents in hazardous scenarios. Efficiency requires vehicles to avoid disrupting traffic when encountering complex road conditions. Business non-interruptions mean maintaining continuous operations under extreme weather conditions or infrastructure network failures. Low mileage cost requires vehicles to incur a relatively low level of travel expenses per mile. Early entrants into this market will gain a first-mover advantage by accumulating extensive business data and operational experience, enabling further refinement of autonomous technologies and effective mitigation of these challenges.

Drivers and Trends of the Autonomous Driving Market

Wide acceptance of autonomous driving

Autonomous driving has the potential to substantially reduce human errors and accidents on the road by utilizing comprehensive sensing capabilities to provide instant response. As vehicles equipped with ADAS functions become increasingly attractive, participants in the autonomous driving industry, such as OEMs which frequently cooperate with autonomous driving companies invest in further development of autonomous driving functions. Driven by both supply and demand, the autonomous driving vehicle market is experiencing rapid growth.

Favorable governmental policies

Autonomous driving has received increasing policy support worldwide as governments promote intelligent mobility development. In China, policies actively support the testing and deployment of autonomous driving in designated scenarios. Key initiatives include the 14th Five-Year Plan for the Development of a Modern Comprehensive Transportation System (《“十四五”現代綜合交通運輸體系發展規劃》) issued in 2022, which promotes autonomous driving and vehicle-road collaboration pilots; the Guidelines for the Construction of the National Standard System for the Connected Vehicle Industry (ICVs) (2023 Edition) (《國家車聯網產業標準體系建設指南》(智能網聯汽車)(2023版)) released in 2023 to accelerate the establishment of industry standards; and the Notification regarding the Pilot Implementation of Intelligent Connected Vehicle Access and On-road Testing (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) issued in November 2023, which clarifies L3 and L4 autonomous driving access requirements. Internationally, policies such as the Saudi Road Code introduced in 2024 also support the deployment of autonomous driving infrastructure.

NEVs as a boosting factor of the autonomous driving industry

NEVs are widely regarded as the optimal choice for carrying autonomous driving functions due to their more advanced electronic and electrical architecture, more stable power systems, and faster response times. Compared to the structure of ICEs, the electric drive system of NEVs has quicker response, thus providing convenience for the integration of autonomous driving and enabling more precise, faster, and safer control. As such, given NEV's high adaptability to autonomous driving systems, the growth of the NEV market correlates with the growth of the autonomous driving market. In China, the leading NEV market in the world, the sales volume of NEVs has increased from 1.2 million units in 2019 to 12.9 million units in 2024, with the penetration rate of NEVs rising from 4.7% in 2019 to 40.9% in 2024. The growth of China's NEV market lays a strong foundation for the expansion of the autonomous driving market.

Continuous technological development

Technological advancements are driving progress in the autonomous driving market. Advancements in AI technology, such as reinforcement learning, imitation learning, and knowledge-based learning, enable vehicles to perform complex tasks with increasing efficiency and reliability. The development of advanced AI algorithms and the integration of vehicle-cloud collaboration have further enhanced the capabilities of autonomous driving systems.

Evolving business models

The automotive industry's business model is shifting from traditional whole-vehicle sales to integrated offerings combining vehicles, software and related services, creating new opportunities for autonomous driving solution providers. With the advancement of electrification and intelligent technologies, companies increasingly adopt diversified monetization models, including subscription-based services, usage-based charging linked to mileage or operating time, and vehicle rental models. In addition, some providers supply autonomous driving systems to OEMs and generate revenue through hardware sales, software updates and maintenance services. These evolving business models are expected to further support the commercialization and development of the autonomous driving industry.

OVERVIEW OF LEVEL 4 AUTONOMOUS DRIVING SOLUTIONS MARKET FOR COMMERCIAL VEHICLES

Definition and Applications of L4 Autonomous Driving Solutions for Commercial Vehicles

The L4 autonomous driving, defined as high driving automation, refers to vehicles capable of fully autonomous driving under limited conditions. Currently, the L4 autonomous driving solutions for commercial vehicles have been commercially applied in closed scenarios, such as airports, factories, mining areas, and ports. These environments typically have fixed road conditions and traffic situations, making it easier for autonomous driving systems to conduct testing and deployment. Due to the non-standard, diverse, and fragmented nature of

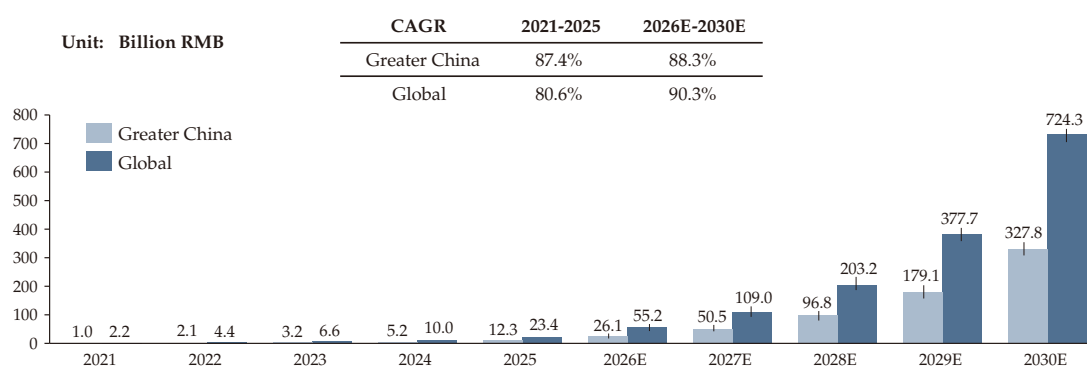
INDUSTRY OVERVIEW

these closed environments, L4 autonomous driving solution providers typically focus on offering integrated vehicle solutions.

Meanwhile, some open scenarios, such as bus and logistics, in development, with several companies already conducting pilot programs in related areas. While challenges such as regulatory hurdles and public acceptance persist, ongoing technological advancements and pilot programs are paving the way for wider adoption. As these technologies continue to evolve, L4 autonomous driving for commercial vehicles is expected to expand into more open scenarios and complex environments, accelerating the transformation of logistics, public transportation, and other industries.

The following chart demonstrates the market size of Greater China's and global L4 autonomous driving solutions for commercial vehicles in terms of revenue:

Market Size of Global and Greater China L4 Autonomous Driving Solutions for Commercial Vehicles



Source: Frost & Sullivan Report

The following table presents the ranking of the top three L4 autonomous driving solutions market for commercial vehicles in terms of revenue in 2025 in Greater China:

Greater China L4 Autonomous Driving Solutions for Commercial Vehicles, in terms of revenue, 2025

Ranking	Company	Background	Market Share
1	Company G	An autonomous driving company headquartered in Fujian Province, China, focusing on L4 unmanned driving for mining scenarios. Established in 2018, the company develops and operates autonomous haulage solutions for open-pit mines and has achieved commercial L4 deployments across multiple large coal mining sites.	11.6%
2	Company M	An autonomous driving company headquartered in Anhui Province, China, focusing on L4 autonomous driving solutions for municipal sanitation, urban logistics and mobility services. Established in 2015, the company develops and operates AI-powered robotic services and has achieved commercial L4 deployments across over 50 cities worldwide.	10.5%
3	Company N	A global leader in L4 autonomous delivery vehicles, headquartered in Beijing, China, focusing on last-mile and urban logistics with its RoboVan solutions. Established in 2018, the company has delivered over 10,000 L4 vehicles globally and is the RoboVan provider serving all major Chinese logistics groups.	6.5%

The Company holds an approximately 2.6% share of the Greater China L4 autonomous driving solutions for commercial vehicles market.

INDUSTRY OVERVIEW

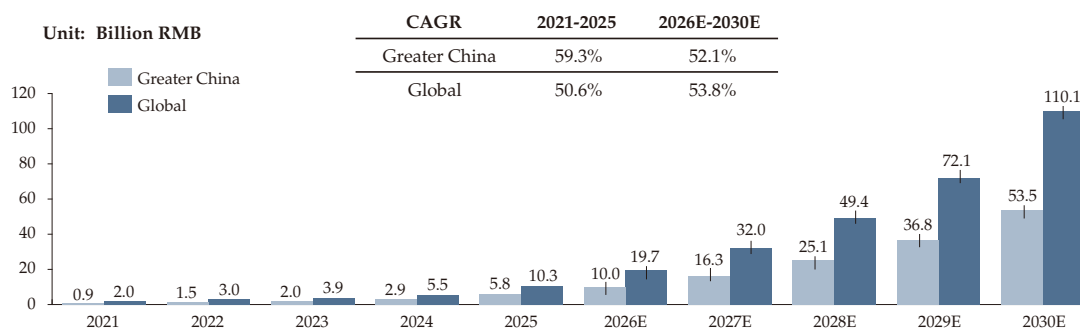
Market Size of L4 Autonomous Driving Solutions for Commercial Vehicles in Closed Scenarios

L4 commercial vehicle autonomous driving solutions are gradually being widely adopted in closed scenarios. These scenarios are ideal for the testing and application of L4 commercial vehicle autonomous driving solutions due to their relatively controllable environments. In mining areas, ports, airports and other closed scenarios involving harsh working environments and high hiring costs, L4 commercial vehicle autonomous driving solutions can not only improve operational efficiency and safety, but also reduce operating costs.

Greater China is leading the market of L4 autonomous driving solutions for commercial vehicles. According to Frost & Sullivan, the market of Greater China's L4 autonomous driving solutions for commercial vehicles in closed scenarios has seen a remarkable expansion, with the market size growing from RMB0.9 billion in 2021 to RMB5.8 billion in 2025, representing a CAGR of 59.3%. This upward trajectory, driven by favorable government policies, increasing downstream market demand and need for operational cost reduction, is anticipated to persist. The market size is expected to reach RMB53.5 billion in 2030, representing a CAGR of 52.1% from 2026 to 2030. With regard to the global market, according to Frost & Sullivan, the market size of global L4 autonomous driving solutions for commercial vehicles in closed scenarios grew from RMB2.0 billion in 2021 to RMB10.3 billion in 2025, representing a CAGR of 50.6%, and is expected to reach RMB110.1 billion in 2030 at a CAGR of 53.8% from 2026 to 2030.

The following chart demonstrates the market size of Greater China's and global L4 autonomous driving commercial vehicles in closed scenarios in terms of revenue:

Market Size of Global and Greater China L4 Autonomous Driving Solutions for Commercial Vehicles in Closed Scenarios



Source: Frost & Sullivan Report

The following table presents the ranking of the top ten L4 autonomous driving solutions market for commercial vehicles in closed scenarios in terms of revenue in 2025 in Greater China:

Ranking	Company	Company Background	Revenue (RMB in billions)	Market Share (%)
1	Company G	An autonomous driving company headquartered in Fujian Province, China, focusing on L4 unmanned driving for mining scenarios. Established in 2018, the company develops and operates autonomous haulage solutions for open-pit mines and has achieved commercial L4 deployments across multiple large coal mining sites.	1.4	24.7%
2	Company O	An autonomous driving company headquartered in Hunan Province, China, listed on the Hong Kong Stock Exchange, focusing on L4 autonomous driving solutions for commercial vehicles including mining trucks and logistics vehicles. Established in 2017, the company develops autonomous driving systems, V2X technologies and intelligent perception solutions for closed environments such as mining and logistics parks.	0.8	14.3%

INDUSTRY OVERVIEW

Ranking	Company	Company Background	Revenue (RMB in billions)	Market Share (%)
3	Company P	An autonomous driving company headquartered in Shanghai, China, focusing on L4 unmanned driving for mining scenarios. Established in 2015, the company develops and operates “unmanned driving + unmanned battery swapping” solutions for open-pit mines, covering coal, metal and aggregate mines, and has achieved commercial L4 deployments across over 30 mining sites nationwide.	0.7	12.1%
4	Company H	An unlisted autonomous-driving company headquartered in Beijing, China, specializing in unmanned mining haulage solutions for open-pit mine trucks and full mine automation systems. Established in 2016, the company develops and deploys large-scale “vehicle-ground-cloud” coordinated solutions for mining transport operations.	0.4	7.1%
5	Company J	An unlisted autonomous-driving and smart-mining company headquartered in Beijing, China, that was incubated by a research institute, specializing in unmanned and intelligent mining systems. Established in 2019, the company provides mining OS, autonomous mining vehicles, V2X road collaboration systems, and remote driving platforms as its core products, and has deployed its systems across multiple mining sites.	0.2	4.1%
6	The Company	N/A	0.2	3.1%
7	Company C	An unlisted L4 autonomous driving solution provider that focuses on empowering the global logistics industry to achieve higher efficiency and more sustainable value enhancement through intelligent and green transformation. It was established in 2015. Its business operations cover 28 countries and regions worldwide.	0.2	2.9%
8	Company I	An unlisted autonomous driving company headquartered in Beijing, China, focusing on L4 autonomous freight and logistics applications. Established in 2017, the company develops autonomous trucks, terminal logistics systems and fleet operation platforms serving ports, high-speed trunk lines and urban distribution.	0.2	2.6%
9	Company Q	An unlisted L4 autonomous driving company headquartered in Deqing, Zhejiang, China, focusing on empowering the global logistics industry with “vehicle-road-cloud” integrated intelligent solutions. Established in 2020, the company develops autonomous driving systems covering ports, bulk cargo, metallurgy, industrial parks, trunk lines, and bulk commodities, serving over 100 customers.	0.2	2.6%
10	Company R	An unlisted L4 autonomous driving company headquartered in Hangzhou, China, founded by AI scholar in 2017. It provides full-stack autonomous solutions for ports, logistics, and public transit. Its operations cover ports such as Ningbo Zhoushan, Singapore Tuas, Napier, and Nantong.	0.1	2.1%

Source: Frost & Sullivan Report

Market Size of L4 Autonomous Driving Solutions for Commercial Vehicles in Open Scenarios

The application of L4 autonomous driving solutions for commercial vehicles in open scenarios mainly include logistics, bus, and other domains. Due to the complexity of open environments and regulatory compliance, the development of L4 autonomous driving solutions for commercial vehicles in open scenarios is still in the early commercialization stage. According to Frost & Sullivan, the market size of Greater China's and global L4 autonomous driving solutions for commercial vehicles in open scenarios reached RMB6.5 billion and RMB13.1 billion in 2025, respectively. With technological advancements and policy support, robotrucks and robobuses based on high-precision maps have been deployed on certain designated routes, demonstrating the market's future growth potential. It is projected that the market size of Greater China's and global L4 autonomous driving solutions for commercial vehicles in open scenarios would reach RMB274.3 billion and RMB614.2 billion in 2030, representing a CAGR of 103.2% and 103.9% from 2026 to 2030, respectively.

Market Size of L4 Autonomous Driving Solutions for Commercial Vehicles in the Airport Scenario

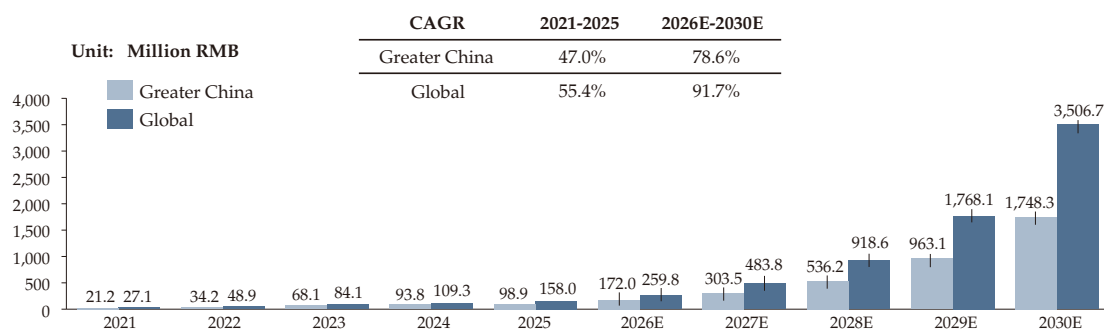
Airport operations are governed by high safety standards and stringent entry procedures, and the unique driving environment poses challenges for the driving and operational management of service vehicles. Staff often have to work under various extreme weather conditions and face high-intensity workloads, leading to labor shortages and higher labor costs. In addition, the logistics operation that relies on human labor poses significant safety risks under some extreme weather conditions. The scheduling and management of personnel and vehicles are also complicated. The application of L4 commercial vehicle autonomous driving solutions at airports can significantly alleviate these challenges by enhancing work efficiency and reducing the risks and costs associated with manual operations.

According to Frost & Sullivan, the Greater China market has witnessed robust expansion in recent years, with the market size surging from RMB21.2 million in 2021 to RMB98.9 million in 2025, marking a CAGR of 47.0%. In the future, the market size is expected to reach RMB1,748.3 million in 2030, representing a CAGR of 78.6% from 2026 to 2030. Meanwhile, the market size of global L4 autonomous driving solutions for commercial vehicles in the airport scenario has grown from RMB27.1 million in 2021 to RMB158.0 million in 2025, with a CAGR of 55.4% from 2021 to 2025. Due to the higher labor costs and greater recruitment difficulties, the potential for future development for L4 commercial vehicle autonomous driving solutions in the global market would be greater, with the market size reaching RMB3,506.7 million in 2030, representing a CAGR of 91.7% from 2026 to 2030.

INDUSTRY OVERVIEW

The following chart demonstrates the market size of Greater China’s and global L4 autonomous driving commercial vehicles in the airport scenario in terms of revenue:

Market Size of Global and Greater China L4 Autonomous Driving Solutions for Commercial Vehicles in Airport Scenario



Source: Civil Aviation Administration of China (CAAC) and Frost & Sullivan Report

Competitive Landscape of L4 Autonomous Driving Solutions for Commercial Vehicles in the Airport Scenario

According to Frost & Sullivan, the market size of L4 autonomous driving solutions for commercial vehicles in the airport scenario in Greater China reached RMB98.9 million in 2025. In 2025, in the global L4 autonomous driving solutions for commercial vehicles market, airport scenarios account for 0.7%; in the Greater China L4 autonomous driving solutions for commercial vehicles market, airport scenarios account for 0.8%. We are the first company in Greater China to realize large-scale commercial deployment of L4 autonomous driving commercial vehicles in the airport scenario, and ranked the first among all solution providers of L4 autonomous driving solutions for commercial vehicles in the airport scenario in Greater China, with a market share of 90.5% in 2025.

The following table presents the ranking of Greater China’s top five L4 autonomous driving solutions providers for commercial vehicles in the airport scenario in terms of revenue in 2025:

Ranking	Company	Company Background	Revenue Generated from Airport Scenarios (RMB in millions)	Market Share (%)	Commercialization Stage
1	The Company	N/A	89.5	90.5%	Large-scale commercialized
2	Company C	An unlisted L4 autonomous driving solution provider that focuses on empowering the global logistics industry to achieve higher efficiency and more sustainable value enhancement through intelligent and green transformation. It was established in 2015. Its business operations cover 28 countries and regions worldwide.	4.0	4.0%	Trial stage
3	Company A	An unlisted L4 autonomous driving company that focuses on the R&D in AI and autonomous driving technology and provides high-quality autonomous sweepers. It was established in 2017. Its business operations cover China, Europe, North America, and the Middle East.	<2.0	<2.0%	Trial stage
4	Company B	An unlisted L4 autonomous driving company focusing on industrial inter-field logistics. Established in 2018, the company serves a diverse range of global customers, including automotive OEMs, suppliers, FMCG companies, airports, among others.	<2.0	<2.0%	Trial stage

INDUSTRY OVERVIEW

Ranking	Company	Company Background	Revenue Generated from Airport Scenarios (RMB in millions)	Market Share (%)	Commercialization Stage
5	Company D	A Nasdaq-listed leading autonomous driving company, specializing in a range of products including robotaxi, robobus, robovan, robosweeper and advanced driving solution. It was established in 2017. It focuses on L2-L4 autonomous driving, with business operations covering 10 countries worldwide.	<2.0	<2.0%	Trial stage

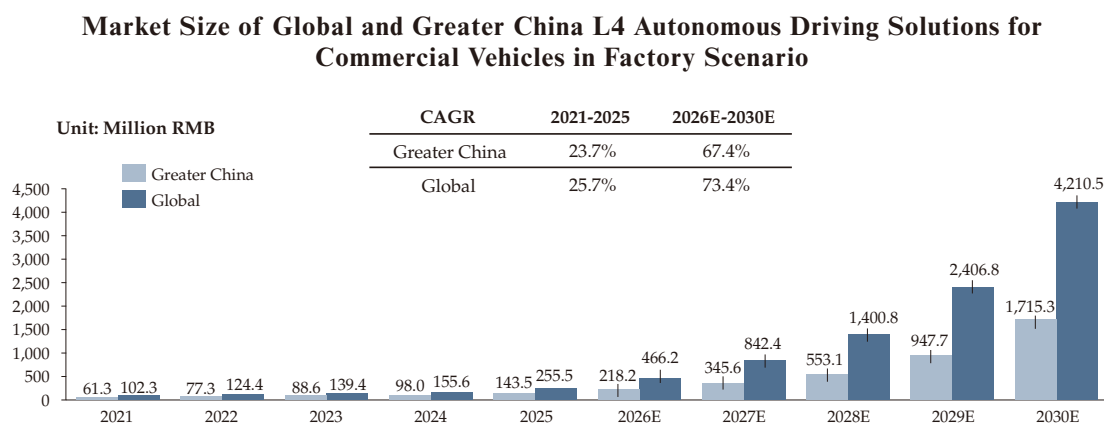
Source: Official websites of the companies above and Frost & Sullivan Report

Market Size of L4 Autonomous Driving Solutions for Commercial Vehicles in the Factory Scenario

The application of L4 autonomous driving solutions in the factory scenario mainly includes driverless tractors, driverless delivery vehicles and driverless trucks, which are mainly used in tasks such as material transportation and production line coordination within factories. The L4 autonomous driving solutions for commercial vehicles in the factory scenario reduce the time required for manual handling and, through an intelligent scheduling platform, achieve unified dispatch and collaborative operation of various equipment.

According to Frost & Sullivan, as the concept of smart factories and smart manufacturing continues to spread, the market of Greater China's L4 autonomous driving solutions for commercial vehicles in the factory scenario has also developed rapidly, with the market size growing from RMB61.3 million in 2021 to RMB143.5 million in 2025. In the forecast period, the market is expected to reach RMB1,715.3 million in 2030 at a CAGR of 67.4% from 2026 to 2030. In the meantime, the market size of global L4 autonomous driving solutions for commercial vehicles in factory scenario attained RMB255.5 million in 2025 and is expected to achieve RMB4,210.5 million in 2030, with a CAGR of 73.4% from 2026 to 2030.

The following chart demonstrates the market size of Greater China's and global L4 autonomous driving commercial vehicles in the factory scenario in terms of revenue:



Source: National Bureau of Statistics of China and Frost & Sullivan Report

INDUSTRY OVERVIEW

Competitive Landscape of L4 Autonomous Driving Solutions for Commercial Vehicles in the Factory Scenario

According to Frost & Sullivan, the market size of Greater China’s L4 autonomous driving solutions for commercial vehicles in the factory scenario reached RMB143.5 million in 2025. In 2025, in the global L4 autonomous driving solutions for commercial vehicles market, factory scenarios account for 1.1%; in the Greater China L4 autonomous driving solutions for commercial vehicles market, factory scenarios account for 1.2%. In terms of revenue in 2025, we ranked the first in Greater China’s L4 autonomous driving solutions for commercial vehicles in the factory scenario, with a market share of 31.7%.

The following table presents the ranking of Greater China’s top five L4 autonomous driving solutions providers for commercial vehicles in the factory scenario in terms of revenue in 2025:

Ranking	Company	Company Background	Revenue Generated from Factory Scenarios (RMB in millions)	Market Share (%)
1	The Company	NA	45.5	31.7%
2	Company E	An unlisted leading mobile measurement system company, of which the main business encompasses robotics, L4 autonomous driving, mobile measurement and digital twin. It was established in 1999.	16.2	11.3%
3	Company C	An unlisted L4 autonomous driving solution provider that focuses on empowering the global logistics industry to achieve higher efficiency and more sustainable value enhancement through intelligent and green transformation. It was established in 2015. Its business operations cover 28 countries and regions worldwide.	8.3	5.8%
4	Company B	An unlisted L4 autonomous driving company focusing on industrial interfield logistics. Established in 2018, the company serves a diverse range of global customers, including automotive OEMs, suppliers, FMCG companies, airports, among others.	6.2	4.3%
5	Company F	An unlisted leading provider of L4 autonomous driving technology and smart logistics products, which offers comprehensive autonomous driving solutions and possesses independent R&D and design capabilities for chassis, structures, hardware, and software. It was established in 2017.	2.6	1.8%

Source: Official websites of the companies above and Frost & Sullivan Report

Entry Barriers of L4 Autonomous Driving Solutions Market for Commercial Vehicles

Extensive Data Accumulation Capability

The development of L4 autonomous driving solutions relies on large volumes of high-quality real-world operational data. Leading companies accumulate such data through long-term testing and commercial deployments, enabling continuous algorithm optimization and improving system reliability across diverse commercial vehicle scenarios.

INDUSTRY OVERVIEW

R&D of Technology and Patents

The market presents high technological barriers in areas such as autonomous driving algorithms, perception systems and onboard computing platforms. Commercial vehicle applications require solutions capable of handling larger vehicle sizes, heavier loads and complex operating environments. Core technologies are often protected by patents, increasing development costs and raising entry barriers for new participants.

Requirement for Specialized Talents

Developing L4 autonomous driving solutions requires highly specialized talents with expertise in both autonomous driving technologies and commercial vehicle operations. The limited supply of such professionals, combined with competition from established companies offering strong research resources and compensation packages, increases the difficulty for new entrants to build qualified teams.

Switching Costs

Switching autonomous driving solution providers involves significant costs for both technology developers and commercial operators. These include investments in new equipment, system integration, software replacement, data migration and personnel training. Such switching costs create strong customer stickiness and further raise barriers to market entry.

Growth Drivers and Trends of L4 Autonomous Driving Solutions Market for Commercial Vehicles

Demand Driven by Downstream Automation and Digitization

With the acceleration of manufacturing automation and industrial digitization, demand for autonomous logistics solutions is increasing in scenarios such as industrial parks, ports and airports. L4 autonomous driving enables automated transportation and data-driven logistics management in these environments, improving operational efficiency and reducing labor dependence. The continued expansion of automated manufacturing and intelligent logistics systems is expected to further drive the adoption of L4 autonomous driving solutions for commercial vehicles.

Cost Reduction Driven by Technology Advancement

Technological progress and economies of scale have significantly reduced the cost of key autonomous driving components, including chips, LiDAR, cameras and computing platforms. At the same time, rising labor costs and labor shortages in certain operational scenarios have increased the economic attractiveness of autonomous solutions. As operating costs decline, L4 autonomous driving solutions are becoming increasingly cost-competitive compared with human-driven operations, supporting their commercialization.

Expansion from Closed Scenarios to Broader Applications

As technology maturity, market acceptance and regulatory frameworks continue to improve, the commercialization of L4 autonomous driving solutions is expected to expand from closed scenarios such as airports, factories and ports to more diverse applications including municipal services, trunk logistics and last-mile delivery. This expansion into increasingly complex and fragmented environments is expected to create broader market opportunities.

Vehicle-Road-Cloud Integration Enhancing System Intelligence

Future autonomous driving solutions are expected to achieve deeper integration between vehicles, road infrastructure and cloud platforms. Vehicles collect and process real-time environmental data, road infrastructure provides intelligent connectivity, and cloud platforms support large-scale data analysis and route optimization. This vehicle-road-cloud integration enhances system intelligence and improves operational efficiency and safety in complex traffic environments.

INDUSTRY OVERVIEW

Historical and Forecasted Price Trends of the Group's Major Raw Materials And Key Components

Automotive semiconductor, which covers a wide range of categories, such as computing chips, memory chips and sensor chips — each fulfilling different roles and priced accordingly, is the key component of the solutions provided by the Group. The average global automotive semiconductor cost per vehicle has been rising steadily in recent years, largely due to two key drivers: the rising penetration of new energy vehicles (NEVs), which generally require more chips than traditional internal combustion engine (ICE) vehicles; and the accelerating integration of autonomous driving technologies, which involve higher-cost chips.

However, the average price of automotive semiconductors has become increasingly stable. Affected by the COVID-19 pandemic, the automotive semiconductor market experienced severe supply shortages, driving the global average price of automotive semiconductors up by 10.4% in 2022. Since the second half of 2023, as chip production capacity gradually recovered, the upward price trend began to ease. By 2025, the global average price increase had moderated to 2.2%. Looking ahead, as manufacturing processes mature, supply chain efficiency improves, and overall supply-demand dynamics become more balanced, automotive semiconductor prices are expected to gradually decline.

PRC LAWS AND REGULATIONS

Regulations on Company Establishment and Foreign Investment

The PRC Company Law (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) in December 2023 applies to the establishment, operation and management of both PRC domestic companies and foreign-invested enterprises. According to the PRC Company Law, where there are otherwise provisions in the laws relating to foreign investment, such provisions shall prevail.

Investment activities in the PRC by foreign investors were principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), and the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging List**”), sets out special administrative measures (restricted or prohibited) in respect of the access of foreign investments in a centralized manner, and the Encouraging List sets out the encouraged industries for foreign investment. The Negative Lists cover 12 industries, and any field not falling in the Negative Lists shall be administered under the principle of equal treatment for domestic and foreign investment. During the Track Record Period, we controlled Yuxing Zhejiang through contractual arrangements and Yuxing Zhejiang is primarily engaged in the surveying and mapping activities which falls within the Negative List. However, we have disposed Yuxing Zhejiang on December 31, 2024 and ceased to hold any equity interest. Yuxing Zhejiang is now owned by an Independent Third Party. Our business as currently conducted does not fall within the confines of the Negative Lists and is not subject to special administrative measures.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”) promulgated by the National People’s Congress (全國人民代表大會), and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations for FIL**”) promulgated by the State Council (國務院) are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was released by the MOFCOM and the State Administration for Market Regulation (the “**SAMR**”) on December 30, 2019. Foreign investors directly or indirectly conducting investment activities within the territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities.

Regulations and Industry standards on Autonomous Driving and Intelligent Connected Vehicles Industry

In 2006, in order to promote the rapid development of China’s automotive product safety technology level, reduce the casualty rate in road traffic accidents, and achieve the goal of building a harmonious automotive society, China Automotive Technology Research Center officially established the C-NCAP (中國新車評價規程). With the smooth implementation of C-NCAP and the in-depth study of C-NCAP, China Automotive Technology Research Center has also improved and upgraded the C-NCAP Management Code many times, which has been amended in 2006, 2009, 2012, 2015, 2018, 2021 and 2024. According to the C-NCAP, OEMs are responsible to carry out the testing.

On March 12, 2021, the National People’s Congress of the PRC approved the Outline of the 14th Five-Year Plan (2021–2025) for National Economic and Social Development and Long-Range Objectives for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which clarifies that the PRC should foster advanced manufacturing clusters and promote the innovation and development of industries.

REGULATORY OVERVIEW

On December 20, 2020, the Ministry of Transport of the PRC (the “MOT”) promulgated the Guiding Opinions on Promoting the Development and Application of Road Transport Autonomous Driving Technologies (《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》), which clarified the development goal. Specifically, by 2025, the research on the basic theory of autonomous driving has made positive progress, and key technologies such as road infrastructure intelligence, vehicle-road collaboration and product research and development and test verification have made important breakthroughs; a number of basic and key standards for autonomous driving have been issued; a number of national autonomous driving test bases and pilot application demonstration projects have been built to realize large-scale application in some scenarios and promote the industrialization of autonomous driving technology.

The MIIT, the Ministry of Public Security and the Ministry of Transport jointly issued and implemented 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, any entity intending to conduct a road testing of autonomous driving vehicles must obtain a road-testing certificate and a temporary license plate for each tested vehicle. To qualify for above testing certificate and temporary license plate, an applicant entity must satisfy, among others, the following requirements: (1) it must be an independent legal person 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 system and is capable of conducting real-time remote monitor of the road tested vehicles, and with the ability of event recording, analysis and reproduction of the vehicles under road testing and ensuring the network security of the vehicles under road testing and the remote monitor platforms; (2) 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 allows human driver to take control of the vehicle any time immediately when necessary; (3) the tested vehicle must be equipped with the functions of recording, storing and real-time monitoring the condition of the vehicle and is able to transmit real-time data of the vehicle, such as the driving mode, location and speed; (4) the applicant entity 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 system and proficient in operating the system; (5) the applicant entity 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 testing entity should post a noticeable identification logo for autonomous driving test on each tested car and should not use autonomous driving mode unless in the permitted testing areas specified in the road-testing certificate. If the testing entity intends to conduct road testing in the region beyond the administrative territory of the certificate issuing authority, it must apply for a separate road-testing certificate and a separate temporary license plate from the relevant authority supervising the road-testing of autonomous cars in that region.

On March 24, 2021, the Ministry of Public Security promulgated the Road Traffic Safety Law (Revised Proposal Draft) (《道路交通安全法(修訂建議稿)》), which stipulates that vehicles with autonomous driving functions should pass road testing on closed roads and venues, obtain temporary driving license plates, 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 relevant laws and regulations, and those who need to pass on the road shall apply for a motor vehicle license plate. Moreover, vehicles with autonomous driving function and manual direct operation mode should record real-time driving data when conducting road tests or passing 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

REGULATORY OVERVIEW

third-party testing agency engaged in automotive related business with corresponding qualifications. As of the Latest Practicable Date, the aforementioned provisions of the Road Traffic Safety Law (Revised Proposal Draft) have not been formally adopted.

On July 30, 2021, the MIIT promulgated the Opinions 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, as well as strengthen enterprise management ability and ensure product production consistency. Moreover, enterprises should strengthen product management: (a) Enterprises should strictly perform the obligation of informing; (b) Enterprises should strengthen the safety management of combined driving assistance products; (c) Enterprises should strengthen the safety management of autonomous driving function products; (d) Enterprises ensure reliable space-time information services.

The Taxonomy of Driving Automation for Vehicles (《汽車駕駛自動化分級》) was promulgated by the SAMR and National Standardization Administration on August 20, 2021, 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).

Moreover, Level 0 requires the driving automation system to have the capability to continuously perform detection and response of a part of the object and event, 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 a partial capability of object and event detection and response in accordance with the vehicle lateral or longitudinal motion control. Level 2 further requires the driving automation system to satisfy the corresponding capabilities of 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 should be able to automatically implement the minimum risk strategy when the relevant event happens and the user does not respond to the intervention request. Furthermore, Level 5 requires that the driving automation system has no limitation on the designed operating range and is able to achieve fully automated driving.

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, MIIT and National Standardization Administration have 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 Internet of Vehicles 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.

On February 10, 2020, the Strategies for the Innovative Development of Intelligent Vehicles (《智能汽車創新發展戰略》) was promulgated by the National Development and Reform Commission, the Office of the Central Leading Group for Cyberspace Affairs, the Ministry of Science and Technology and other eight departments. By 2025, the technological innovation, industrial ecology, infrastructure, regulations and standards, product supervision and cybersecurity systems for intelligent vehicles with Chinese standards shall be basically formed. Large-scale production shall be reached for intelligent vehicles with conditions for autonomous driving, and market-oriented application of intelligent vehicles featured by highly autonomous driving shall be realized under specific environment. Active progress has

been made in the construction of facilities concerning intelligent transportation systems and intelligent cities. Regional coverage shall be realized for automotive wireless communications networks (LTE-V2X, etc.). A new generation of automotive wireless communications networks (5G-V2X) shall be gradually applied in some cities and on highways. Full coverage of the high-precision spatio-temporal reference service network shall be realized. From 2035 to 2050, China's standard intelligent vehicle system will be fully established and more complete. The vision of a safe, efficient, green and civilized power of intelligent vehicles will be gradually realized, and intelligent vehicles will fully meet the people's growing needs for a better life.

On November 17, 2023, the Notice of the MIIT, the Ministry of Public Security, the Ministry of Housing and Urban-rural Development and MOT of the PRC on Launching the Pilot Program of Market Access and Road Passage for Intelligent Connected Vehicles (《工業和信息化部、公安部、住房和城鄉建設部、交通運輸部關於開展智能網聯汽車准入和上路通行試點工作的通知》) came into effect. Pursuant to the foregoing notice, through the pilot program, efforts shall be made to guide intelligent connected vehicles manufacturers and users to strengthen their capacity building, and, on the premise of ensuring safety, promote the improvement of the functions and performance of intelligent connected vehicles products and the iterative optimization of the industrial ecology so as to promote the high-quality development of the industry of intelligent connected vehicles.

Regulations on Data Security, Cyber Security and Data Privacy Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, the personal information of a natural person shall be protected by the law. An information processor shall not disclose or tamper with any personal information collected or stored thereby; and without the consent of the natural person, no personal information shall be illegally provided to any other person.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate jointly released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "Interpretations"), which came into effect on June 1, 2017, clarifies several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including the "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods". In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》, the "Cybersecurity Law"), which became effective on June 1, 2017. The Law was subsequently amended pursuant to the Decision on Amending the Cybersecurity Law of the People's Republic of China adopted at the 18th Meeting of the Standing Committee of the 14th National People's Congress on October 28, 2025, and the amended version has taken effect as of January 1, 2026. The Cybersecurity Law applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. The Cybersecurity Law defines "network" as a system comprising computers or other information terminals and relevant facilities used for the purpose of collecting, storing, transmitting, exchanging and processing information in accordance with specific rules and procedures. "Network operators", who are broadly defined as owners and administrators of networks and network service providers, are subject to various security protection-related obligations, including but not limited: (i) complying with security protection obligations under graded system for cybersecurity protection requirements, which include formulating internal security management rules and operating instructions, appointing cybersecurity responsible personnel and their duties, adopting technical measures to prevent computer viruses, cyber-attack, cyber-intrusion and other activities endangering cybersecurity, adopting technical measures to monitor and record network operation status and cybersecurity events; (ii) formulating an emergency plan and promptly responding and handling security risks, initiating the emergency plans, taking appropriate remedial measures and reporting to regulatory authorities in the event

REGULATORY OVERVIEW

comprising cybersecurity threats; and (iii) following the principles of legality, legitimacy and necessity, disclosing the rules of collection and use, making clear the purpose, mean and scope of collection and use of information, and obtaining the consent of the person whose information is collected.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that entities and individuals carrying out data activities shall establish a data classification and grading protection system and important data catalogs to enhance the protection of important data. Processors of important data shall specify the person responsible for data security and management agencies to implement data security protection responsibilities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC to provide important data outside China, such company may be punished by administration sanctions, including penalties, fines, and/or suspension of relevant business or revocation of the business license. In addition, the Data Security Law of the PRC provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information.

On September 15, 2021, the MIIT issued the Notice of the MIIT on Strengthening the Cybersecurity and Data Security of the Internet of Vehicles (《工業和信息化部關於加強車聯網網絡安全和數據安全工作的通知》), according to which, all intelligent networked automobile manufacturer and Internet of vehicles service platform operators shall establish a network security and data security management system, strengthen the security protection, monitor and prevent network security risks and threats, strengthen the security protection capacity of network facilities and network systems of the Internet of vehicles, ensure the communication security of the Internet of vehicles, carry out the security monitoring and early warning of the Internet of vehicles, and do a good job in the security emergency disposal of the Internet of vehicles, do a good job in the classification and filing of Internet of vehicles network security protection, and more.

On 28 December 2021, the Cyberspace Administration of China (the “CAC”) promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”), which came into effect on 15 February 2022. According to the Cybersecurity Review Measures, there are two mechanisms to trigger cybersecurity review: (a) review of voluntary declaration by enterprises: applicable to (i) critical information infrastructure operators that intend to purchase network products and services; (ii) a network platform operator that processes the personal information of more than one million people intends to be listed overseas (國外上市); and (b) initiation of review by regulatory authorities: for any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security. In this case, the Office of Cybersecurity Review shall report this circumstance to the Central Cyberspace Affairs Commission for approval, and conduct a review after approval.

On September 24, 2024, the State Council promulgated the Network Data Security Management Regulation (《網絡數據安全管理條例》), which will come into effect on January 1, 2025. This regulation provides more detailed guidelines on the current rules on various aspects of data processing, including the processors’ announcement of data processing rules, obtaining consents and separate consents, security of important data and cross-border transfer of data, and further obligations of platform operators.

Furthermore, on July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) which became effective on September 1, 2022. Such measures requires that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad, including the following circumstances: (i) important data will be provided overseas by any data processor; (ii) personal information will be provided overseas by any operator of critical information infrastructure or any data processor who processes the personal information of more than 1,000,000 individuals; (iii) personal information will be provided overseas by any data processor who has provided the personal information of more than

REGULATORY OVERVIEW

100,000 individuals in aggregate or has provided the sensitive personal information of more than 10,000 individuals in aggregate since January 1 of last year; and (iv) other circumstances where the security assessment is required as prescribed by the CAC. The security assessment requirement also applies to any transfer of important data outside of China.

On March 22, 2024, the CAC issued Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》). In accordance with these provisions, data handlers who provide data abroad, and meet any of the following conditions, are required to declare the security assessment of cross-border data transfer to the national cyberspace administration authority through the provincial-level cyberspace administration authority where the data handlers are located: (i) critical information infrastructure operators providing personal information or important data abroad; (ii) data handlers other than critical information infrastructure operator providing important data abroad or cumulatively providing abroad personal information (without any sensitive personal information) of more than one million individuals, or sensitive personal information of more than 10,000 individuals since January 1 of the current year.

Regulations on Import and Export of Goods

The General Administration of Customs of the PRC promulgated the Administrative Provisions of the Customs of the People's Republic of China on the Registration of Customs Declaration Entities (Revised in 2018) (《中華人民共和國海關報關單位註冊登記管理規定(2018年修訂)》) on May 29, 2018, which has been replaced by the Administrative Provisions of the Customs of the PRC 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》) promulgated by the General Administration of Customs of China on November 19, 2021. As of now, local customs no longer issue the "Custom Registration Certificate for Declaration Units of the PRC", subsequent enterprises shall comply with the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities.

Regulations on Intellectual Property Rights

Patents

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》) and its implementation rules, patent is classified as invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, all of which calculated from the date of application. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. The National Intellectual Property Administration is responsible for examining and approving patent applications. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) and its implementation rules, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the trademark bureau for record. Conducts that constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Domain Names

According to the Administration Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017,

REGULATORY OVERVIEW

the MIIT is in charge of the administration of Internet domain names in China. The registration of domain names follows a “first come, first file” principle. The applicants become domain name holders upon successful registration.

Copyright and Software Registration

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) and implementation rules, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, art, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights.

Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the aforementioned regulations.

Trade Secrets

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others’ trade secrets. If a third party knows or should have known of the illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

Regulations on Product Liability

Pursuant to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, last amended on December 29, 2018, the market regulatory and administrative authority of the State Council was the competent authority to oversee product quality supervision at national level. In the event of causing personal injury or property damage to others by a defective product, the victim may make a claim to the producer or seller of the product for compensation. The producers and sellers of substandard products may be ordered to stop production and sales, their products may be confiscated, and subject to a fine; any unlawful income generated would be confiscated; in the event of serious cases, the business license may be revoked; if a crime is convicted, criminal liability according to law may be imposed.

Regulation on Production Safety

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) which was promulgated on June 29, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021, production and operation entities shall abide by the Production Safety Law of the PRC and other laws and regulations concerning work safety, and redouble their efforts to ensure work safety by setting up and perfecting the responsibility system for work safety of all employees and rules and regulations on work safety, increasing the input and guarantee of funds, materials, technologies, and personnel in terms of work safety, improving the conditions for work safety, strengthening the development of standards and adoption of information technologies for work safety, building a dual prevention mechanism of level-to-level safety risk management and control and hidden danger identification and management, and perfecting the risk prevention and resolution mechanism, to raise the work safety level and ensure work safety.

REGULATORY OVERVIEW

Regulations on Property Leasing

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties to a commodity house lease shall complete the lease registration with the competent construction (real-estate) departments of the municipalities directly under the Central Government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties shall order the lease record filing to make corrections within a prescribed time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on institutions which fail to rectify within the specified time limit.

Regulations on Foreign Exchange

The principal regulations governing foreign currency exchange in China are the *Foreign Exchange Administration Regulations of the PRC* (《中華人民共和國外匯管理條例》), most recently amended in August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the *Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises* (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “SAFE Circular 19”) on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the *Circular on the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account* (《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》) (the “SAFE Circular 16”), which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the *Circular on Further Facilitating Cross-border Trade and Investment* (《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》) (the “SAFE Circular 28”), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the *Circular on Optimizing Administration of Foreign Exchange 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》) (the “SAFE Circular 8”), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

REGULATORY OVERVIEW

Laws And Regulations On Outbound Direct Investment

On December 26, 2017, the NDRC promulgated the Administrative Measures for the Outbound Investment of Enterprises (《企業境外投資管理辦法》) (the “NDRC Order No. 11”). According to NDRC Order No. 11, non-sensitive overseas investment projects are required to make record filings with the local branch of the NDRC. On September 6, 2014, MOFCOM promulgated the Administrative Measures on Overseas Investments (《境外投資管理辦法(2014)》). According to such regulations, overseas investments of Chinese Mainland enterprises that involve non-sensitive countries and regions and non-sensitive industries must make record filings with a local branch of MOFCOM. The Notice of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) was issued by SAFE on November 19, 2012 and amended on May 4, 2015, October 10, 2018 and December 30, 2019 respectively, under which Chinese Mainland enterprises must register for overseas direct investment with local banks. The shareholders or beneficial owners who are Chinese Mainland entities are required to be in compliance with the related overseas investment regulations. If they fail to complete the filings or registrations required by overseas direct investment regulations, the relevant authority may order them to suspend or cease the implementation of such investment and make corrections within a specified time.

Labor and Social Security

According to the PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, and amended on August 27, 2009 and December 29, 2018 respectively, the PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, and amended on December 28, 2012, and the Implementing Regulations of the Employment Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. The employers must establish a system for labor safety and sanitation, strictly abide by State rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with State rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費征繳暫行條例》), which was promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Funds (《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 March 24, 2019, employers are required to open social insurance account and housing provident fund account within 30 days from the date of establishment, and employers are also required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and to housing provident funds. Any employer who fails to contribute may be fined and ordered to make good the deficit within a stipulated time limit.

Pursuant to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) enacted by the Supreme People’s Court on 31 July 2025 and implemented on 1 September 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people’s court.

The aforementioned judicial interpretation does not repeal the social insurance laws and regulations currently in force of the PRC. Considering the Company and the relevant employees have never signed any agreement that no payment of social insurance would be required to be made by the Company, our Directors believe that the implementation of the aforementioned judicial interpretation would not have a material adverse effect on our business or financial results.

Regulations on Taxation

Enterprise Income Tax (“EIT”)

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), promulgated by the NPC on March 16, 2007, which was amended on February 24, 2017 and December 29, 2018, and the Implementation Rules of the EIT Law (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax (“VAT”)

In accordance with the Value-added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and effective from January 1, 2026, and the *Implementation Rules for the Provisional Regulations the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

Regulations Relating to Overseas Securities Offering and Listing

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering 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 “**Overseas Listing Trial Measures**”) and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies’ securities, either directly or indirectly, into a filing-based system.

According to the Overseas Listing Trial Measures, the PRC domestic companies (whether conducting overseas securities offerings/listings directly or indirectly) must file with the CSRC within three working days after submitting an initial public offering or listing application. Non-compliance — such as failing to complete filings, concealing material facts, or falsifying filing documents — may result in administrative penalties (including rectification orders, warnings and fines) for the company, as well as its controlling shareholders, actual controllers, and directly responsible personnel.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision 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 competent department with the examination and approval authority 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 entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN HONG KONG

Common law

(a) Liabilities under contract

While we are engaging in the provision of goods and services relating to electric vehicles in Hong Kong, our rights and obligations towards our customers are generally governed by the terms of the contracts we formed with them. These contracts are subject to the Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong), pursuant to which any exemption clauses restricting liabilities for loss or damage to property due to parties' negligence are valid only if such clauses satisfy the reasonableness test.

(b) Liabilities in tort

While we are engaging in sale of goods, product liability arises under the law of tort. If the products sold by us are defective or below the expected standard of care and caused loss or injury to the purchaser or other end-users, they may bring an action under tort against us.

Apart from the common law obligations, the Group's business in Hong Kong is also regulated by a number of legislations. The following sets forth a summary of the major laws and regulations which are relevant to our business in Hong Kong:

Trade Description Ordinance

As the Group engages in the provision of goods and services in Hong Kong, we are subject to the Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong) ("TDO"), which governs descriptions of goods provided in the course of trade. The TDO prohibits certain unfair trade practices that traders may deploy. Under the TDO, it is a criminal offence to apply a false trade description to any goods or supply goods with false trade descriptions.

Sale of Goods Ordinance

The Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) provides for certain terms to be implied in contracts for sale of goods. It provides that where a seller sells goods in the course of a business, there is an implied condition that (i) where the goods are purchased by description, the goods must correspond with the description; (ii) the goods supplied are of merchantable quality; and (iii) the goods must be fit for the purpose for which they are purchased. Otherwise, a buyer has the right to reject defective goods unless he or she has a reasonable opportunity to examine the goods.

Electric Vehicles

Electric vehicles need to comply with the provisions of the Road Traffic Ordinance (Chapter 374 of the Laws of Hong Kong) ("RTO") and its subsidiary legislations, and should be maintained in good and serviceable condition. In particular, they should comply with the specifications and requirements set out in the RTO and its subsidiary legislations.

Autonomous Vehicles

According to sections 135 – 136 of the RTO, no person may use or permit the use of autonomous vehicles ("AV") unless it is licensed for an AV scheme by the Commissioner for Transport pursuant to the Road Traffic (Autonomous Vehicles) Regulation (Chapter 374AA of the Laws of Hong Kong), or a movement permit is issued under regulation 53 of the Road Traffic (Registration and Licensing of Vehicles) Regulations (Chapter 374E of the Laws of Hong Kong) for such use.

According to section 134(3) of the RTO, if an AV is used, in addition to the person who actually permitted the use, for the purposes of section 136(1)(b), the use is also taken to have been permitted by the following person:

- (a) for a pilot AV, the pilot proprietor (i.e. the person who is issued a pilot licence to carry out the pilot scheme under which AVs are operated on roads), or if the pilot proprietor is not the registered owner of the AV, both the pilot proprietor and the registered owner;

REGULATORY OVERVIEW

(b) for an AV that is not a pilot AV, its owner (whether a registered owner or not).

As the Group is neither a pilot proprietor, registered owner nor an owner of any AV in Hong Kong, it is not required under the RTO to obtain a licence for the AVs it manufactured and supplied to its customers.

Import and Export

As UISEE Hong Kong imports vehicles from other Group companies in PRC, we are subject to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) (the “**Regulations**”), which imposes duties on importers and exporters to complete declaration with the Customs and Excise Department.

Under Section 6C of the Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (“**IEO**”), no person shall import any article prescribed in Schedule 1 of the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong) (the “**IER**”) except under and in accordance with an import license. Such import license is issued under Section 3 of the IEO. As the Group does not import any article prescribed in Schedule 1 of the IER, it is not required to obtain such import licence.

Under Regulations 4 and 5 of Regulations, any person who imports or exports any article other than an exempted article shall lodge an accurate and complete import or export declaration relating to such article using services provided by a specified body with the Commissioner of Customs and Excise (the “**Commissioner**”) within 14 days of such import or export. Any person who is required to lodge an import or export declaration but fails to do so without reasonable excuse shall be liable on summary conviction to a fine of HK\$2,000, and, commencing on the day following the date of conviction, to a fine of HK\$100 in respect of every day the declaration is still not lodged.

According to section 3B of the Motor Vehicles (First Registration Tax) Ordinance, the importer of a motor vehicle for use in Hong Kong (whether for trade or other purposes) shall file a return in the prescribed form with the Commissioner for Transport within 30 days of the importation, and not less than 5 working days before delivering that motor vehicle where that motor vehicle is imported for trade purposes.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to February 2016, when our Company was established by, among others, our Co-founders, Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Mr. Zhao. Led by Mr. Wu, who has extensive experience in the autonomous driving industry, we have developed into a provider of autonomous driving solutions specializing in driverless L4 autonomous driving technology in Greater China. We became one of the largest L4 autonomous driving solution providers for commercial vehicles in closed scenarios such as airports and factories in terms of revenue in 2025, according to Frost & Sullivan, and our autonomous driving solutions have been highly recognized by numerous leading and reputable enterprises in various industries.

OUR MILESTONES

The following table sets forth the key development milestones:

Year	Milestone events
2016	Our Company was established in the PRC as a limited liability company.
2017	The “MC ² self driving car” designed by a team of designer of our Company won the Red Dot Award: Design Concept.
2018	We partnered with a renowned vehicle manufacturer to deliver the industry’s first L4 automated valet parking product prototype to citizens in Liuzhou.
2019	We launched the autonomous logistics project at the Hong Kong International Airport.
2020	We applied autonomous driving technology in factory logistics at an automobile factory in Chongqing.
2021	We started providing autonomous vehicle solutions at a major international airport in Northwestern China.
2022	We provided autonomous delivery vehicles and autonomous shuttle buses for pilot projects in Saudi Arabia and the United Arab Emirates, entering the Middle East market.
2023	We secured substantial orders from the Hong Kong International Airport and begun providing L4 autonomous shuttle buses for the airport.
2024	As one of the 25 strategic enterprises, we signed a partnership agreement with the Office for Attracting Strategic Enterprises of Hong Kong.
2025	We established a strategic cooperation with a major port in Shandong province to provide unmanned logistics solutions and expand into the port logistics market. We deployed our L4 autonomous logistics vehicles and autonomous shuttle buses for the pilot project at a major international airport in Qatar.

MAJOR CORPORATE DEVELOPMENTS OF OUR COMPANY

Establishment of our Company and transfer of equity interest to Beijing Simaju

Our Company was established in the PRC as a limited liability company on February 3, 2016 with an initial registered capital of RMB1,000,000. As of the date of our establishment, our Company was owned as to 54.5% by Mr. Wu, 10% by Mr. Jiang, 5% by Mr. Zhou, 5% by Mr. Peng, 3% by Mr. Zhao and 22.5% by Deep Glint. Deep Glint is a company established in the PRC on August 16, 2013, and is principally engaged in the development of artificial intelligence-based computer vision, data intelligence, and temperature measurement application software. As of the date of our establishment, it was indirectly owned as to 35.20%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

by Mr. Zhao. It has been listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688207.SH) since March 17, 2022. As of the Latest Practicable Date, Mr. Zhao was interested in 27.14% of the number of the issued shares of Deep Glint, and thus Deep Glint is not a close associate of Mr. Zhao.

On April 25, 2016, Mr. Wu transferred 20% equity interest in our Company to Beijing Simaju at nil consideration. See “— Pre-IPO Incentive Schemes” for details of Beijing Simaju.

In June 2016, we completed the Angel Financing and raised a total investment of US\$11,250,000. Upon completion of the Angel Financing, the registered capital of our Company was increased from RMB1,000,000 to RMB1,176,470.

In November 2017, the registered capital of our Company was increased from RMB1,176,470 to RMB8,300,667 by way of conversion of capital reserve of RMB7,124,197 into registered capital, which was owned by the then shareholders of our Company in proportion to their equity interest in our Company. Concurrently, in December 2017, we completed the Series A Financing and raised a total investment of US\$36,000,000. Upon completion of the Series A Financing, the registered capital of our Company was increased from RMB8,300,667 to RMB10,336,986.

In February 2021, we completed the Series B-1 Financing and raised a total investment of RMB615,880,000. Upon completion of the Series B-1 Financing, the registered capital of our Company was increased from RMB10,336,986 to RMB12,739,380.

In May 2021, we completed the Series B-2 Financing and raised a total investment of RMB220,000,000. Upon completion of the Series B-2 Financing, the registered capital of our Company was increased from RMB12,739,380 to RMB13,454,346.

In October 2021, we completed the Series B-3 Financing and raised a total investment of RMB274,900,000. Upon completion of the Series B-3 Financing, the registered capital of our Company was increased from RMB13,454,346 to RMB14,194,065.

In May 2023, we completed the Series C Financing and raised a total investment of RMB300,000,000. Upon completion of the Series C Financing, the registered capital of our Company was increased from RMB14,194,065 to RMB14,802,382.

On November 8, 2024, our Company was converted from a limited liability company into a joint stock company with limited liability, with a registered capital of RMB14,802,382 divided into 14,802,382 shares with a par value of RMB1.00 each. Pursuant to the resolution passed by the then Shareholders on May 15, 2025, each share of our Company with a nominal value of RMB1.00 was subdivided into 10 Shares with a nominal value of RMB0.10 each.

OUR PRINCIPAL SUBSIDIARIES

The following are our principal subsidiaries:

Name	Date of establishment	Place of establishment	Shareholding attributable to our Company	Principal activities/functions
UISEE Zhejiang	July 18, 2017	PRC	100%	Assembly of autonomous logistics vehicles and calibration testing
UISEE Shanghai	November 1, 2016	PRC	100%	Research and development of cloud computing technology
UISEE Wuhan	October 15, 2020	PRC	100%	Delivery, maintenance and service center for major customers
UISEE Chongqing	March 17, 2023	PRC	93.02% by our Company and 6.98% by UISEE Tianjin Management	Research and development of autonomous passenger cars

Disposal of Yuxing Zhejiang

As part of our business model, we procure high-precision map and data services from surveying and mapping service providers for the operation of our self-developed autonomous driving operating platform, where its vehicle brain, which primarily consists of software, i.e. our U-Drive[®] system, and hardware, i.e. autonomous driving domain controllers, send geographic information data to the surveying and mapping service providers, and receive high-precision maps from such service providers. See “Business — Our Autonomous Driving Operating Platform” for details.

During the Track Record Period, such mapping and surveying services were mainly provided by Yuxing Zhejiang, which functioned as an internal support unit. As the surveying and mapping activities in which Yuxing Zhejiang is primarily engaged falls within the Negative List, which prohibits the access of foreign investment, and our Shareholders included certain foreign investors since the completion of the Angel Financing, we were prohibited under the relevant PRC laws to directly hold the equity interest of Yuxing Zhejiang. See “Regulatory Overview — PRC Laws and Regulations — Regulations on Company Establishment and Foreign Investment” for details. In light of such foreign investment restrictions, we entered into the contractual arrangements with Mr. Wu and Mr. Zhou to enable us to obtain effective control and enjoy all the economic benefits to be derived from the operations of Yuxing Zhejiang, and its financial results were consolidated and accounted for as subsidiary of our Company.

Nevertheless, in light of the PRC restrictions on foreign ownership for companies providing mapping services and as our Group developed, we decided to focus on our core business of provision of AI-empowered autonomous driving solutions. To streamline our corporate structure for the Listing, on December 31, 2024, we disposed of Yuxing Zhejiang by entering into arrangements with Mr. Wu and Mr. Zhou to terminate the contractual arrangements. As a result, Yuxing Zhejiang ceased to be a subsidiary of our Company. Given that the principal activity of Yuxing Zhejiang did not fall within our core business, the disposal of Yuxing Zhejiang had not resulted in any material adverse impact on our business operations and financial performance. As advised by the PRC Legal Advisors, the termination of the contractual arrangements relating to Yuxing Zhejiang was valid and effective. Our business as currently conducted does not fall within the confines of the Negative Lists and is not subject to special administrative measures. We undertake that we will not carry out any business which will fall within the confines of the Negative Lists immediately after the completion of the Global Offering.

On April 27, 2025, in order to dedicate their time to our management and operations, Mr. Wu and Mr. Zhou transferred their entire equity interests in Yuxing Zhejiang to Mr. Zhang Hongtao (張紅濤), the general manager of Yuxing Zhejiang and an Independent Third Party, at nil consideration, as the registered capital of Yuxing Zhejiang was not paid up and Yuxing Zhejiang recorded net liabilities. Other than his employment with Yuxing Zhejiang, Mr. Zhang Hongtao has no past or present relationships (including family, employment, trust, business, financing or otherwise) with our Company and our subsidiaries, Shareholders, Directors or senior management, or any of their respective associates.

Based on the unaudited management accounts of Yuxing Zhejiang, prior to its disposal on December 31, 2024, it recorded revenue (which was intra-group in nature and eliminated on consolidation) of RMB23.2 million and RMB16.3 million, and net loss of RMB2.7 million and RMB2.5 million, for the year ended December 31, 2023 and 2024, respectively, and had net liabilities of RMB6.1 million and RMB5.2 million as of December 31, 2023 and 2024, respectively.

We had continued to procure mapping and surveying services from Yuxing Zhejiang under existing contracts entered into prior to its disposal under normal commercial terms and on a per-project basis, most of which were in advanced stages and were completed in the second half of 2025. The relevant transactions between our Group and Yuxing Zhejiang amounted to RMB13.4 million during the year ended December 31, 2025. We expect that the introduction of U-Drive[®] 5.0, the latest version of our unified autonomous driving platform, which has a higher level of generalization, self-learning and adaptation, and optimal reusability of its algorithms and data, will reduce our reliance on any mapping and surveying

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

service providers, such that, we had not entered into new agreements with Yuxing Zhejiang and its disposal will not result in any material adverse impact on our business operations and financial performance. Going forward, starting from December 1, 2025, we undertake that we will cease our business relationship with Yuxing Zhejiang. We will procure mapping and surveying services when needed only from other third-party service providers, which, according to Frost & Sullivan, are readily available to our Group in the market, to satisfy our needs for our operations at comparable terms.

As advised by our PRC Legal Advisors, Yuxing Zhejiang had complied with all applicable laws and regulations in all material aspects during the Track Record Period and up to the date of acquisition of its interest by Mr. Zhang Hongtao. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, our Directors are not aware of any non-compliance with any applicable PRC laws and regulations of Yuxing Zhejiang during the Track Record Period and up to the date of its disposal which would have a material adverse effect on our Group's business operation and financial performance.

PRE-IPO INCENTIVE SCHEMES

We have adopted the Pre-IPO Incentive Schemes for the purpose of attracting, retaining and rewarding talents for our development. Pursuant to the Pre-IPO Incentive Schemes, we have granted options to acquire 16,294,928 units (the “**Incentive Units**”) of the 81.47% partnership interest held by Mr. Wu and Mr. Zhou in Beijing Simaju, the designated shareholding platform for the Pre-IPO Incentive Schemes, which held 11,496,984 Shares for the purpose of the Pre-IPO Incentive Schemes, representing 6.99% of the number of issued Shares immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option). The remaining 18.53% partnership interest is beneficially held by Mr. Wu. Pursuant to the PRC Partnership Law (《中華人民共和國合夥企業法》) and the partnership agreement of Beijing Simaju, the management power of Beijing Simaju (including the exercise of the voting rights of the Shares held by it) is solely vested in Mr. Wu as its general partner, and the limited partners are not entitled to give management instructions to the general partner, including voting instructions regarding the Shares held by it.

As of the Latest Practicable Date, options to acquire a total of 16,294,928 Incentive Units have been granted to 301 grantees under the Pre-IPO Incentive Schemes, including (i) 1,148,953 Incentive Units granted to three Directors; (ii) 58,000 Incentive Units granted to one member of our senior management; (iii) 750,000 Incentive Units granted to six former consultants, identities of whom are set out in “Appendix VI — Statutory and General Information — D. Pre-IPO Incentive Schemes” and who all previously served at our science committee and provided us with guidance and insights to our scientific and R&D activities; (iv) 305,352 Incentive Units granted to Mr. Liu Yang (劉洋), 912,748 Incentive Units granted to Dr. Zhou Xiaocheng (周小成) and 878,758 Incentive Units granted to Dr. Zhang Dan (張丹), all being our Core R&D Team members; and (v) 12,241,117 Incentive Units granted to 288 employees who are not our Directors, members of our senior management, our existing or former consultants and members of our Core R&D Team. The exercise of any outstanding options will only result in the transfer of partnership interests held by Mr. Wu and Mr. Zhou in Beijing Simaju, and will not result in the issue of new Shares or transfer of the 11,496,984 existing Shares held by Beijing Simaju for the purpose of the Pre-IPO Incentive Schemes to the relevant grantee.

No further awards will be granted under the Pre-IPO Incentive Schemes upon the Listing and the terms of the Pre-IPO Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules. For further information of the Pre-IPO Incentive Schemes and the grantees of the Incentive Units, see “Appendix VI — Statutory and General Information — D. Pre-IPO Incentive Schemes.”

PRE-IPO INVESTMENTS

We completed six rounds of Pre-IPO Investments, details of which are set out below:

	Angel Financing ¹	Series A Financing ²	Series B-1 Financing ³	Series B-2 Financing ⁴	Series B-3 Financing ⁵	Series C Financing ⁶
Date of agreement ⁷	April 29, 2016	November 8, 2017	December 28, 2020	March 29, 2021	August 23, 2021	March 13, 2023
Number of Shares issued ⁸	12,451,000 Shares	20,363,190 Shares	24,023,940 Shares	7,149,660 Shares	7,397,190 Shares	6,083,170 Shares
Amount of consideration paid ⁹	US\$11,250,000 (equivalent to RMB77,206,500)	US\$36,000,000 (equivalent to RMB247,060,800)	RMB615,880,000	RMB220,000,000	RMB274,900,000	RMB300,000,000
Date of full settlement of consideration	March 13, 2017	February 22, 2018	February 3, 2021	May 11, 2021	September 15, 2021	March 17, 2023
Cost per Share ⁸	US\$0.90 (equivalent to RMB6.20)	US\$1.77 (equivalent to RMB12.13)	RMB25.64	RMB30.77	RMB37.16	RMB49.32
Pre-money valuation of our Company ¹⁰	US\$63.8 million (equivalent to RMB437.8 million)	US\$164.0 million ¹² (equivalent to RMB1,125.5 million)	RMB2,650.0 million ¹³	RMB3,920.0 million ¹⁴	RMB5,000.0 million ¹⁵	RMB7,000.0 million ¹⁶
Post-money valuation of our Company ¹¹	US\$75.0 million (equivalent to RMB514.7 million)	US\$200.0 million (equivalent to RMB1,372.6 million)	RMB3,265.9 million	RMB4,140.0 million	RMB5,274.9 million	RMB7,300.0 million
Discount to the Offer Price ¹⁷	89.7%	79.9%	57.5%	49.0%	38.4%	18.2%
Use of proceeds received by our Company	For the purpose of development of our Group's business.					
Shareholding in our Company immediately upon completion of the Global Offering	As of the Latest Practicable Date, the net proceeds received by our Company from the Pre-IPO investments were fully utilized.					
Strategic benefits of the Pre-IPO Investors brought to our Company	7.66%	12.53%	14.79%	4.40%	4.55%	3.74%
Lock-up period	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-IPO Investors' investments in our Company and the Pre-IPO Investors' knowledge and experience. The Pre-IPO Investments also signify our Pre-IPO Investors' endorsement of and confidence in our Company. Pursuant to the applicable PRC law, all existing Shareholders (including the Pre-IPO Investors) are not permitted to dispose of any of the Shares held by them within 12 months following the Listing Date.					

Notes:

1. Investors under the Angel Financing include Sinovation Fund III, L.P., Shaanxi Xike Angel Phase III Commercial Consultancy Partnership (Limited Partnership) (陝西西科天使參期商務信息諮詢合夥企業(有限合夥)) (“**Xike Angel III Fund**”), Zhen Partners IV (HK) Limited, Wuhu Keqi Automobile Technology Co., Ltd. (蕪湖科啟汽車科技有限公司) (“**Wuhu Keqi**”) and Beijing Qingshan Enterprise Angel Investment Partnership (北京青山基業天使投資合夥企業(有限合夥)) (“**Qingshan Jiye Fund**”).
On May 16, 2017, Wuhu Keqi transferred 0.32% and 0.11% equity interest in our Company (after completion of the Angel Financing) to Wang Yanmin (王彥敏) and Chen Xuetao (陳雪濤), each an Independent Third Party, at a nominal consideration of RMB1 and RMB1, respectively, as Wuhu Keqi had not settled the investment amount at the time of transfers. The investment amount had been subsequently settled by the transferees.
2. Investors under the Series A Financing include Ningbo Lanting Shiling Investment Partnership (Limited Partnership) (寧波瀾亭聆聆投資合夥企業(有限合夥)) (“**Ningbo Lanting**”), Lhasa Zhixing Innovative Technology Co., Ltd. (拉薩知行創新科技有限公司) (“**Lhasa Zhixing**”), Century Gateway Investment Limited, Zhuhai GF Yunyi Smart Car Industry Fund (Limited Partnership) (珠海廣發雲意智能汽車產業基金(有限合夥)) (“**GF Yunyi**”), Shaanxi Big Data Industry Investment Fund Partnership (Limited Partnership) (陝西大數據產業投資基金合夥企業(有限合夥)) (“**Shaanxi Big Data Industry Fund**”), Beijing Yintai Jiahe Venture Capital Investment Co., Ltd. (北京銀泰嘉禾創業投資有限公司) (“**Yintai Jiahe**”), Zhuhai GF Xinde Environment Protection Industry Investment Fund Partnership (Limited Partnership) (珠海廣發信德環保產業投資基金合夥企業(有限合夥)) (“**GF Xinde Environmental**”), Zhen Partners IV (HK) Limited, Zhuhai Kangyuan Investment Enterprise (Limited Partnership) (珠海康遠投資企業(有限合夥)) (“**Zhuhai Kangyuan**”).
On December 28, 2017, Century Gateway Investment Limited also acquired 2.30% equity interest in our Company from Deep Glint at a consideration of US\$3,480,000, which was determined after arm’s length negotiations with reference to the valuation of our Company under the Series A Financing. On April 2, 2018, Deep Glint transferred 1.76% equity interest in our Company (after completion of the Series A Financing) to CAS-Tech Fund I L.P. at a consideration of US\$3,000,000, which was determined after arm’s length negotiations with reference to the valuation of our Company under the Series A Financing.
3. Investors under the Series B-1 Financing include Gongqingcheng Xinding Huaqi No. 1 Equity Investment Partnership (Limited Partnership) (共青城新鼎華麒壹號股權投資合夥企業(有限合夥)) (“**Xinding Huaqi**”), CDIBC Manufacturing Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) (“**CDIBC Manufacturing Fund**”), Beijing Z-Park Longmen Fund Investment Center (Limited Partnership) (北京中關村龍門基金投資中心(有限合夥)) (“**Z-Park Longmen**”), Beijing Phase II CAS Star Hard Technology Venture Capital Partnership (Limited Partnership) (北京二期中創星硬科技創業投資合夥企業(有限合夥)) (“**Beijing Hard Tech II Fund**”), Ningbo Meishan Bonded Logistics Park Tengyun Yuansheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區騰雲源晟股權投資合夥企業(有限合夥)) (“**Tengyun Yuansheng**”), Nanjing CICC Qihong Investment Fund Partnership (Limited Partnership) (南京中金啟泓投資基金合夥企業(有限合夥)) (“**CICC Qihong**”), Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“**SCGC**”), Tianjin Haihe Hongtu Investment Fund Partnership (Limited Partnership) (天津海河紅土投資基金合夥企業(有限合夥)) (“**Tianjin Hongtu**”), SCGC Hongrui (Zhuhai) Enterprise Investment Fund (Limited Partnership) (上海金山紅土創業投資中心(有限合夥)) (“**SCGC Hongrui**”), Shanghai Jinshan Hongtu Venture Capital Investment Center (Limited Partnership) (深創投鴻瑞(珠海)產業投資基金(有限合夥)) (“**Shanghai Hongtu**”), Liyang Hongtu New Economy Venture Capital Fund Partnership (Limited Partnership) (灤陽紅土新經濟創業投資基金合夥企業(有限合夥)) (“**Liyang Hongtu**”), Changzhou Hongtu Human Resources Investment Partnership (Limited Partnership) (常州紅土人才投資合夥企業(有限合夥)) (“**Changzhou Hongtu**”), Jiangsu Zhongde Services Trade Industry Investment Fund Partnership (Limited Partnership) (江蘇中德服務貿易產業投資基金(有限合夥)) (“**Jiangsu Zhongde**”), Jiaxing Jiayao Venture Capital Partnership (Limited Partnership) (嘉興嘉耀創業投資合夥企業(有限合夥)) (“**Jiaxing Jiayao**”), Xiamen Oak Forest Energy Saving and Environmental Protection Venture Capital Fund Partnership (Limited Partnership) (廈門橡樹林節能環保創投基金合夥企業(有限合夥)) (“**Xiamen Oak Forest**”), Chongqing Liangjiang New Area Innovative Service Industry Equity Investment Fund Partnership (Limited Partnership) (重慶兩江新區戰新服務業股權投資基金合夥企業(有限合夥)) (“**Liangjiang Innovative Fund**”), Henan Keyuan Shenneng Clean Energy Equity Investment Fund Partnership (Limited Partnership) (河南科源中能潔淨能源股權投資基金合夥企業(有限合夥)) (“**Keyuan Shenneng**”), Suzhou Hengtong Datai Big Data Industry Fund Partnership (Limited Partnership) (蘇州亨通達泰大數據產業基金合夥企業(有限合夥)) (“**Hengtong Datai**”) and Xiamen Datai Core Stone Venture Capital Partnership (Limited Partnership) (廈門達泰芯石創業投資合夥企業(有限合夥)) (“**Xiamen Datai**”).
On April 27, 2020, Lhasa Zhixing transferred 2.04% and 2.03% equity interest in our Company (after completion of the Series B-1 Financing) to CICC Qihong and Bosch (Shanghai) Venture Capital Investment Co., Ltd. (博世(上海)創業投資有限公司) (“**Bosch Shanghai**”) at a consideration of RMB36,000,000 and RMB37,196,082, respectively, which was determined after arm’s length negotiations with reference to the investment cost of Lhasa Zhixing and the valuation of our Company under the Series B-1 Financing. On August 25, 2020, Hengtong Datai acquired 0.37% equity interest in our Company (after completion of the Series B-1 Financing) from Sinovation Fund III, L.P. at a consideration of RMB9,000,000, which was determined after arm’s length negotiations with reference to the

investment cost of Sinovation Fund III, L.P. and the valuation of our Company under the Series B-1 Financing. On September 1, 2022, SCGC Hongrui, an affiliate of SCGC, transferred 1.37% equity interest in our Company (after completion of the Series B-3 Financing) to SCGC at a consideration of RMB20,000,000, which was equivalent to the investment cost of SCGC Hongrui under the Series B-1 Financing.

4. Investors under the Series B-2 Financing include Shanghai State-owned Enterprise Reform and Development Equity Investment Fund Partnership (Limited Partnership) (上海國企改革發展股權投資基金合夥企業(有限合夥)) (“**Shanghai SOE Reform Fund**”) and Beijing Smart Cloud City Investment Fund Center (Limited Partnership) (北京智慧雲城投資基金中心(有限合夥)) (“**Beijing Smart Cloud City**”), Xiangjiang Industrial Investment Co., Ltd. (湘江產業投資有限責任公司) (“**Xiangjiang Investment**”) and Jiaying Jiayao.
5. Investors under the Series B-3 Financing include Hubei High Quality Development Industry Investment Fund Partnership (Limited Partnership) (湖北高質量發展產業投資基金合夥企業(有限合夥)) (“**Hubei High Quality**”), Taizhou Shengsheng Equity Investment Partnership (Limited Partnership) (台州盛升股權投資合夥企業(有限合夥)) (“**Taizhou Shengsheng**”), CITIC Securities Investment Co., Ltd. (中信證券投資有限公司) (“**CITIC Securities Investment**”) and Yusheng Future (Zhuhai) Equity Investment Partnership (Limited Partnership) (馮勝未來(珠海)股權投資合夥企業(有限合夥)) (“**Yusheng Future**”).
6. Investors under the Series C Financing include Chongqing Science City Investment Holding Co., Ltd. (重慶科學城投資控股有限公司) (“**Chongke Investment**”) and Xinzhiheng (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (信之風(武漢)股權投資基金合夥企業(有限合夥)) (“**Xinzhiheng**”).
7. If more than one agreements were entered into for a certain round of pre-IPO investment, such date is based on the date of the last agreement.
8. Based on the number of Shares issued to the relevant Pre-IPO Investors upon conversion of our Company into a joint stock limited liability company and completion of the Share Subdivision.
9. Representing the total investment cost paid to our Company for the equity interest in our Company in the respective round of the Pre-IPO Investment. The consideration was determined after arm’s length negotiations with reference to our funding needs and the prospects and development potential of our Group. It does not take into account the investment cost paid in respect of transfers of equity interests from existing Shareholders.
10. Representing the cost per Share under the respective round of the Pre-IPO Investments multiplied by the capitalization of our Company (on a fully diluted basis) immediately before the closing of the corresponding round of the Pre-IPO Investments.
11. Representing the cost per Share under the respective round of the Pre-IPO Investments multiplied by the capitalization of the Company (on a fully diluted basis) immediately after the closing of the corresponding round of the Pre-IPO Investments.
12. The increase in valuation from the Angel Financing to the Series A Financing was mainly due to the successful development of our Group’s L4 autonomous driving minibuses.
13. The increase in valuation from the Series A Financing to the Series B-1 Financing was mainly due to the commencement of partnerships with commercial vehicle OEMs to develop L4 autonomous driving solutions for buses and the successful development of L4 autonomous logistics vehicles for use in airports.
14. The increase in valuation from the Series B-1 Financing to the Series B-2 Financing was mainly due to the national recognitions of our autonomous driving system and the increase in customers and application scenarios for our autonomous driving vehicle solutions.
15. The increase in valuation from the Series B-2 Financing to the Series B-3 Financing was mainly due to the collaboration with a major vehicle manufacturer for launching robotaxis equipped with our autonomous driving kits and solutions, increasing our capabilities to deliver products and solutions which can cope with urban traffic scenarios.
16. The increase in valuation from the Series B-3 Financing to the Series C Financing was mainly due to the commercialization of our L2+ autonomous driving kits and solutions for passenger cars.
17. The discount to the Offer Price is calculated based on the Offer Price of HK\$60.30 per H Share.

Rights of the Pre-IPO Investors

According to the capital increase agreements and the joint venture agreements entered into between our Company and the then Shareholders from April 2016 to May 2023 and the articles of association of the Company adopted in May 2023 (as superseded by a shareholders' agreement entered into in October 2024), the Pre-IPO Investors had been granted certain special rights, which included, among others, information rights, redemption rights, pre-emptive rights, rights of first refusal, co-sale rights, drag-along rights, director nomination rights, board veto rights, shareholders' meeting veto rights, most favored nation terms, liquidation preference rights and anti-dilution rights. Information rights and director nomination rights had been exercised by the Pre-IPO Investors prior to the execution of the Termination Agreement (as defined below).

In preparation for the Listing, our Company and the Shareholders entered into a termination agreement on May 26, 2025 (the "**Termination Agreement**") prior to the first submission of the listing application to the Stock Exchange, pursuant to which the parties agreed and confirmed that the special rights granted to the Pre-IPO Investors shall be terminated as follows:

- (i) the redemption right, liquidation preference right and anti-dilution right granted by our Company (the "**Company Redemption Rights**") had been immediately terminated and shall be *void ab initio*. No Pre-IPO Investors had exercised their redemption rights during the Track Record Period. For details, see Note 30 to the Accountants' Report set out in Appendix I;
- (ii) the redemption right granted by the Co-founders (the "**Co-founders Redemption Right**") had been terminated, which only took effect one day before the first submission of the listing application, and shall only be restored upon the earliest of (i) the withdrawal of the listing application by our Company; (ii) the applicable regulatory authorities (including the Stock Exchange and the CSRC) terminating or rejecting our listing application; and (iii) the listing application has not been renewed within three months after its lapse, which shall again be terminated one day before any subsequent submission of the listing application. There had been no side agreements among our Company, the Co-founders and the Pre-IPO Investors regarding the Co-founders Redemption Right, and our Company did not provide any guarantee on the Co-founders Redemption Right in case of default by the Co-founders. Considering that our Company has no obligation to repurchase the Shares held by the Pre-IPO Investors, no redemption liability was recorded during the Track Record Period. For details, see Note 36 to the Accountants' Report set out in Appendix I.

Article 143 of the Civil Code of the People's Republic of China (《中華人民共和國民法典》) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. Adhering to the principle of autonomy of will, our Company and the Pre-IPO Investors explicitly agreed and confirmed that the Company Redemption Rights granted by our Company shall be immediately terminated and be *void ab initio*. Through the execution of the Termination Agreement, while the clauses concerning the Company Redemption Rights have never been exercised, all parties agreed to terminate the clauses and to treat them as having no legal effect from the time of their execution, thereby restoring the rights and obligations of all parties to the *status quo ante* as if such clause had never been agreed upon. This arrangement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid. Based on the above, the PRC Legal Advisors are of the view that the Company Redemption Rights granted by our Company have been irrevocably terminated and shall be *void ab initio*, which shall not be affected by the exercise of information rights and director nomination rights by the Pre-IPO Investors prior to the execution of the Termination Agreement; and

- (iii) all other special rights which are required to be terminated pursuant to Chapter 4.2 of the Listing Guide, including information rights, pre-emptive rights, rights

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

of first refusal, co-sale rights, drag-along rights, director nomination rights, board veto rights, shareholders' meeting veto rights, most favored nation terms, will be terminated with effect one day before the Listing.

Information about the Pre-IPO Investors

Our Pathfinder SII's

We have received meaningful investments from the following Pathfinder SII's:

CAS Star

Xike Angel III Fund, Beijing Hard Tech II Fund and Shaanxi Big Data Industry Fund (the "CAS Star SII's") are funds ultimately managed by CAS Star Technology Investment Co., Ltd. (中科創星科技投資有限公司) ("CAS Star Investment").

Xike Angel III Fund is a limited partnership established in the PRC with Shaanxi Xike Angel Investment Co., Ltd. (陝西西科天使投資管理有限公司) as its general partner holding 0.96% partnership interest therein. Xike Angel III Fund has 14 limited partners, none of which holds 30% or more partnership interest.

Beijing Hard Tech II Fund is a limited partnership established in the PRC with Beijing CAS Star Technology Co., Ltd. (北京中科創星科技有限公司) as its general partner holding 1.11% partnership interest therein. Beijing Hard Tech II Fund has 27 limited partners, none of which holds 30% or more partnership interest.

Shaanxi Big Data Industry Fund is a limited partnership established in the PRC with Shaanxi Jinkong Angel Investment Management Partnership (Limited Partnership) (陝西金控天使投資管理合夥企業(有限合夥)) as its general partner holding 1% partnership interest therein. Shaanxi Big Data Industry Fund has three limited partners and is owned as to 67% by CITIC Securities Company Limited (中信証券股份有限公司) ("CITIC Securities"), the H shares and A shares of which are listed on the Stock Exchange (stock code: 6030) and the Shanghai Stock Exchange (stock code: 600030), and 31% by the other two limited partners, none of which holds 30% or more partnership interest.

Shaanxi Xike Angel Investment Co., Ltd. and Beijing CAS Star Technology Co., Ltd. are subsidiaries of CAS Star Investment. Shaanxi Jinkong Angel Investment Management Partnership (Limited Partnership) is held as to 10% by Xi'an Guantian Angel Enterprise Management Partnership (Limited Partnership) (西安關天天使企業管理合夥企業(有限合夥)) (the general partner of which is CAS Star Investment and the sole limited partner is Beijing CAS Star Technology Co., Ltd.) as its general partner, 60% by CAS Star Investment as its limited partner and 30% by Shaanxi Investment Fund Management Co., Ltd. (陝西投資基金管理有限公司), an Independent Third Party.

Xike Angel III Fund, Beijing Hard Tech II Fund and Shaanxi Big Data Industry Fund are investment funds under the brand of CAS Star, and CAS Star Investment is its investment management platform. CAS Star is a Chinese venture capital firm established in September 2013, and has been led and managed by its two founding partners, Dr. Mi Lei (米磊), a Ph.D holder in optical science who has previously worked at the Xi'an Institute of Optics and Precision Mechanics, part of the Chinese Academy of Sciences, and the originator of the concept of "hard technology", and Mr. Li Hao (李浩), a senior chief economist and a veteran investor with over 20 years of experience. It is a venture capital firm focusing on early-stage investments in key and core technology area such as optoelectronics and semiconductors, artificial intelligence, biotechnology, aerospace, advanced manufacturing, information technology, new energy and new materials. Its main investments are directed towards early stage and small to medium-sized technology companies with growth potential and independent innovation capabilities. Since its founding, the scale of CAS Star had developed and expanded over time, and its AUM had subsequently grew over the years. CAS Star has invested in over 480 projects with an aggregate AUM of RMB12.7 billion as of December 31, 2024.

As of April 19, 2016 (being a date within six months prior to the date of signing of the first definitive agreement by the CAS Star SII's for their investments in our Company),

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

November 5, 2020 (being a date within six months prior to the date of signing of the last definitive agreement by the CAS Star SIIIs for their investments in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), CAS Star had an aggregate AUM of RMB0.7 billion, RMB5.0 billion and RMB10.4 billion, respectively, where that value was derived from Specialist Technology investments, which include investments in companies and funds engaging in the industries of next-generation information technology, advanced hardware and software, advanced materials as well as new energy and environmental protection, all of which were among CAS Star's key and core investment areas in optoelectronics and semiconductors, artificial intelligence, biotechnology, aerospace, advanced manufacturing, information technology, new energy and new materials. As Xike Angel III Fund, Beijing Hard Tech II Fund and Shaanxi Big Data Industry Fund are purely different funds ultimately managed by CAS Star through its investment management platform, CAS Star Investment, which is ultimately responsible for their investment decisions, the CAS Star SIIIs should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Listing Guide.

As of May 28, 2024 (being the commencement date of the pre-application 12-month period) and May 28, 2025 (being the date of submission of our first listing application), the CAS Star SIIIs were collectively interested in 5.94% and 5.94% of the total number of issued Shares, respectively.

Shanghai Guosheng

Shanghai SOE Reform Fund and Taizhou Shengsheng (the “**Shanghai Guosheng SIIIs**”) are funds ultimately managed by Shanghai Guosheng (Group) Co., Ltd. (上海國盛(集團)有限公司) (“**Shanghai Guosheng**”).

Shanghai SOE Reform Fund and Taizhou Shengsheng are limited partnerships established in the PRC which focus on equity investments and are managed by Shanghai Guosheng Capital Management Co., Ltd. (上海國盛資本管理有限公司) as their respective general partner, holding 0.2% partnership interest in Shanghai SOE Reform Fund and 0.65% partnership interest in Taizhou Shengsheng. Shanghai SOE Reform Fund has nine limited partners and is owned as to 40.27% by Shanghai Guosheng, which in turn is wholly owned by State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會), and 59.53% by the other eight limited partners, none of which holds 30% or more partnership interest. Taizhou Shengsheng has six limited partners, all of which are Independent Third Parties, and is owned as to 40% by Xiamen Wolun Jingrong Equity Investment Partnership (Limited Partnership) (廈門沃侖景榮股權投資合夥企業(有限合夥)), 38.71% by Taizhou State-owned Assets Investment Group Co., Ltd. (台州市國有資產投資集團有限公司), and 20.65% by the other four limited partners, none of which holds 30% or more partnership interest.

Shanghai Guosheng Capital Management Co., Ltd. is an asset management company and is controlled by Shanghai Guosheng. Shanghai Guosheng is a limited company established in the PRC which is wholly owned by the State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會) and is principally engaged in non-financial business and to a lesser extent financial business, including investments, assets operation and assets management, industrial research and socio-economic consultation.

As of December 31, 2020 (being a date within six months prior to the date of signing of the first definitive agreement by the Shanghai Guosheng SIIIs for their investments in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the available-for-sale financial assets, long-term equity investments and other equity instruments investments of Shanghai Guosheng amounted to RMB101.7 billion and RMB148.7 billion, respectively. As Shanghai SOE Reform Fund and Taizhou Shengsheng are purely different funds ultimately managed by Shanghai Guosheng, which is ultimately responsible for their investment decisions, the Shanghai Guosheng SIIIs should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Listing Guide. As the AUM of Shanghai Guosheng meets the threshold set out in Chapter 2.5 of the Listing Guide, the Shanghai Guosheng SIIIs collectively qualify as a Sophisticated Independent Investor.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of May 28, 2024 (being the commencement date of the pre-application 12-month period) and May 28, 2025 (being the date of submission of our first listing application), the Shanghai Guosheng SIIIs were collectively interested in 3.56% and 3.56% of the total number of issued Shares, respectively.

SCGC

SCGC, Tianjin Hongtu, Shanghai Hongtu, Liyang Hongtu and Changzhou Hongtu (the “SCGC SIIIs”) are funds ultimately managed by SCGC.

SCGC, originally co-founded by the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會), which still directly holds 28.20% equity interest in SCGC as its largest shareholder, with a group of private partners in 1999. SCGC is now a state-owned and independently-managed venture capital investment institution with a primary focus on investments in innovative high-tech companies in the emerging industries in their start-up, growth or pre-IPO stage, including but not limited to investments in IT, new media, healthcare, new energy, environment protection, chemical engineering, new material, advanced manufacturing consumer goods. Other major shareholders of SCGC include (1) Shenzhen Galaxy Real Estate Development Co., Ltd. (深圳市星河房地產開發有限公司), a company ultimately controlled by Mr. Huang Chulong (黃楚龍), an Independent Third Party businessman, holding 20.00% equity interest in SCGC, (2) Shenzhen Capital Holdings Co., Ltd. (深圳市資本運營集團有限公司), which is wholly-owned by the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People’s Government and holds 12.79% equity interest in SCGC, and (3) Shanghai Dazhong Public Utilities (Group) Co., Ltd. (上海大眾公用事業(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 1635) and the Shanghai Stock Exchange (stock code: 600635), holding 10.80% equity interest in SCGC. Save as disclosed above, SCGC has no other shareholder which individually holds more than 10% equity interest in SCGC.

Tianjin Hongtu is a limited partnership established in the PRC which focuses on private equity investment with Tianjin Hongtu Venture Capital Management Co., Ltd. (天津紅土創新投資管理有限公司) as its general partner holding 0.2% partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Tianjin Hongtu has three limited partners and is owned as to 50% by Minmetals International Trust Limited (五礦國際信託有限公司), an Independent Third Party, 29.8% by SCGC and 20% by the other one limited partner.

Shanghai Hongtu is a limited partnership established in the PRC which focuses on private equity investment with Yingtan Hongtu Creative Investment Management Limited Partnership (鷹潭紅土優創投資管理有限合夥企業) (“**Yingtan Hongtu**”) as its general partner holding 0.96% partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Shanghai Hongtu has ten limited partners and is owned as to 31.95% by Shanghai Jiliang Venture Capital Co., Ltd. (上海績亮創業投資有限公司), an Independent Third Party, 28.75% by SCGC, and 38.34% by the other eight limited partners, none of which holds 30% or more partnership interest.

Liyang Hongtu is a limited partnership established in the PRC which focuses on private equity investment with Yingtan Hongtu as its general partner holding 1.04% partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Liyang Hongtu has nine limited partners, none of which holds 30% or more partnership interest.

Changzhou Hongtu is a limited partnership established in the PRC which focuses on private equity investment with Yingtan Hongtu as its general partner holding 0.99% partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Changzhou Hongtu has 15 limited partners and is owned as to 29.7% by SCGC as the largest limited partner and 69.31% by the other 14 limited partners, none of which holds 30% or more partnership interest.

As of December 31, 2018 (being a date within six months prior to the date of signing of the first definitive agreement by the SCGC SIIIs for their investments in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the aggregate AUM of SCGC amounted to RMB333.4 billion and

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

RMB495.6 billion, respectively. As Tianjin Hongtu, Shanghai Hongtu, Liyang Hongtu and Changzhou Hongtu are purely different funds ultimately managed by SCGC, which is ultimately responsible for their investment decisions, the SCGC SIIs should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Listing Guide. As the AUM of SCGC meets the threshold set out in Chapter 2.5 of the Listing Guide, the SCGC SIIs collectively qualify as a Sophisticated Independent Investor.

As of May 28, 2024 (being the commencement date of the pre-application 12-month period) and May 28, 2025 (being the date of submission of our first listing application), the SCGC SIIs were collectively interested in 2.77% and 2.77% of the total number of issued Shares, respectively.

CICC Qihong

CICC Qihong is a limited partnership established in the PRC which focuses on private equity investment. The general partner of CICC Qihong is CICC Capital Operation Co., Ltd. (中金資本運營有限公司), a wholly-owned subsidiary of China International Capital Corporation Limited (“CICC”), a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995) and principally engaged in investment banking business, equities business, fixed-income, commodities and currency business, asset management business, private equity business, wealth management business and other business activities. CICC Qihong has six limited partners who are private investors and institutional investors with Xiamen Longyao Investment Co., Ltd. (廈門龍耀投資有限公司) (“Xiamen Longyao”), an Independent Third Party, holding 39.52% partnership interest, and each of the other five limited partners holding less than 30% of the partnership interest.

As of June 30, 2019 (being a date within six months prior to the date of signing of the first definitive agreement by CICC Qihong for its investment in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), CICC’s private equity business had an aggregate AUM of RMB323.7 billion and RMB457.6 billion, respectively. As the general partner that manages CICC Qihong is a wholly-owned subsidiary of CICC, whose AUM meets the threshold set out in Chapter 2.5 of the Listing Guide, and the investment decisions of CICC Qihong are ultimately managed and controlled by CICC, CICC Qihong qualifies as a Sophisticated Independent Investor.

As of May 28, 2024 (being the commencement date of the pre-application 12-month period) and May 28, 2025 (being the date of submission of our first listing application), CICC Qihong was interested in 2.91% and 2.91% of the total number of issued Shares, respectively.

As required by Chapter 2.5 of the Listing Guide, our Pathfinder SIIs, in aggregate, hold 10% or more of the total number of issued Shares, out of which two of our Pathfinder SIIs each hold 3% or more of the total number of issued Shares, as of the date of our listing application and throughout the pre-application 12-month period. For details of the shareholding in our Company of each of our Pathfinder SIIs, see “— Capitalization” below.

Our Sophisticated Independent Investors

We have also received meaningful investments from the following Sophisticated Independent Investors:

GF Xinde

GF Yunyi and GF Xinde Environmental (the “GF Xinde SIIs”) are funds ultimately managed by GF Securities.

GF Yunyi is a limited partnership established in the PRC. It is a private equity fund which primarily focuses on investments in smart car and new energy automobile related industries. GF Yunyi is owned as to 20% by GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) (“GF Xinde”) as general partner, 68.65% by Jiangsu Yunyi Electric Co., Ltd. (江蘇雲意電氣股份有限公司) as its limited partner, a company listed on the Shenzhen Stock Exchange (stock code: 300304), and 11.35% by Guangfa Ganhe Investment Co., Ltd. (廣發乾和投資有限公司) as its limited partner. GF Xinde and Guangfa Ganhe

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Investment Co., Ltd. are wholly-owned by GF Securities Co., Ltd. (廣發証券股份有限公司) (“**GF Securities**”), a company listed on the Shenzhen Stock Exchange (stock code: 000776) and the Stock Exchange (stock code: 01776). GF Xinde is principally engaged in private equity investment management business. The principal business of GF Securities can be divided into four segments, namely investment banking, wealth management, trading and institutional client service and investment management. Its investment portfolio includes, among others, equity, funds, bonds, trust products, derivatives and other securities investments.

GF Xinde Environmental is a limited partnership established in the PRC. It is a private equity fund primarily engaged in environmental industrial investment, equity investment and provision of equity investment-related consultancy services in the PRC. GF Xinde Environmental has also invested in various companies including companies primarily engaged in hydraulic engineering, environmental and public facilities management industry such as Qiaoyin City Management Co., Ltd. (僑銀城市管理股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 2973) and information transmission, software, and information technology services industry such as Wuxi Guoxin Microelectronics System Co., Ltd. (無錫國芯微電子系統有限公司). GF Xinde Environmental is owned as to 16.11% by GF Xinde as general partner, 34.64% by Shangpu Industrial Investment Development (Hengqin) Co., Ltd. (尚浦產投發展(橫琴)有限公司) as limited partner, an Independent Third Party, and 49.25% by the other 11 limited partners, none of which has more than 30% partnership interest in GF Xinde Environmental.

As of December 31, 2016 (being a date within six months prior to the date of signing of the first definitive agreement by the GF Xinde SIIs for their investments in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the scale of the asset management business of GF Securities amounted to RMB716.4 billion and RMB253.5 billion, respectively. As GF Yunyi and GF Xinde Environmental are purely different funds managed by GF Xinde, which is a wholly-owned subsidiary of and the investment decisions of which are ultimately managed and controlled by GF Securities, the GF Xinde SIIs should be aggregated as one Sophisticated Independent Investor pursuant to Chapter 2.5 of the Listing Guide. As the AUM of GF Securities meets the threshold set out in Chapter 2.5 of the Listing Guide, the GF Xinde SIIs collectively qualify as a Sophisticated Independent Investor.

CDBC Manufacturing Fund

CDBC Manufacturing Fund is a limited partnership established in the PRC. It is an investment fund focusing on the investments in new generation of information technology (NGIT) and electric power equipment manufacturing industry with a fund size of RMB50.1 billion and its portfolio companies include SenseTime Group Inc. (商湯集團股份有限公司), Haier COSMOPlat Co., Ltd. (海爾卡奧斯股份有限公司). CDBC Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司) (“**CDBC Fund Management**”), a limited liability company established in the PRC, is the general partner of CDBC Manufacturing Fund, holding 0.2% of the partnership interest therein, which is wholly owned by China Development Bank Capital Co., Ltd (國開金融有限責任公司) (“**CDB**”) and ultimately controlled by MOF. CDBC Manufacturing Fund has one limited partner, National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司), holding 99.8% of partnership interest in CDBC Manufacturing Fund, which is in turn held by CDB as to 13.59% and 19 other shareholders as to 86.41%, none of which holds 30% or more of the interest therein.

Based on the audited consolidated financial statements of CDB for each of the years ended December 31, 2019 (being its last published financial statements prior to the date of signing of the first definitive agreement by CDBC Manufacturing Fund for its investment in our Company) and December 31, 2024 (being its last published financial statements prior to the date of the submission of our first listing application), the investment portfolio of CDB as of December 31, 2019 and December 31, 2024, which included transactional financial assets, debt investment, other equity instrument investments and long term equity investments, amounted to RMB132.9 billion and RMB165.6 billion, respectively. As the general partner that manages CDBC Manufacturing Fund is a wholly-owned subsidiary of CDB, whose investment portfolio size meets the threshold set out in Chapter 2.5 of the Listing Guide, and

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

the investment decisions of CDBC Manufacturing Fund are ultimately managed and controlled by CDB, CDBC Manufacturing Fund qualifies as a Sophisticated Independent Investor.

Hubei High Quality

Hubei High Quality is a limited partnership established in the PRC. Hubei High Quality has four limited partners who are Independent Third Parties, among which Wuhan Economic Development Investment Co., Ltd. (武漢經開投資有限公司) holds 41.96% partnership interest and CDBC Manufacturing Fund holds 29.37% of the partnership interest, and none of the other limited partners holds more than 30% partnership interest therein. Wuhan Economic Development Investment Co., Ltd. is wholly-owned by Wuhan Economic Development Industry Investment Group Co., Ltd. (武漢經開產業投資集團有限公司), a PRC state-owned enterprise. The fund manager of Hubei High Quality is Beijing HongTai TongChuang Investment Management Co., Ltd. (北京洪泰同創投資管理有限公司) (together with its affiliates, “**HongTai TongChuang**”), an Independent Third Party.

HongTai TongChuang was co-founded by Mr. Yu Minhong (俞敏洪) and Mr. Sheng Xitai (盛希泰) in 2014 and is wholly owned by Qingdao Xincheng Technology Innovation Industrial Co., Ltd. (青島鑫宸科創實業有限公司) (a company owned as to 60% by Mr. Sheng Xitai and 10% by Mr. Yu Minhong). HongTai TongChuang is an investment firm engaging in equity investments, including investments in high technology sectors focusing in smart production, artificial intelligence, information technology, semiconductors, new materials, new energy and life sciences.

As of the Latest Practicable Date, HongTai TongChuang had invested in more than 300 companies. As of June 30, 2021 (being a date within six months prior to the date of signing of the first definitive agreement by Hubei High Quality for its investment in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the AUM of HongTai TongChuang amounted to RMB19.2 billion and RMB50.1 billion, respectively. As Hubei High Quality is managed by HongTai TongChuang, which is responsible for the investment decision of Hubei High Quality and whose AUM meets the threshold set out in Chapter 2.5 of the Listing Guide, Hubei High Quality qualifies as a Sophisticated Independent Investor.

Bosch Shanghai

Bosch Shanghai is a limited liability company established in the PRC which engages in venture capital investment. It is ultimately wholly-owned by Robert Bosch GmbH (“**Bosch Group**”). Bosch Group is a leading global supplier of technology and services and its operations are divided into four business sectors: mobility solutions, industrial technology, consumer goods, and energy and building technology. It also invests in external technology startups around the world to gain early access to innovative technologies. Bosch Group’s investments focus on projects involving highly automated driving, AI, the IoT, mobility solutions, and computer architectures of the future.

92% of the share capital of Bosch Group is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family.

As of December 31, 2019 (being a date within six months prior to the date of signing of the first definitive agreement by Bosch Shanghai for its investment in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the investment portfolio of Bosch Group which was accounted as financial assets measured at fair value through profit or loss or other comprehensive income, which mainly comprises interests in partnerships, shares in investment funds, certain interest-bearing securities and derivatives, as well as investments measured at equity, amounted to EUR15.0 billion and EUR18.7 billion, respectively. As Bosch Shanghai is a wholly-owned subsidiary of Bosch Group, whose AUM meets the threshold set out in Chapter 2.5 of the Listing Guide, and the investment decisions of Bosch Shanghai are ultimately managed and controlled by Bosch Group, Bosch Shanghai qualifies as a Sophisticated Independent Investor.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Xinzhifeng

Xinzhifeng is a limited partnership established in the PRC. It is principally engaged in equity investment in the areas relating to the “new four modernizations” (electrification, intelligence, networking and sharing) of the automobile industry as well as the core areas of the automobile industry reforms such as smart manufacturing, AI, cloud computing, big data, internet of things, mobile communications and multi-form power sources. Its general partner is Yuanjing (Wuhan) Investment Management Co., Ltd. (轅憬(武漢)投資管理有限公司), which holds 0.03% partnership interest and is in turn wholly owned by Dongfeng Asset Management Co., Ltd. (東風資產管理有限公司) (“**Dongfeng Asset Management**”). Dongfeng Asset Management is also the sole limited partner of Xinzhifeng which holds 99.97% partnership interest therein.

Dongfeng Asset Management is a company incorporated in the PRC whose businesses include asset management, industrial investment, venture capital investment, investment management and consultancy, land and real estate development, international economic and technological cooperation, and related technical consulting, technical services, information services and after-sales services. Dongfeng Asset Management is a wholly-owned subsidiary of Dongfeng Motor Corporation (東風汽車集團有限公司) (“**Dongfeng Motor**”), a large state-owned enterprise engaged in the manufacturing of commercial vehicles, passenger cars, automobile parts, components and equipment as well as other automobile-related business, which is ultimately owned by the State-owned Assets Supervision and Administration Commission (國有資產監督管理委員會).

According to Frost & Sullivan, Dongfeng Motor ranked third and seven in terms of sales volume of all types of vehicles by automobile groups in the PRC in 2022 and 2024, with market shares being 9.2% and 7.9%, respectively. As Dongfeng Asset Management, the general partner that manages Xinzhifeng, is a wholly-owned subsidiary of Dongfeng Motor, which in turn is a key participant in the downstream automotive industry in terms of sales volume of all types of vehicles by automobile groups in the PRC as of December 31, 2022 (being a date within six months prior to the date of signing of the first definitive agreement by Xinzhifeng for its investment in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), respectively, Xinzhifeng qualifies as a Sophisticated Independent Investor under Chapter 2.5 of the Listing Guide.

CITIC Securities Investment

CITIC Securities Investment is a limited liability company established in the PRC and is wholly owned by CITIC Securities. CITIC Securities Investment is the alternative investment subsidiary of CITIC Securities and its investment portfolio includes investments in financial products, securities investment and equity investment.

CITIC Securities is a joint stock limited company established in the PRC with limited liability, the H shares and A shares of which are listed on the Stock Exchange (stock code: 6030) and the Shanghai Stock Exchange (stock code: 600030) and is principally engaged in securities brokerage, securities investment consulting, financial advice in relation to securities trading and investment activities, securities underwriting and sponsoring, self-operated securities business, securities assets management, securities margin trading, selling of securities investment funds, provision of intermediary introduction services to futures companies, distribution of financial products and stock options market making.

As of June 30, 2021 (being a date within six months prior to the date of signing of the first definitive agreement by CITIC Securities Investment for its investment in our Company) and December 31, 2024 (being a date within six months prior to the date of the submission of our first listing application), the AUM of CITIC Securities amounted to RMB1,391.0 billion and RMB1,542.4 billion, respectively. As CITIC Securities Investment is a wholly-owned subsidiary of CITIC Securities, whose AUM meets the threshold set out in Chapter 2.5 of the Listing Guide, and the investment decisions of CITIC Securities Investment are ultimately managed and controlled by CITIC Securities, CITIC Securities Investment qualifies as a Sophisticated Independent Investor.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On the basis that 162,485,020 Shares are expected to be in issue upon the completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised), upon the Listing, our Sophisticated Independent Investors (including our Pathfinder SIIs) will hold, in aggregate, no less than 23.16% of the total number of issued Shares.

Our other Pre-IPO Investors

Apart from our Pathfinder SIIs and Sophisticated Independent Investors, our Pre-IPO Investors also include the following:

Century Gateway Investment Limited

Century Gateway Investment Limited is an investment holding company and is wholly-owned by Advantech Capital L.P. (“**Advantech Capital**”). Advantech Capital is a private equity investment fund which focuses on investment of innovative growth.

Ningbo Lanting

Ningbo Lanting is a limited partnership established in the PRC. It is a venture capital investment fund which is managed by its general partner, Shanghai Lanting Investment Management Co. Ltd. (上海瀾亭投資管理有限公司), which in turn is ultimately owned by four individuals, each an Independent Third Party. Ningbo Lanting has four limited partners and is owned as to 59.90% by Ms. Ou Yaqing (歐雅青), 34% by Mr. Weng Lizhong (翁利中) and 6% by the other two limited partners, none of which holds 30% or more partnership interest.

Sinovation Fund III, L.P.

Sinovation Fund III, L.P., a limited partnership incorporated in the Cayman Islands, is an investment fund under the brand of Sinovation Ventures. Sinovation Fund Management III, L.P. is the general partner of Sinovation Fund III, L.P. and is ultimately controlled by Dr. Kai-Fu Lee (李開復). Sinovation Fund III, L.P. has about 50 limited partners and none of which has more than 30% partnership interest therein.

Sinovation Ventures is a technology venture capital, established in 2009 by a team led by Dr. Kai-Fu Lee. It focuses on investments on AI and deep technology, robotics and automation, enterprise software, healthcare technology, and sustainability technology. It currently manages more than ten USD and RMB funds and invests over 400 portfolio companies across the technology spectrum in China.

Chongke Investment

Chongke Investment is a company established in the PRC which focuses on capital management and investments. It is ultimately wholly-owned by Chongqing High-tech Development Investment Group Co., Ltd. (重慶高新開發建設投資集團有限公司) (“**Chongqing Hi-tech Investment**”), a state-owned enterprise which is owned as to 99.01% by Chongqing Finance Bureau (重慶市財政局) and 0.99% by Administrative Committee of Chongqing Hi-Tech Industry Development Zone (重慶高新技術產業開發區管理委員會) and is engaged in the urban development of the Hi-tech Development Zone in Chongqing. The investment portfolio of Chongke Investment and Chongqing Hi-tech Investment includes equity and fund investments on various industries such as automated systems, IoT technology, new energy automobile, new energy storage and transmission technology.

Xinding Huaqi

Xinding Huaqi is a limited partnership established in the PRC. It is a venture capital investment fund which primarily focuses on equity investment. Xinding Huaqi is managed by its general partner, Beijing Xinding Rongsheng Capital Management Co., Ltd. (北京新鼎榮盛資本管理有限公司). Beijing Xinding Rongsheng Capital Management Co., Ltd. is a limited liability company established under the laws of the PRC and is wholly owned by Beijing Xinding Ronghui Capital Management Co., Ltd. (北京新鼎榮輝資本管理有限公司), which is beneficially controlled as to 98.58% by Zhang Chi (張馳), an Independent Third Party. Xinding Huaqi has 20 limited partners, none of which holds 30% or more partnership interest.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Z-Park Longmen

Z-Park Longmen is a limited liability partnership established in the PRC with a focus on investments in information technology, high-end manufacturing, healthcare, and consumption upgrade sectors. Its general manager is Beijing Z-Park Longmen Investment Co., Ltd. (北京中關村龍門投資有限公司). Z-Park Longmen has nine limited partners and it is held as to 39.87% by National Council for Social Security Fund (全國社會保障基金理事會), and 59.14% by the other eight limited partners, none of which holds 30% or more partnership interest.

Tengyun Yuansheng

Tengyun Yuansheng is a limited partnership established in the PRC and is owned as to 1.00% by Century Tengyun Investment Management Co., Ltd. (世紀騰雲投資管理有限公司) as general partner and 99.00% by Tibet Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司) as limited partner, each an Independent Third Party. Tengyun Yuansheng is principally engaged in private equity investment and has investments in new economy such as consumer, medical, environmental protection and technology sectors.

Beijing Smart Cloud City

Beijing Smart Cloud City is a limited partnership established in the PRC and is principally engaged in private equity and venture capital investments focusing on technology sectors including artificial intelligence, big data and cloud computing. It is managed by its general partner, Beijing Huayi Liding Investment Management Co., Ltd. (北京華易力鼎投資管理有限公司) holding 1.14% partnership interest. Beijing Smart Cloud City has eight limited partners and is owned as 31.79% by Xiamen Shuyi Enterprise Management Consulting Co., Ltd. (廈門藪移企業管理顧問有限公司), an Independent Third Party, and 67.08% by the other seven limited partners, none of which holds 30% or more partnership interest.

CAS-Tech Fund I L.P.

CAS-Tech Fund I L.P. is an exempted limited partnership established in the Cayman Islands and is managed by CAS-Tech Management, Ltd. as its general partner, which in turn is owned as to 94% by Shanghai Guotan Investment Center (Limited Partnership) (上海國檀投資中心(有限合夥)). CAS-Tech Fund I L.P. primarily focuses on investment in early-stage projects in the medical and technology sectors.

Jiaxing Jiayao

Jiaxing Jiayao is a limited partnership established in the PRC and is principally engaged in venture capital investment. It is managed by its general partner, Beijing Chunxin Hongtu Investment Management Co., Ltd. (北京淳信宏圖投資管理有限公司) holding 0.39% partnership interest. Jiaxing Jiayao has two limited partners and is owned as 60.55% by Ms. Ma Kuilan (馬魁蘭) and 39.06% by Mr. Yang Xianjun (楊顯軍).

Zhen Partners IV (HK) Limited

Zhen Partners IV (HK) Limited is a company incorporated in Hong Kong with limited liability and is wholly owned by Zhen Partners Fund IV, L.P.. Zhen Partners Fund IV, L.P. is a Cayman Islands exempted limited partnership, engaged in making venture capital investment primarily in early-stage companies, which is under control of Zhen Partners Management (TTGP) IV, Ltd., its top-tier general partner. Xu Xiao Ping, Wang Qiang, Anna Fang and Dai Yu Sen have shared voting power over Zhen Partners Management (TTGP) IV, Ltd.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Yusheng Future

Yusheng Future is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Shenzhen Qianhai Hongzhao Fund Management Co., Ltd. (深圳前海宏兆基金管理有限公司) holding 0.99% partnership interest. Yusheng Future has five limited partners and is owned as 32.0792% by Mr. Li Xinbao (李新保), and 66.93% by the other four limited partners, none of which holds 30% or more partnership interest.

Xiangjiang Investment

Xiangjiang Investment is a limited liability company established in the PRC and is principally engaged in investments in high tech projects and enterprises as well as capital and asset management. It is ultimately owned by the State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government (湖南省人民政府國有資產監督管理委員會) and Hunan Provincial People's Government (湖南省人民政府) through Hunan Energy Group Co., Ltd. (湖南能源集團股份有限公司).

Jiangsu Zhongde

Jiangsu Zhongde is a limited partnership established in the PRC and is principally engaged in private equity investment. The general partner of Jiangsu Zhongde is Wuxi Guolian Financial Investment Qiyuan Private Equity Fund Management Co., Ltd. (無錫國聯金投啟源私募基金管理有限公司) holding 0.01% partnership interest, an Independent Third Party. Jiangsu Zhongde has 14 limited partners and the partnership interest held by the limited partners ranged from 0.14% to 16.97% with Wuxi Taihu Aisi Venture Capital Partnership (Limited Partnership) (無錫市太湖愛思創業投資合夥企業(有限合夥)) being the largest limited partner of Jiangsu Zhongde.

Yintai Jiahe

Yintai Jiahe is a limited liability company incorporated in the PRC and is principally engaged in private equity investment. It is owned as to 30.79% by Yintai Huaying Investment Co., Ltd. (銀泰華盈投資有限公司), an Independent Third Party, and 69.21% by the other three shareholders, none of which holds 30% or more interest therein.

Hengtong Datai

Hengtong Datai is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Suzhou Datai Venture Capital Management Co., Ltd. (蘇州達泰創業投資管理有限公司) holding 4% partnership interest. Hengtong Datai has 12 limited partners and is owned as to 40.1% by Jiangsu Hengtong Optoelectronics Co., Ltd. (江蘇亨通光電股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600487), and 55.89% by the other 11 limited partners, none of which holds 30% or more partnership interest.

Keyuan Shenneng

Keyuan Shenneng is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Luoyang Yushen Enterprise Management Partnership (Limited Partnership) (洛陽豫申企業管理合夥企業(有限合夥)) holding 2% partnership interest, an Independent Third Party. Keyuan Shenneng has two limited partners and is owned as to 49% by each of Henan Keyuan Industrial Investment Fund Partnership (Limited Partnership) (河南科源產業投資基金合夥企業(有限合夥)) and Shanghai Shenneng Energy Development Co., Ltd. (上海申能能創能源發展有限公司), each an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Xiamen Oak Forest

Xiamen Oak Forest is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Xiamen Acorn Venture Capital Management Co., Ltd. (廈門橡果創業投資管理有限公司) holding 3% partnership interest, an Independent Third Party. Xiamen Oak Forest has nine limited partners, none of which holds 30% or more partnership interest.

Liangjiang Innovative Fund

Liangjiang Innovative Fund is a limited partnership established in the PRC and is principally engaged in private equity investment. It is owned as to 0.1% by its general partner, Chongqing Chengyun Enterprise Management Co., Ltd. (重慶承運企業管理有限公司) and 99.9% by Chongqing Jiangbeizui Central Business District Investment Group Co., Ltd. (重慶市江北嘴中央商務區投資集團有限公司) as its limited partner, each an Independent Third Party.

Xiamen Datai

Xiamen Datai is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Xiamen Datai Qingshi Equity Investment Management Co., Ltd. (廈門達泰清石股權投資管理有限公司) holding 1.06% partnership interest, an Independent Third Party. Xiamen Datai has five limited partners and is owned as to 38.22% by Xiamen Huiju Fengtuo Equity Investment Partnership (Limited Partnership) (廈門惠炬峰拓股權投資合夥企業(有限合夥)), an Independent Third Party, and 60.72% by the other four limited partners, none of which holds 30% or more partnership interest.

Qingshan Jiye Fund

Qingshan Jiye Fund is a limited partnership established in the PRC and is principally engaged in investment of equity securities of early-stage companies within the general consumer sector and the technology, media, and telecom (TMT) sector. It is managed by its general partner, Beijing Qingshan Tongchuang Investment Co., Ltd. (北京青山同創投資有限公司) holding 20% partnership interest, an Independent Third Party. Qingshan Jiye Fund has 11 limited partners, none of which holds 30% or more partnership interest.

Ms. Wang Yanmin

Ms. Wang Yanmin is an individual investor and became acquainted with our Company in 2016. To the best knowledge of our Directors, Ms. Wang Yanmin is an Independent Third Party.

Mr. Chen Xuetao

Mr. Chen Xuetao is an individual investor and became acquainted with our Company in 2017. To the best knowledge of our Directors, Mr. Chen Xuetao is an Independent Third Party.

Zhuhai Kangyuan

Zhuhai Kangyuan is a limited partnership established in the PRC and is principally engaged in private equity investment. It is managed by its general partner, Mr. Xu Yining (許一寧) holding 20% partnership interest, an Independent Third Party. Zhuhai Kangyuan has 36 limited partners, none of which holds 30% or more partnership interest.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the Pre-IPO Investors is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance with Chapter 4.2 of the Listing Guide

On the basis that (i) the considerations for the Pre-IPO Investments have been settled no less than 28 clear days before the date of the first submission of the listing application to the Stock Exchange; and (ii) all the special rights granted to the Pre-IPO Investors as set out above have been terminated or will terminate upon the Listing, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Listing Guide.

ACTING-IN-CONCERT AND VOTING PROXIES ARRANGEMENTS

To consolidate the control and provide for a unified strategic planning and decision-making process, the Co-founders entered into an acting-in-concert agreement on December 17, 2019, pursuant to which each of Mr. Jiang, Mr. Zhou, Mr. Peng and Mr. Zhao agreed that, so long as he directly or indirectly holds any equity interest in our Company, he shall exercise his voting rights in a consistent manner with Mr. Wu. The agreement shall remain in effect until its termination upon mutual consent among the parties, save that for Mr. Zhao, his obligation ceased when Deep Glint submitted its application for listing on the STAR Market of the Shanghai Stock Exchange on June 22, 2021. The cessation of Mr. Zhao as a party to the agreement was taken into account that Deep Glint, the primary business interest of Mr. Zhao, was anticipated to be listed on the STAR Market soon, and Mr. Zhao, as a chairman and director of Deep Glint, considered that it would be in the best interest of Deep Glint that his voting interest in our Company became aligned with that of Deep Glint without the restrictions under the agreement.

Furthermore, Mr. Wu entered into agreements with Xinding Huaqi, Keyuan Shenneng and Jiaxing Jiayao, our Pre-IPO Investors under the Series B-1 Financing, on September 9, 2020, November 5, 2020 and December 30, 2020, respectively, pursuant to which each of Xinding Huaqi, Keyuan Shenneng and Jiaxing Jiayao agreed that, so long as it holds any equity interest in our Company, it shall authorize Mr. Wu to exercise all the voting rights on its behalf. The agreements shall remain in effect until the earlier of (i) termination upon mutual consent among the parties, and (ii) the completion of the Global Offering. Our Company believes such arrangement, which aligns with the prevailing market practice, allows Mr. Wu to maintain his voting influence in the general meetings during our Company's private company phase, ensuring that Mr. Wu is in a position to continually contribute to our Company with his vision and leadership, and, at the same time, enabling the institutional investors to maintain direct control over their voting rights after the Listing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION

The table below sets out the shareholding structure of our Company as of the Latest Practicable Date and immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised):

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering		Shareholding % ²	
	Number of Shares ¹	Shareholding % ²	Number of Unlisted Shares	Total number of Shares		
Co-founders						
Mr. Wu ³	24,341,740	16.44%	16,227,830	8,113,910	24,341,740	14.98%
Mr. Jiang ³	7,055,560	4.77%	–	7,055,560	7,055,560	4.34%
Mr. Zhou ³	3,527,780	2.38%	2,527,780	1,000,000	3,527,780	2.17%
Mr. Peng ³	3,527,780	2.38%	2,527,780	1,000,000	3,527,780	2.17%
Mr. Zhao	2,116,680	1.43%	–	2,116,680	2,116,680	1.30%
Initial Shareholders						
Beijing Simaju ⁴	14,111,120	9.53%	–	14,111,120	14,111,120	8.68%
Deep Glint	11,677,930	7.89%	–	11,677,930	11,677,930	7.19%
Pathfinder SIs						
Xike Angel III Fund	5,110,390	3.45%	–	5,110,390	5,110,390	3.15%
Beijing Hard Tech II Fund	1,950,370	1.32%	–	1,950,370	1,950,370	1.20%
Shaanxi Big Data Industry Fund	1,729,310	1.17%	1,729,310	–	1,729,310	1.06%
Shanghai SOE Reform Fund	3,249,840	2.20%	3,249,840	–	3,249,840	2.00%
Taizhou Shengsheng	2,015,460	1.36%	2,015,460	–	2,015,460	1.24%
SCGC	1,950,380	1.32%	1,950,380	–	1,950,380	1.20%
Tianjin Hongtu	1,170,230	0.79%	–	1,170,230	1,170,230	0.72%
Shanghai Hongtu	390,070	0.26%	–	390,070	390,070	0.24%
Liyang Hongtu	390,070	0.26%	–	390,070	390,070	0.24%
Changzhou Hongtu	195,040	0.13%	–	195,040	195,040	0.12%
CICC Qihong	4,314,230	2.91%	–	4,314,230	4,314,230	2.66%
Sophisticated Independent Investors						
GF Yunyi	2,305,740	1.56%	–	2,305,740	2,305,740	1.42%
GF Xinde Environmental	1,083,700	0.73%	–	1,083,700	1,083,700	0.67%
CDBC Manufacturing Fund	3,120,600	2.11%	3,120,600	–	3,120,600	1.92%
Hubei High Quality	2,690,870	1.82%	–	2,690,870	2,690,870	1.66%
Bosch Shanghai	2,590,020	1.75%	–	2,590,020	2,590,020	1.59%
Xinzhifeng	2,027,720	1.37%	–	2,027,720	2,027,720	1.25%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering		Shareholding % ²
	Number of Shares ¹	Shareholding % ²	Number of Unlisted Shares	Total number of Shares	
CITIC Securities Investment	1,345,430	0.91%	–	1,345,430	0.82%
<i>Other Pre-IPO Investors</i>					
Century Gateway Investment Limited	5,742,770	3.88%	–	5,742,770	3.53%
Ningbo Lanting	5,187,920	3.50%	–	5,187,920	3.19%
Sinovation Fund III, L.P.	5,065,700	3.42%	–	5,065,700	3.12%
Chongke Investment	4,055,450	2.74%	–	4,055,450	2.50%
Xinding Huaqi ⁵	3,740,040	2.53%	–	3,740,040	2.30%
Z-Park Longmen	1,950,370	1.32%	–	1,950,370	1.20%
Tengyun Yuansheng	1,950,370	1.32%	–	1,950,370	1.20%
Beijing Smart Cloud City	1,949,910	1.32%	–	1,949,910	1.20%
CAS-Tech Fund I L.P.	1,824,170	1.23%	–	1,824,170	1.12%
Jiaxing Jiayao ⁵	1,820,200	1.23%	–	1,820,200	1.12%
Zhen Partners IV (HK) Limited	1,383,450	0.93%	–	1,383,450	0.85%
Yusheng Future	1,345,430	0.91%	–	1,345,430	0.83%
Xiangjiang Investment	1,299,940	0.88%	–	1,299,940	0.80%
Jiangsu Zhongde	1,170,230	0.79%	1,170,230	1,170,230	0.72%
Yintai Jiahe	1,152,870	0.78%	1,152,870	1,152,870	0.71%
Hengtong Datai	897,170	0.61%	–	897,170	0.55%
Keyuan Shenneng ⁵	780,150	0.53%	–	780,150	0.48%
Xiamen Oak Forest	780,150	0.53%	–	780,150	0.48%
Liangjiang Innovative Fund	780,150	0.53%	–	780,150	0.48%
Xiamen Datai	390,080	0.26%	–	390,080	0.24%
Qingshan Jiye Fund	350,030	0.24%	–	350,030	0.22%
Wang Yanmin	262,540	0.18%	–	262,540	0.16%
Chen Xuetao	87,490	0.06%	87,490	87,490	0.05%
Zhuhai Kangyuan	69,180	0.05%	–	69,180	0.04%
Investors under the Global Offering	–	–	–	14,461,200	8.90%
Total	148,023,820	100%	35,759,570	162,485,020	100%

Notes:

1. Representing the number of Shares issued to the relevant Shareholders upon conversion of our Company into a joint stock limited liability company and completion of the Share Subdivision.
2. The percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals in the table may not be an arithmetic aggregation of the figures preceding them.
3. Mr. Wu, Mr. Jiang, Mr. Zhou and Mr. Peng are parties of the Acting-in-Concert Arrangement.
4. Beijing Simaju is the designated shareholding platform for the Pre-IPO Incentive Schemes, of which Mr. Wu (its general partner) holds 61.47% partnership interest and Mr. Zhou (its limited partner) holds 20% partnership interest for the benefit of the option grantees under the Pre-IPO Incentive Schemes. The remaining 18.53% partnership interest in Beijing Simaju is beneficially held by Mr. Wu.
5. Mr. Wu, Xinding Huaqi, Keyuan Shenneng and Jiaying Jiayao are parties of the Voting Proxies Arrangement, which will remain in effect until the earlier of (i) their termination upon mutual consent, and (ii) the completion of the Global Offering.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

Rule 19A.13A of the Listing Rules requires that where the expected market value of the Shares at the time of Listing is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000, the minimum prescribed percentage of the Shares which must be H Shares held by the public is determined at the higher of: (i) the percentage that would result in the expected market value of the H Shares held by the public to be HK\$1,500,000,000 at the time of Listing; and (ii) 15%.

Based on the Offer Price of HK\$60.30, at the time of Listing, (i) assuming the Offer Size Adjustment Option is not exercised, 162,485,020 Shares are expected to be in issue, such that the market value of the Shares will be HK\$9,797.8 million, and at least 15.3094% of the total number of issued Shares must be H Shares held by the public; and (ii) assuming the Offer Size Adjustment Option is exercised in full, 164,654,170 Shares are expected to be in issue, such that the market value of the Shares will be HK\$9,928.6 million, and at least 15.1077% of the total number of issued Shares must be H Shares held by the public.

Upon Listing, (i) the 9,113,910 H Shares held by Mr. Wu and Mr. Zhou, our executive Directors; (ii) the 8,055,560 H Shares held by Mr. Jiang and Mr. Peng, our Controlling Shareholders; and (iii) the 14,111,120 H Shares held by Beijing Simaju, a close associate of Mr. Wu, will not be considered as part of the public float. The remaining Shareholders, comprising Mr. Zhao, Deep Glint and all of the Pre-IPO Investors, are Independent Third Parties and the 80,983,660 H Shares held by them following the completion of the Global Offering will be counted towards the public float of our Company.

Accordingly, taken into account the 14,461,200 H Shares to be issued pursuant to the Global Offering which will not be allocated to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules (assuming the Offer Size Adjustment Option is not exercised), it is expected that 95,444,860 H Shares, representing 58.74% of the total number of our issued Shares, will be held by the public, which will satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

LOCK-UP AND FREE FLOAT

The following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules at the time of the Listing:

Person(s)	Capacity	Number of Shares subject to restrictions ¹	Shareholding subject to restrictions ¹
<i>Lock-up period commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date:</i>			
Mr. Wu	Co-founder, Chairman, executive Director and chief executive officer	24,341,740	14.98%
Mr. Jiang	Co-founder	7,055,560	4.34%
Mr. Zhou	Co-founder, executive Director, chief products officer and deputy general manager	3,527,780	2.17%
Mr. Peng	Co-founder, head of innovation business division and deputy general manager	3,527,780	2.17%
Mr. Zhao	Co-founder	2,116,680	1.30%
Beijing Simaju ²	Close associate of Mr. Wu	14,111,120	8.68%
<i>Lock-up period commencing on the date of this prospectus and ending on expiry of six months from the Listing Date:</i>			
Xike Angel III Fund	Pathfinder SII	5,110,390	3.15%
Beijing Hard Tech II Fund	Pathfinder SII	1,950,370	1.20%
Shaanxi Big Data Industry Fund	Pathfinder SII	1,729,310	1.06%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Person(s)	Capacity	Number of Shares subject to restrictions ¹	Shareholding subject to restrictions ¹
Shanghai SOE Reform Fund	Pathfinder SII	3,249,840	2.00%
Taizhou Shengsheng SCGC	Pathfinder SII	2,015,460	1.24%
Tianjin Hongtu	Pathfinder SII	1,170,230	1.20%
Shanghai Hongtu	Pathfinder SII	1,170,230	0.72%
Liyang Hongtu	Pathfinder SII	390,070	0.24%
Changzhou Hongtu	Pathfinder SII	390,070	0.24%
CICC Qihong	Pathfinder SII	195,040	0.12%
		4,314,230	2.66%

Notes:

- On the basis that 162,485,020 Shares are expected to be in issue immediately following the completion of the Global Offering and assuming the Offer Size Adjustment Option is not exercised.
- Beijing Simaju is owned as to (i) 18.53% by Mr. Wu (its general partner) beneficially; and (ii) 61.47% by Mr. Wu and 20% by Mr. Zhou (its limited partner) for the benefit of the option grantees under the Pre-IPO Incentive Schemes. As (i) Mr. Wu and Mr. Zhou shall be subject to a lock-up period commencing from the date of this prospectus and ending on expiry of 12 months from the Listing Date, they undertake that they will not dispose of their interests in the above partnerships under Rule 18C.14 of the Listing Rules within the aforementioned lock-up period.

Furthermore, as certain option grantees under the Pre-IPO Incentive Schemes, namely (i) Mr. Zhou and Mr. Peng; (ii) Mr. Chiang Tsung Che and Mr. Wu Jun, our Directors; and (iii) Mr. Liu Yang, Dr. Zhou Xiaocheng and Dr. Zhang Dan, our Core R&D Team members, shall be subject to a lock-up period commencing from the date of this prospectus and ending on expiry of 12 months from the Listing Date, they undertake that they will not dispose of their interests in the options granted to them as well as the partnership interests to be transferred to them upon the exercise of their vested options under Rule 18C.14 of the Listing Rules within the aforementioned lock-up period.

Pursuant to the partnership agreement of Beijing Simaju, any transfer of partnership interest by limited partners shall be approved by Mr. Wu, as the general partner and the majority holder of the partnership interest. Mr. Wu will ensure that the lock-up restriction will be effectively enforced in respect of the indirect interests held by the aforementioned persons as limited partners.

In addition, pursuant to the applicable PRC laws, all existing Shareholders (including the Pre-IPO Investors) are not permitted to dispose of any of the 35,759,570 Domestic Shares and the 112,264,250 H Shares held by them within 12 months following the Listing Date.

Rule 19A.13C of the Listing Rules requires that the portion of H Shares 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 Listing, 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 Listing (excluding treasury shares), with an expected market value at the time of Listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of Listing of not less than HK\$600,000,000.

On the basis that no H Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, assuming the Offer Size Adjustment Option is not exercised and based on the Offer Price of HK\$60.30, upon completion of the Global Offering and 4,332,200 Shares to be subscribed by the cornerstone investors (particulars of which are set out in “Cornerstone Investors”) which will be subject to disposal restrictions during the period of six months commencing on the Listing Date, it is expected that 10,129,000 H Shares, which will be all the Offer Shares not being subscribed by the cornerstone investors, with a market value of approximately HK\$610.8 million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing, which will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

PRC LEGAL COMPLIANCE

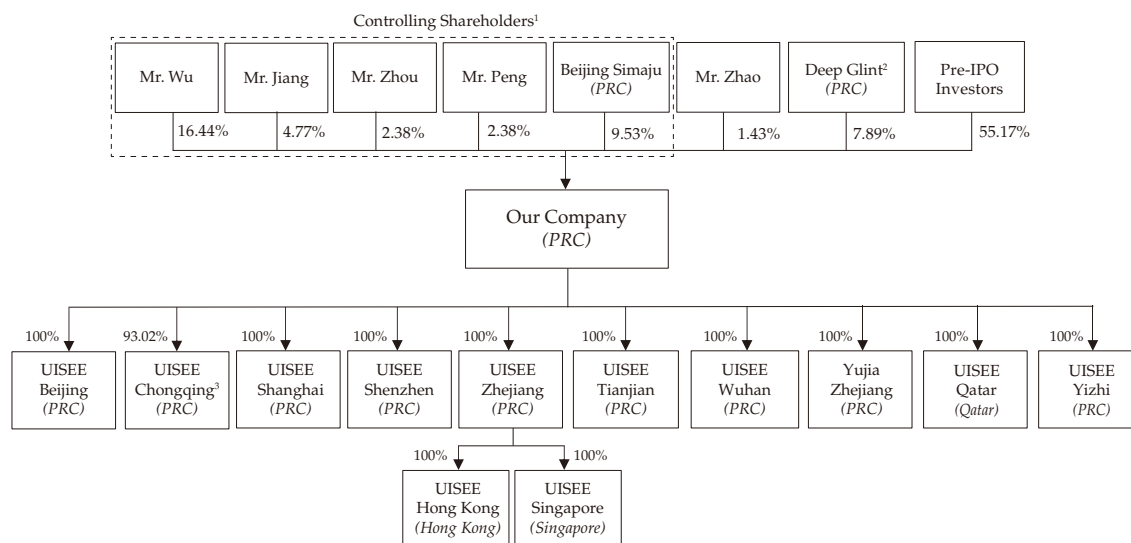
Our PRC Legal Advisors have confirmed that, according to applicable PRC laws and regulations, the equity transfers and changes in the registered capital of our Group set out in this section have been properly and legally completed and our Group has obtained all necessary approvals and made all necessary filings, and has complied with applicable PRC laws and regulations in relation to the changes of shareholdings as set out in this section in all material respects.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately before the Global Offering

The following chart sets forth our corporate structure immediately before the Global Offering:

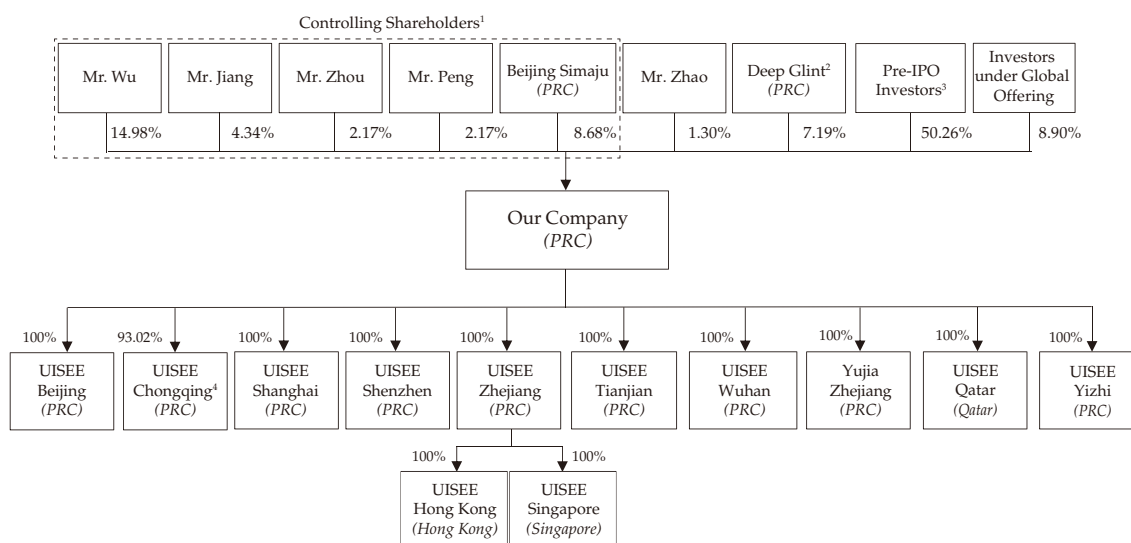


Notes:

1. Mr. Wu, Mr. Jiang, Mr. Zhou and Mr. Peng are parties of the Acting-in-Concert Arrangement. In addition, Mr. Wu is the general partner of Beijing Simaju. Accordingly, Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be a group of Controlling Shareholders under the Listing Rules.
2. Deep Glint is listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688207).
3. The remaining 6.98% equity interest in UISEE Chongqing is owned by UISEE Tianjin Management.

Corporate Structure Immediately after the Completion of the Global Offering

The following chart sets forth our corporate structure immediately after the completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised):



Note:

See notes in “— Corporate Structure — Corporate Structure Immediately before the Global Offering” above.

OVERVIEW

We are a provider of autonomous driving solutions specializing in driverless L4 technology in Greater China. We are currently focused on commercial vehicles in closed scenarios especially at airports and factories, while our solutions are all-scenario, having been applied to both open and closed scenarios featuring logistics, operation and mobility vehicles, and encompassing autonomous driving levels from L2 to L4. In particular, our market share among the L4 autonomous driving solutions market for commercial vehicles in closed scenarios in terms of revenue in 2025 in Greater China is 3.1% according to Frost & Sullivan. In 2023, 2024 and 2025, 99.6%, 98.6% and 99.0% of our revenue was generated from the Chinese Mainland and Hong Kong. Our market position is underpinned by:

- ranking as No.1 L4 autonomous driving solutions provider for commercial vehicles in both airport scenario and factory scenario in Greater China in terms of revenue in 2025 with the respective market share of 90.5% and 31.7%, dedicated to advancing our research and application across a wide range of closed and open scenarios;
- being the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations, meeting the highest international safety standards;
- offering cost-effective expansion across diverse application scenarios through coverage of both passenger and commercial vehicles, leveraging our technology foundation, industry data, know-how and a wide range of standardized autonomous driving vehicles and kits covering a variety of application scenarios we have developed;
- serving a blue-chip customer base, including 35 Fortune China and Global 500 companies, as a testament to the high recognition of our autonomous driving solutions among leading and reputable enterprises across industries.

Over the years, we have been devoted to the R&D, evolution and innovation of L4 autonomous driving solutions, and our endeavors in R&D resulted in significant accomplishments, evidenced by a proven history of in-house development of core technologies that cover our vehicle- and cloud-based AI capabilities and safety framework, multiple iterations of our U-Drive[®] systems and solutions expanded into new scenarios and sectors, intellectual properties creation and industry recognitions.

We successfully completed the Hong Kong International Airport (“HKIA”) autonomous logistics project, and started to deploy autonomous driving vehicles at HKIA eight years ago, paving the way for its transition to driverless operations. This required close collaboration with HKIA and substantial efforts to meet the airport’s exceptionally high safety standards. Since then, we have maintained a stable business relationship with HKIA and have been providing HKIA with additional vehicle types and related services to meet their evolving business needs. Leveraging our proven success at HKIA, we have secured business opportunities to implement autonomous driving solutions at other airports. Our deployment and implementation timeline has been significantly shortened from three years at a major international airport in Northwestern China to one and half years for Singapore Changi Airport. In case of HKIA, our deployment and implementation timeline shortened from approximately two years for 2019 to one year at 2023, and further to just 0.5 years for 2025. At the same time, we have developed our technology, documentation and business processes in strict compliance with international standards since our inception, enabling seamless and immediate global deployment of our autonomous driving solutions.

Our core offerings include autonomous driving solutions that serve corporate customers such as airports, factories, as well as commercial and passenger car manufacturers. These solutions include commercial vehicles equipped with L4 autonomous driving capabilities, autonomous driving kits, software solutions, and leasing services. Our L4 vehicles are designed to operate without standby safety drivers, enabling driverless functionality in applicable scenarios. By enabling the deployment of autonomous driving in diverse environments—from closed scenarios to open operations—we empower our business partners with tailored, industry-specific commercial applications.

BUSINESS

Since our inception, we have been dedicated to providing AI-empowered autonomous driving solutions, with a particular focus on closed scenarios such as airports, factories, ports and mining areas, and open scenarios such as logistics, bus, and other domains. We also strive to expand our autonomous driving solutions across various other industry verticals and scenarios. Our L4 autonomous driving technology is designed to tackle human resource shortages and overcome challenges posed by complex operational conditions and harsh environments. Key application areas include:

- **Airports:** We are the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations, according to Frost & Sullivan. We have successfully implemented autonomous electric tractors (“AETs”), autonomous shuttle buses (“ASB”) and autonomous patrol cars (“APCs”) and related software and hardware to realize driverless baggage and cargo towing, shuttle and patrol services at HKIA. The success of the HKIA project and our long-standing relationship with HKIA demonstrates our ability to deliver autonomous driving solutions that meet the stringent safety and technical standards of international airports. As of the Latest Practicable Date, we had commenced collaboration with 17 airports in China, three overseas airports, and been in exploration of collaboration with four airports in China and globally, establishing a strong presence in the airport transportation sector and showcasing the scalability and adaptability of our solutions and services. The revenue from airports scenario accounted for 71.2%, 58.7% and 38.9%, respectively, of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate in 2023, 2024 and 2025. Our revenue from autonomous driving kit solutions and autonomous driving software solution cannot be broken down by application scenarios as the relevant products are universally applicable on different application scenarios, and the actual end use is beyond our control or knowledge after their delivery to the customers.
- **Factories:** We provide end-to-end autonomous logistics solutions that enable autonomous delivery of raw materials, samples, parts, semi-finished goods, finished goods from indoor to outdoor, and from outdoor to indoor, evolving from controlled factory environments to open-road applications. For indoor operations, our autonomous vehicles can operate without GPS using scenario memory. For outdoor operations, our autonomous vehicles can operate in mixed traffic and all-weather conditions. According to Frost & Sullivan, in 2025, we were the largest L4 autonomous driving solutions provider to provide autonomous driving solutions enabling both indoor and outdoor autonomous operation in factory scenario, which required a great deal of industry experience and data through solving many difficult corner cases. Our solutions and services cover various industries, including automotive, chemical, photovoltaic, and lithium battery manufacturing. The revenue from factories scenario accounted for 22.2%, 25.8% and 21.4%, respectively, of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate in 2023, 2024 and 2025. Our revenue from autonomous driving kit solutions and autonomous driving software solution cannot be broken down by application scenarios as explained above.
- **Other Scenarios:** Beyond airports and factories, where we already offer an all-in-one autonomous driving vehicle solutions, we have been expanding the application scenarios of our autonomous driving solutions to cities, ports, mines, farms and ranches with our autonomous driving kit solutions.

In Chinese Mainland, Hong Kong and other overseas countries such as Singapore, outdoor operations in closed scenarios are generally not subject to regulatory restrictions; while those in open scenarios are subject to approvals or licenses by the regulatory authorities, which shall be obtained by the operating entities, i.e. our customers. Our legal department has been closely monitoring the regulatory requirements in the countries and regions we operate, and we did not encounter any non-compliance incidents in this regard during the Track Record Period and up to the Latest Practicable Date.

Our autonomous driving solutions have been developed to comply with international standards from the outset, with a design focus on zero-latency for global expansion. As one of the earliest autonomous driving companies to embrace the Belt and Road Initiative and pursue globalization according to Frost & Sullivan, we have been in collaboration with HKIA since 2018. Our solutions and services for airport scenarios have since expanded to top international airports, including Singapore Changi Airport and a major international airport in Qatar. Additionally, our driverless urban buses, delivery, and patrol cars have reached countries and regions such as Singapore, Qatar, the United Arab Emirates, and Saudi Arabia. With a large number of benchmark clients in autonomous driving deployment scenarios in China, we are the first startup to promote and achieve commercial-scale deployment of autonomous driving solutions tailored for both airport and factory use cases, according to Frost & Sullivan.

As of the Latest Practicable Date, our total driverless autonomous driving mileage had reached approximately 9.2 million kilometers. Over nine years of continuous innovation, we have developed a range of driverless, high-security, multi-scenario and non-stop operating autonomous driving solutions. As of the Latest Practicable Date, our solutions and services were deployed across 249 customers spanning across six countries and regions, including 35 Fortune China and Global 500 companies. As of the Latest Practicable Date, we have developed and launched 52 types of vehicles that can be used in a wide range of scenarios. Our revenue experienced rapid growth from RMB161.4 million in 2023 to RMB265.5 million in 2024, and further to RMB328.3 million in 2025, representing a CAGR of 23.6%. Our gross profit margin was 48.8%, 43.7% and 51.1% in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, our gross profit margin in 2025 were higher than most PRC-based autonomous driving solutions providers listed on a major exchange in Hong Kong or the U.S. We have seen significant growth in both our customer base and revenue, demonstrating the expanding adoption and success of our technology across diverse industries. Capitalizing on our early-mover position in the airport industry, we have built a strong competitive edge by accumulating large amounts of scenario-specific operational data, such as autonomous vehicle sensor data, traffic behavior data, failure cases, and performance logs. This foundation has enabled us to consolidate our leadership position and create long-term value.

Our Business and Revenue Models

Our autonomous driving solutions are primarily deployed on commercial vehicles and passenger cars. We design and outsource the manufacturing of various vehicles such as tractors, buses, trucks, and passenger cars/pickup trucks to vehicle manufacturers, and deploy vehicle brain hardware that is empowered with our proprietary autonomous driving system, U-Drive[®], at our warehouse, assembly and testing center in Jiaxing, Zhejiang. Our autonomous driving solutions include (i) autonomous driving vehicle solutions; (ii) autonomous driving kit solutions; (iii) autonomous driving software solutions; and (iv) autonomous driving vehicle leasing services.

Autonomous Driving Vehicle Solutions

Our autonomous driving vehicle solutions is an all-in-one solutions which combines our driverless, all-weather commercial vehicles with a customizable combination of standardized components of L4 autonomous driving functions to meet our corporate customers' specific business needs. These commercial vehicles are equipped with various L4 autonomous driving functions. Our commercial vehicles are primarily used to address material and passenger transportation needs arising in scenarios including airports and factories, enabling functions of intelligent dispatching, remote monitoring, battery power monitoring, battery management, strict safety mechanism, automatic recharging, and real-time status display/transmission.

Our commercial vehicles are already in use by major airport operators like HKIA, Singapore Changi Airport, and Guangdong Airport Authority Logistics Co., Ltd. We also serve a dozen China leading car manufacturers and logistics service providers for car manufacturers, as well as a number of valued customers which are multinational or China leading chemical companies and telecom companies, helping them realize driverless logistics in their manufacturing facilities to reduce labor costs while increasing logistics efficiency.

BUSINESS

For each transaction, customers typically make payment upon signing of contracts, payment upon delivery and acceptance of our vehicles, monthly installments, and/or payment by the end of the warranty term. In 2023, 2024 and 2025, we generated revenue of RMB96.3 million, RMB146.6 million and RMB195.2 million, respectively, from our provision of autonomous driving vehicle solutions.

Autonomous Driving Kit Solutions

We offer autonomous driving kit solutions to corporate customers, commercial vehicle manufacturers or passenger car manufacturers. Our autonomous driving kit solutions is an all-in-one solutions which includes either our L4 autonomous driving kits consisting of comprehensive hardware and software systems that add autonomous driving capabilities to our customers' vehicles or L2+ autonomous driving kits that enable vehicles with a series of autonomous navigation, following and parking functions to passenger car manufacturers and commercial vehicle manufacturers, and related autonomous driving services such as deployment service, technological maintenance service and software update service.

Our L4 autonomous driving kits are a complete kit that includes both vehicle brain and sensor set of an autonomous driving vehicle, but without the vehicle body. It consists of essential hardware components and software components that enable our customers' vehicles to operate autonomously. We have also expanded into new applications in areas like electrical substations, underground mines, and pig farms to further expand our market reach. These kits have been primarily supplied to companies seeking technology innovations, such as a China-based global leader in the hog farming industry.

Besides, we offer L2+ autonomous driving kits to passenger car manufacturers. These L2+ autonomous driving kits enable features like adaptive cruise control, lane-keeping assist, blind zone detection, and automated parking, which are currently sufficient for passenger cars. We have historically served customers in the passenger car sector including companies such as a leading NEV manufacturer in Southwest China.

For each transaction, customers typically make payment upon signing of contracts, payment upon delivery and acceptance of our kits, monthly installments, and/or payment by the end of the warranty term. In 2023, 2024 and 2025, we generated revenue of RMB27.4 million, RMB48.7 million and RMB10.5 million, respectively, from our provision of autonomous driving kit solutions.

Autonomous driving software solutions

We provide our corporate customers, commercial vehicle manufacturers and passenger car manufacturers with autonomous driving software solutions, which primarily include software development services on a project-by-project basis, where we tailor-make autonomous driving software, such as L2 and L4 autonomous driving modules, comprehensive AI data infrastructure, cloud brain software, and software tools, that meet our corporate customers' specific requirements. We are able to upgrade the software's functions and performance at customers' requests, charging them separately.

For each transaction, customers make payments upon signing of contracts, delivery and acceptance of the software developed, and/or in rare cases where there is a warranty period, by the end of the warranty term. In 2023, 2024 and 2025, we generated revenue of RMB34.4 million, RMB67.5 million and RMB121.3 million, respectively, from our provision of autonomous driving software solutions.

Autonomous Driving Vehicle Leasing Services

Subject to the needs of our corporate customers and as part of our efforts to gain new customers, we also provide leasing services of our commercial vehicles with various L4 autonomous driving functions to a small number of credit-worthy corporate customers as a try-before-you-buy option and receive monthly rental payments. Our corporate customers can use our autonomous driving vehicles for a certain period of time before purchasing our autonomous driving vehicle solutions. In 2023, 2024 and 2025, we generated revenue of RMB3.3 million, RMB2.7 million and RMB1.3 million, respectively, from lease of commercial vehicles.

Our R&D and Technologies

The entire autonomous driving operating platform consists of a vehicle brain and a cloud brain. The vehicle brain is the AI driver, which consists of software, i.e. our U-Drive[®] system, and hardware, i.e. autonomous driving domain controllers. The cloud brain consists of a series of cloud-based management systems, covering operational, maintenance and R&D functions.

Our U-Drive[®] system is an autonomous driving system with high cross-scenario expansion capability, covering L2+ for passenger cars to L4 for commercial vehicles used in mobility, logistics and operations, realizing driverless, all-weather operation from closed scenarios to open roads, and is the only one in the world that meets the most stringent safety and all-weather business continuity standards at airports and withstands the test of the most complex traffic scenarios in China according to Frost & Sullivan.

Our U-Drive[®] system has evolved into five versions. Based on its highly replicable algorithm libraries, hundreds of scenario parameter templates, dozens of vehicle/sensor configuration templates, and a highly automated, adaptive delivery toolchain, our U-Drive[®] system has supported a total of three major types, six subtypes of vehicles and 52 vehicle models, deployed more than 1,000 sets of L4 autonomous driving vehicles or kits, and has achieved, in total, approximately 9.2 million kilometers of driverless, all-weather operation as of the Latest Practicable Date. According to Frost & Sullivan, with regard to the airport scenario, we had the largest number of corporate customers and the largest number of overseas shipments of our autonomous driving vehicles in the world as of December 31, 2025. We have successfully reduced the cost of developing new models and the cost of deploying new application scenarios substantively. The latest version of our U-Drive[®] system will evolve to the default-bottomline-guardian three-model system, which can combine enhanced learning, end-to-end, visual-language model (“VLM”), and visual-language-action model (“VLAM”). As of the Latest Practicable Date, the visual-language-action model based on vehicle-cloud collaboration had already been applied in real projects.

Our domain controllers cover high-end and highly domestically produced series, and supports different application scenarios ranging from L2+ (10 tera operations per second (“TOPS”)) to L4 (1,000 TOPS) autonomous driving. Our cloud brain can be regarded as the manager of AI drivers including operation (scheduling and managing AI drivers), maintenance (ensuring proper operation of AI drivers), and training (continuously upgrading AI drivers based on the algorithm-data closed loop). We have built a 24/7 cloud-based comprehensive maintenance system to ensure that the service performance level required by the customer can be met under any extreme conditions without business interruption at low operational cost.

We recognize the critical role of R&D in driving our growth. Our autonomous driving system platform serves as a robust technological foundation, enabling us to conduct future R&D with significantly reduced marginal costs. Our R&D expenses in 2023, 2024 and 2025 were RMB184.4 million, RMB196.4 million and RMB233.7 million, respectively. As of December 31, 2025, a majority of our R&D team members hold a master’s or higher degree. As of the Latest Practicable Date, we were granted 661 patents and filed 217 patent applications in the PRC, Europe, the U.S., and South Korea, among others. As of the same date, we had 75 software copyrights registered in the PRC. See “— Intellectual Property” for more details.

Our Awards and Recognitions

Since establishment, we have received multiple prestigious awards, including Forbes China’s Most Innovative Growth Enterprise, Fortune China’s Most Socially Influential Startup, and KPMG China’s Top 50 Leading Automotive Technology Company. We were also recognized by Hurun Report as a Global Unicorn Enterprise and China Star Market as a Good Science and Technology Innovation Company. In addition to these accolades, we were awarded the National Key Specialized and New Small Giant Enterprise title in 2021, and our R&D and industrial application project of key technologies of autonomous driving in regional logistics transportation won the second prize at the Beijing Science and Technology Progress Award in 2022. For more details, see “— Awards and Recognition.”

Industry Opportunities

Global Autonomous Driving Market for Commercial Vehicles and Passenger Cars

The global L4 autonomous driving market for commercial vehicles in closed scenarios is experiencing significant growth. In 2021, the market size was valued at RMB2.0 billion, which expanded to RMB10.3 billion in 2025, with a projected further growth from RMB19.7 billion in 2026 to RMB110.1 billion by 2030, representing a CAGR of 53.8% from 2026 to 2030, according to Frost & Sullivan. Furthermore, autonomous driving passenger cars have become popular worldwide in recent years. The global sales volume of autonomous driving passenger cars reached 58.1 million in 2025, among which advanced driving assistance system (“ADAS”) passenger cars accounted for 98.3%, according to Frost & Sullivan. By 2030, the global sales volume of autonomous driving passenger cars is expected to reach 82.2 million according to the same source.

Greater China Autonomous Driving Market for Commercial Vehicles and Passenger Cars

According to Frost & Sullivan, the market of Greater China’s L4 autonomous driving solutions for commercial vehicles in closed scenarios has seen a remarkable expansion, with the market size growing from RMB0.9 billion in 2021 to RMB5.8 billion in 2025, representing a CAGR of 59.3%. The market size is expected to reach RMB53.5 billion in 2030, representing a CAGR of 52.1% from 2026 to 2030. According to Frost & Sullivan, the sales volume of autonomous driving passenger cars was 26.0 million in 2025, among which ADAS passenger cars accounted for more than 97.6% among Greater China’s market. By 2030, the sales volume of autonomous driving passenger cars is expected to reach 49.5 million in Greater China according to the same source.

Global L4 Autonomous Driving Solutions Market for Commercial Vehicles in the Airport and Factory Scenarios

The market size of global L4 autonomous driving solutions for commercial vehicles in the airport scenario has grown from RMB27.1 million in 2021 to RMB158.0 million in 2025, with a CAGR of 55.4% from 2021 to 2025. In the future, the market size is expected to reach RMB3,506.7 million in 2030, representing a CAGR of 91.7% from 2026 to 2030. According to Frost & Sullivan, as the concept of smart factories and smart manufacturing continues to spread, the market size of global L4 autonomous driving solutions for commercial vehicles in factory scenarios attained RMB255.5 million in 2025 and is expected to achieve RMB4,210.5 million in 2030, with a CAGR of 73.4% from 2026 to 2030.

See “Industry Overview” for more details of market size, growth drivers and future trends of the autonomous driving markets in China and globally.

OUR COMPETITIVE STRENGTHS

Early mover in realizing large-scale autonomous driving operations in airports

According to Frost & Sullivan, we are the only autonomous driving solutions provider in the world to realize large-scale autonomous driving operations in airports. Since our inception, we have been developing autonomous driving systems in accordance with international standards, enabling seamless and immediate global deployment of our autonomous driving solutions. Our autonomous driving solutions are designed according to extremely high safety standards, supporting uninterrupted operation in all weather conditions. We have made significant investment to develop more than 100 versions of software and address over 9,600 corner cases. We had accumulated over 4.6 million kilometers of real-world operation data in airport scenarios as of the Latest Practicable Date, creating the world’s largest autonomous driving database for airports. This database encompasses over 3,200 long-tail scenarios, including management of diverse airport devices and right-of-way, temporary road maintenance.

In 2018, we began working with HKIA to deploy autonomous driving vehicles at commercial scale, marking one of the earliest known applications of such technology in a major international airport. After a comprehensive evaluation and testing of solutions and services, we stood out from the fierce competition with other robust autonomous driving

solutions providers from around the world, winning the milestone project through our shared vision with HKIA. With operational mileage exceeding 3.6 million kilometers as of the Latest Practicable Date, this project has covered multiple business scenarios and models, including automated baggage handling, passenger shuttles, and cargo transportation. The project's success has been a significant competitive advantage for us, demonstrating our ability to provide autonomous driving vehicles across diverse, complex environments. According to Frost & Sullivan, we are the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations. This commercial engagement with HKIA has led to collaborations with additional airports, further solidifying our position as a leader in the autonomous driving field for airport scenarios. As of the Latest Practicable Date, we had commenced collaboration with 17 airports in China, three overseas airports, and been in exploration of collaboration with four airports in China and globally, establishing a strong presence in the airport transportation sector and showcasing the scalability and adaptability of our solutions and services. Compared to other companies offering autonomous driving solutions for airports, our vehicles stand out for their better scalability, faster deployment, and comprehensive integration with existing airport infrastructure. By leveraging our unified U-Drive[®] system, we can quickly adapt to the specific requirements of each airport, offering qualified vehicles that enhance operational efficiency and passenger experience. Moreover, our fully domestically developed technology provides a competitive edge in terms of cost-effectiveness and long-term sustainability, ensuring that our vehicles meet the unique demands of the aviation industry. Starting from airports, we are then expanding our customer base to other types of customers.

The extensive data and experience gained from our real-world operations have fortified our technical expertise and given us a strong competitive edge, making us the leader in autonomous driving for airport and factory autonomous logistics. Additionally, our market recognition and leadership among customers in key transportation hubs like airports serve as a testament to the high quality of our technology, solutions and services. This strengthens our ability to attract new clients in other sectors, earn their trust in our technology, and expand into additional application scenarios, further consolidating our market position. As an industry leader, we are also able to form closer partnerships with upstream suppliers, jointly exploring and developing new business models and solutions and services to meet the evolving needs of downstream customers. Our leadership enables us to contribute positively to the formation of industry standards and policy, ensuring that our solutions and services are well positioned to adapt to future developments.

Furthermore, the switching costs associated with adopting new L4 autonomous driving solutions are particularly high in the commercial vehicle sector. We have made substantial capital investment, accumulated R&D and testing efforts, and incurred relevant costs and expenses, while commercial operators such as airports and factories have made significant investments in their current vehicle fleets and related infrastructure and incurred testing costs as well. Switching to a new autonomous driving solutions involves not only the cost of new equipment but also the costs of testing the new technology, replacing our cloud brain and related system software, migrating data, training personnel, and other related expenses. These high switching costs create market stickiness for us, further raising the barriers for new entrants.

Comprehensive coverage of autonomous driving solutions for passenger and commercial vehicles powered by an all-scenario autonomous driving operating system based on a unified technology foundation

Our self-developed all-scenario autonomous driving operating system, U-Drive[®] system, enables the rapid replication and large-scale customization of autonomous driving solutions and services across various vehicle categories and application scenarios, achieving comprehensive industry and scenario coverage. By leveraging our U-Drive[®] system, the most critical part of the vehicle brain, we are able to efficiently develop and deploy autonomous vehicle solutions and services that cater to a wide array of use cases. The underlying platform technology and infrastructure facilitate faster and higher-quality applications across diverse industries, significantly shortening development cycles and improving scalability. Since the development of our U-Drive[®] system, we have expanded our solutions and services, utilizing the unified technology to cover various types of passenger and commercial vehicles, including buses, distribution vehicles, patrol cars, retail vans, sanitation trucks, and even specialized vehicles for industries like electrical substation operations and agriculture. The flexibility of

the U-Drive[®] system allows us to deliver customized solutions that meet the specific needs of these industries, ensuring that the same underlying technology can be efficiently applied to vastly different use cases.

Our autonomous driving solutions cover both passenger cars and commercial vehicles including buses, logistics vehicles, and operations vehicles and are deployed across closed scenarios such as airports and factory parks, as well as open scenarios such as city buses, logistics and distribution, patrol, and sanitation. Powered by a unified and scalable autonomous driving operating system, our solutions support L2 to L4 levels of autonomous driving and enable all-scenario generalization across a wide range of industries, including automotive, heavy industry, chemical, photovoltaic and lithium battery, food and beverage, pharmaceutical, tobacco, electricity, and animal husbandry. We strive to create an open collaborative ecosystem and have established partnership with six major commercial vehicle manufacturers to develop L4 autonomous driving kits for buses and trucks of various sizes and features as of the Latest Practicable Date. Through collaboration with different commercial vehicle manufacturers, we can quickly develop autonomous driving kits for new application scenarios and industries.

Strong R&D and engineering capabilities in both autonomous driving-related algorithms and systems

We have self-developed our autonomous driving operating system and core technologies, which form the backbone of our autonomous driving solutions. We are committed to protecting our autonomous driving operating system and core technologies for which we have been granted 661 patents and have filed 217 patent applications in the PRC, Europe, the U.S., Hong Kong, and South Korea, among others, as of the Latest Practicable Date. We were awarded the prize of “Winning Entity” in the first Artificial Intelligence Industry Innovation Challenge by the MIIT as our U-Drive[®] system excelled in the “Autonomous Driving Operating System” category, and our R&D and industrial application of key technologies of autonomous driving in regional logistics transportation won the second prize of Beijing Science and Technology Progress Award. We have also been entrusted with significant projects, such as the MIIT’s AI and real economy integration innovation project, the “Strategic Science & Technology Innovation Cooperation” Hong Kong, Macau, and Taiwan key specialized program, as well as a number of major science and technology R&D projects in Beijing and Shanghai.

As a Beijing Enterprise Technology Center, we have participated in several international competitions, winning multiple championships, and have published 14 papers in leading journals. Notably, we ranked the first in the KITTI 3D object detection benchmark and the semanticKITTI benchmark — panoptic segmentation; and secured first place in the NeurIPS 2021 panoramic segmentation — nuScenes challenge held by the Neural Information Processing Systems Foundation, and the ICRA 2024 RoboDrive Challenge Track 3 — Robust Occupancy Prediction held by the IEEE Robotics and Automation Society. We have also obtained various international qualification certificates such as ISO 9001, ISO 26262, ISO 27001, international automotive task force 16949 (“IATF 16949”) certifications.

Autonomous driving capabilities that achieve scalable commercialization with driverless operation, 24/7 all-weather capability, and optimized operational costs

Leveraging our robust autonomous driving capabilities, we have made the following achievements:

- Approximately 9.2 million kilometers of verified driverless autonomous driving mileage as of the Latest Practicable Date.
- The all-weather, 24/7 capability of our autonomous operating system ensures safe operation in extreme conditions such as torrential rain, blizzards, dense fog, and dust storms. Our system can also maintain functionality during network instability or outages and can instantly failover or recover from cloud outages, ensuring that key customers’ service performance requirements for uninterrupted operations are met.
- In the scenarios of our key customers, we noted that each AI driver may replace 3.5 human drivers with a 99.8% system availability, measured by the number of

times an order is correctly received divided by the total number of orders, or the number of vehicles that can participate correctly in a given unit of time divided by the total number of vehicles.

- We have developed a seamless and cost-optimized maintenance system where each back-end support specialist can manage more than 100 vehicles.

A suite of well-known customers and collaborators as well as reputable investors

We have well-established, long-term, mutually beneficial relationships with our customers. We have been serving and collaborating with high-profile customers, including 35 Fortune China and Global 500 companies, in particular, HKIA, and a number of market leaders in car manufacturing and chemical industries since our inception. Our strong, diversified shareholder network has also provided significant momentum for our development, positioning us for growth in the autonomous driving sector. Strategic investors, such as Dongfeng Asset Management and Bosch Shanghai, have supported us in securing key resources and shaping our strategic direction. State-owned capital investors, including CDBC Fund Management, and other strategic investors such as CICC, have strengthened our capital and credit. Local government-guided funds like SCGC and Shanghai Guosheng have provided critical support for our business expansion. Additionally, financial investors such as HongTai TongChuang, Advantech Capital and Sinovation Ventures have boosted our visibility and market recognition, accelerating our growth. Our well-known customers as well as reputable investors not only provide ample resources, capital or otherwise, to our operations and growth, but also strengthen our brand name, reliability, and ability to obtain future opportunities through their global, strong network and word-of-mouth referrals.

Our visionary senior management team and talented key employees with scientific expertise

Led by our Co-founder, Chairman, executive Director and chief executive officer Mr. Wu Gansha, who has extensive experience in the autonomous driving industry, our core management team brings vision and extensive experience from academia and industry to us. Our management team encompasses all essential functions, including R&D design, production and manufacturing, marketing, and service support. Committed and passionate about our mission and vision, our team's values and ethos are strongly aligned with the corporate culture.

In particular, executive Director and chief executive officer Mr. Wu is the former general manager and the chief engineer at Intel (China) Research Centre Co., Ltd. (英特爾(中國)研究中心有限公司) (“Intel”). He led Intel's long-term strategic planning in big data technology. Mr. Wu is currently a member of several government and industry committees and organizations, a special advisor to the Beijing Municipal People's Government, and a member of the Beijing Autonomous Driving Vehicle Road Testing Expert Committee (北京市自動駕駛測試專家委員會). He also serves as a director of the China Electric Vehicle Hundred People's Association (中國電動汽車百人會), a director of the China Electronics Society (中國電子學會), an executive member of the China Digital Economy Hundred People's Association (中國數字經濟百人會), and a distinguished member of the China Computer Federation (中國計算機學會).

Additionally, Mr. Wu holds significant roles such as deputy director of the Intelligent Vehicle Working Committee of the Chinese Automation Society (中國自動化學會智能車工作委員會), a director of the China Artificial Intelligence Society (中國人工智能學會), member of the Internet of Vehicles Committee of the China Communications Society (中國通信學會車聯網專委會), and vice chairman of the China Chapter of the Association for Computing Machinery Special Interest Group on Artificial Intelligence (ACM SIGAI) (國際計算機學會人工智能特別興趣組). He has earned a number of industry honors, including AI Golden Goose Award (AI金雁獎) and AI Leader Award (AI領軍人物獎) in 2024. As an inventor, Mr. Wu has applied for eight patents in China and 51 patents worldwide and has published 29 research papers. His research primarily focuses on autonomous driving and data processing. In 2016, he founded our Company with a vision to position it as a leader in autonomous driving, specifically in the field of autonomous logistics within airports and factories. Mr. Wu graduated from Fudan University (復旦大學) in the PRC with a bachelor's degree and a master's degree in computer science and engineering in July 1997 and July 2000, respectively.

For additional information on our management team and key employees, see “Directors and Senior Management.”

In addition, our key employees hail from well-known academic and research institutes, autonomous driving companies, and financial institutions. As of December 31, 2025, approximately 146 employees within our global team hold a master’s degree or above in various fields, including computer science, software engineering, electrical engineering and automation, automotive engineering, and mechanical design and theory, and approximately 14 employees had been recognized as “Beijing young science and technology leading talent” under the Young Science and Technology Leading Talent Cultivation Funding Program (青年科技領軍人才培養資助專項), while two core engineers had been recognized as members of Forbes 30 under 30.

OUR STRATEGIES

Continue to increase R&D investment to drive technological innovation and breakthroughs

We have already deployed autonomous driving solutions across multiple sectors, including passenger cars, ASBs, autonomous logistics, and city solutions. Moving forward, we will continue to strengthen our investments in innovation, optimizing autonomous driving algorithms to enhance the accuracy and reliability of perception, localization, prediction, decision-making, planning and control. Our goal is to drive efficient adaptation of autonomous driving technology to various scenarios, reducing the marginal cost of innovation and breakthroughs for new vehicle models and scenarios while lowering the cost per vehicles or kits.

We plan to further increase our investment in technology, enhancing the replicability of our autonomous driving operating system, especially U-Drive[®]. We have completed the optimization of U-Drive[®] 5.0, which is universal autonomous driving model, and have deployed it in a batch of vehicles models. The total development expenditure for U-Drive[®] 5.0 amounted to RMB117.4 million. We are currently developing our U-Drive[®] 6.0 and U-Drive[®] 7.0. We expect U-Drive[®] 6.0 and U-Drive[®] 7.0 to solve problems in the most complex scenarios in the long run. Specifically:

- ***From 2025 to 2026: Universal Autonomous Driving 6.0.*** By expanding the model scale of VLM, improving world cognition, and constructing a world model for autonomous driving, U-Drive[®] 6.0 will address issues of broad-spectrum versatility and corner case non-convergence. It can run on domain controllers with 500 TOPS of computing power, or through vehicle-cloud collaboration for the application in relatively low-speed scenarios. As of the Latest Practicable Date, we have completed prototype development the vehicle-cloud collaborative VLM, which can accurately understand rare long-tail scenarios and provide decision-making assistance in autonomous driving, and are currently developing vehicle-deployable VLM. We expect the total development expenditure for U-Drive[®] 6.0 to be approximately RMB75.0 million, and RMB24.3 million had been incurred as of December 31, 2025.
- ***From 2025 to 2028: Universal Autonomous Driving 7.0.*** The ultimate model of three-model integration will be realized in U-Drive[®] 7.0, with the rule-based model ensuring safety, the end-to-end model providing anthropomorphism, and the VLM solving long-tail corner cases. This integration will address issues of predictability, explainability, and controllability, while also solving problems that complex scenario rules cannot manage. U-Drive[®] 7.0 is expected to be deployed in the most complex scenarios, such as robotaxi. The system will build a cloud brain for autonomous driving capable of supporting millions to tens of millions of vehicles, improving large-scale data incremental training capabilities, simulation capabilities based on world models, and real-time vehicle behavior analysis, diagnostics, and predictive maintenance. This will enable large-scale regression testing and reduce the cost and error probability of large-scale software and hardware upgrades. As of the Latest Practicable Date, we have completed the relevant research and feasibility analysis for end-to-end planning algorithm. As of the same date, we also completed the R&D for automated

generation of multi-vehicle test cases for intersections. This technology has been applied to test case development in actual projects, achieving over a thousand-fold increase in development efficiency and significantly reducing delivery cycles and labor costs. We expect the total development expenditure for U-Drive[®] 7.0 to be approximately RMB191.8 million, and RMB9.8 million had been incurred as of December 31, 2025.

Furthermore, leveraging the multi-scenario application advantages of our U-Drive[®] system, we plan to gradually promote the breakthrough and rapid growth of high-end intelligent driving in the passenger car segment while expanding the application scenarios for commercial vehicles.

Our advancements of technologies and solutions will be achieved through several key initiatives:

- ***Scenario and toolchain optimization:*** By expanding our scenario libraries, improving toolchains, and enhancing the generalization, self-learning, and adaptive capabilities of U-Drive[®], we will ensure rapid adaptation to new vehicle models and application scenarios, such as expanding from light trucks for factory to light trucks for urban distribution and heavy trucks for ports and mines, to support a diversified model portfolio and fragmented scenarios.
- ***Universal autonomous driving model to VLM transition:*** We will scale our autonomous driving model, increasing its scope and improving world cognition to address broad-spectrum versatility and resolve corner case non-convergence challenges.
- ***Hybrid approach (rule-based & data-driven):*** Transitioning from rule-based systems to a hybrid system that is driven by both data-driven methods (neural networks, end-to-end learning) and rule-based methods, we can solve both the issues of explainability and the inability to describe complex scenarios using rules, thereby enabling more complex scenarios.
- ***Technology migration from passenger cars to commercial vehicles:*** Leveraging proven technologies as adapted to passenger cars, such as birds' eye view (BEV) perception, Transformer-based neural networks, and occupancy networks, we will help commercial vehicles reduce costs, improve fault tolerance, and increase performance limits without incurring additional R&D expenses.
- ***Simulation and testing enhancements:*** We will continue to improve our simulation and testing capabilities, building a world model for autonomous driving that supports large-scale regression testing by integrating generative AI capability. This will reduce the cost and error probability of large-scale software upgrades and ensure system reliability.

We believe that we will benefit from our continuous investments in R&D to facilitate our sustainable business expansion and achieve profitability.

We expect to accelerate the sale of standardized autonomous vehicles in high-demand verticals such as airports and factories to drive revenue growth, as future version of U-Drive[®] systems are expected to be adaptable to more complex scenarios to satisfy customer needs in key sectors such as airports and factories and capable of supporting millions and tens of millions of vehicles to satisfy the rapidly growing business scale of our Group. Although various application scenario may involve different types of autonomous vehicles, we would try to standardize the technical solutions under the same type of autonomous vehicles as well as applying standardized technical solutions among different types of vehicles, so as to reduce the R&D cost when we expand our customer base. We also expect our business growth to be driven by our expansion of product mix to include new industrial vehicle types and develop new solutions and services that cater to the dynamic needs of the market leveraging our R&D capabilities. Furthermore, our U-Drive[®] 6.0 and 7.0 are designed for open roads with the capability of expanding our product offerings and addressable markets. See “— Path to Profitability.”

BUSINESS

For such purposes, we expect to allocate 26.5% of our net proceeds from the Global Offering to further developing U-Drive[®] system and expanding cloud computing resources, and 9.7% to building overseas R&D centers to develop localized/new products specifically addressing unique local issues or conditions. See “Future Plans and Use of Proceeds.”

Consolidate our leading market position in key sectors, and execute our “overseas expansion” strategy

Airports and factories are the cornerstone focus areas of our business development. We plan to further deepen our expansion in these sectors, driving business innovation, and increasing market penetration and maintain our high gross margins. We also plan to further diversify our solutions and service offerings with high sales volume commercial vehicles, including autonomous counterbalance forklifts and light trucks, while maintaining technological differentiation. We expect to conduct BD activities and recruit sales professionals to facilitate business expansion in these key sectors, while continuing to benefit from our proven track record of delivering high quality solutions to esteemed customers such as HKIA to achieve an efficient customer acquisition in its key sectors.

In the airport sector, we aim to cover the top 20 airports in China — ranked by annual passenger throughput or cargo volume — within the next few years, and to expand our footprint to several of the world’s leading airports, including key locations in Asia, Europe and Australia. In the manufacturing sector, we are focused on building a diversified sales channel that includes agents, and industrial vehicle dealers. We aim to significantly increase the annual sales volume of self-driving tractors within the next three years. Currently, our product line primarily focuses on tractors, but we are actively expanding into a broader range of industrial vehicles, including light trucks and driverless forklifts. We anticipate that within five years, through continuous technological advancements and market expansion, our annual sales volume across various models will reach 5,000 units, thereby significantly boosting our market share and influence in the manufacturing sector. Our goal is to build a significant installed base of our autonomous driving kits to facilitate the future transition to the AI driver subscription model.

We will continue execute our “overseas expansion” strategy and let our AI drivers serve thousands of industries around the world. To facilitate the expansion of our business into Europe, we obtained the Automotive Safety Integrity Level (“ASIL”)-D functional safety certification by TÜV Rheinland based on ISO 26262:2018 standard in December 2022. ASIL is a risk classification system defined by the ISO 26262 standard for the functional safety of road vehicles; while ASIL-D grade is the highest rigor applied to safety assurance as the risks associated with their failure are the highest. ISO 26262 is an international standard for the functional safety of electrical and electronic systems in all road vehicles, except for mopeds. We are also in the process of obtaining CE marking certification. Specifically, on a global scale, we have penetrated into and created benchmark cases in the Hong Kong, Qatar and Singapore markets by launching a variety of autonomous driving solutions. Looking ahead, we plan to set our footprints in Asia and Europe, particularly in the airport and manufacturing sectors, which will be the focal points of our overseas market expansion. At the same time, we are committed to ensuring that our solutions and services meet the diverse needs of customers across different regions, thereby establishing a strong competitive position for our brand on the international stage. For such purposes, we expect to allocate 9.7% of our net proceeds from the Global Offering to building overseas R&D centers to develop localized/new products specifically addressing unique local issues or conditions, 10.5% to building data centers to satisfy the massive data processing and storage demand derived from overseas business, and 24.5% to recruiting sales and marketing personnel to fulfill overseas business development initiatives. See “Future Plans and Use of Proceeds.”

BUSINESS

The following table sets forth the details of countries/regions we expect to enter, expected timeline and the latest progress in parallel with the “overseas expansion” strategy:

Expected countries/regions to enter	Timeline	Latest progress
South East Asia (Singapore and Malaysia) and Australia	In the next three years, the primary focus of our expansion plan in this region will be airports.	We entered into an agreement with Changi Airport Group (Singapore) Pte. Ltd. regarding the provision of autonomous driving vehicle leasing services in July 2025, under which we will provide leasing services at Singapore Changi Airport regarding 20 vehicles until the end of 2027. We expect to enter into agreements with local partners in Singapore and Malaysia in 2026. We are engaging in commercial communication with potential cooperating agents or partners in Australia.
East Asia (South Korea and Japan)	In the next three years, the primary focus of our expansion plan in this region will be airports, factories and cities.	We have acquainted with the potential customers in Japan through overseas business development and local partners. We are communicating with leading airports and manufacturers in Japan for potential cooperations. We are engaging in commercial communication with potential cooperating agents or partners in South Korea.
Middle East (Qatar, United Arab Emirates, Saudi Arabia and Turkey)	In the next three years, the primary focus of our expansion plan in this region will be airport, cities and ports. Our expansion to the Middle East will be implemented in a prudent manner in view of the recent regional conflicts and war.	We are negotiating with local partners in Qatar regarding the proposed commercialization arrangement. In the United Arab Emirates and Saudi Arabia, negotiations are underway for projects involving mid- to large buses used in cities and airports as well as applications in last-mile delivery scenario. Small PoC had been completed as of the Latest Practicable Date. We are negotiating with local agents to facilitate its negotiations with potential customers in the United Arab Emirates. In Turkey, we are negotiating with a local partner, and negotiations for airport projects are also in progress.
Europe (Germany, Italy, Spain, Switzerland and Hungary)	In the next three years, the primary focus of our expansion plan in this region will be ports and cities.	We are engaging in commercial communication with potential cooperating agents or partners in Italy and Hungary. We have initiated negotiations with leading airports in Germany, Spain and Switzerland.
North America (The United States)	In the next three years, the primary focus of our expansion plan in this region will be airports and factories. We expect to confirm the PoC plan and commence taking orders in the next three years.	We have commenced to explore channels and scenarios (i.e. closed scenarios) which are permissible in the United States.

Expand our business into new sectors, promote the maturation of AI driver subscription model and maintain ecosystem positioning

We plan to further expand our business into new sectors by leveraging our all-scenario U-Drive[®] system to maintain our revenue growth momentum. Our business has already moved beyond airports and factories into cities, ports, mines, and agriculture, with applications such as passenger cars, patrol vehicles, delivery robots, and autonomous forklifts. We intend to deepen our presence in these verticals while also exploring adjacent sectors like electric utility operations, and environmental sanitation. By standardizing and replicating our core platform across fragmented sectors, we aim to achieve rapid product deployment, maintain relatively low marginal R&D costs, and, over the long term, drive recurring revenue through AI driver subscription services. For such purposes, we expect to allocate 26.5% of our

BUSINESS

net proceeds from the Global Offering to developing U-Drive[®] system and expanding cloud computing resources, and we may also consider acquisitions or minority equity investments in target companies to enhance R&D competitiveness and efficiency for which we expect to allocate 9.8% of our net proceeds from the Global Offering. See “Future Plans and Use of Proceeds.”

According to statistics from the Beijing Municipal Transportation Bureau, passenger cars account for less than 20% of the total mileage, while more than 80% of the mileage is driven by commercial vehicles. As a result, we consider the massive application of AI driver services a long-term strategic component of our business. We also believe the expanded application of our solutions on passenger cars will benefit our business growth driven by the AI driver subscription model.

As we partner with an increasing number of vehicle manufacturers, adapt to an increasing number of vehicle models, and apply to an increasing number of industries, customers and scenarios, the installed base of our autonomous driving kit will grow rapidly, enabling us to establish a unique position in the industry and facilitating the transition to an AI driver subscription model. In addition, the scissor difference between the decreasing costs of AI drivers and the increasing costs of human drivers is expected to create a natural profit growth. According to Frost & Sullivan, the global total addressable market for commercial vehicle AI driver has reached RMB6.4 trillion in 2025. Leveraging our leading industry position, we believe that we will be able to benefit from such significant market opportunity.

The following table sets forth the details of the major industry verticals that we plan to further penetrate:

Expected industry verticals to enter	Timeline	Latest Progress
Closed scenarios – port	In the next three years, we will gradually expand our internal container truck offerings to additional models for customers such as leading heavy equipment/ automobile manufacturers in the PRC, and roll out upgraded intelligent guided models.	We provided internal container truck for ports in closed scenarios in the fourth quarter in 2024. We have completed testing or initiated operations for customers in Shandong, Hainan and Guangxi as of the Latest Practicable Date. We have also initiated the testing of new automobile model, i.e. intelligent guided vehicle.
Open scenarios environmental sanitation	In next three years, we aim to develop partnership with more large-scale environmental sanitation equipment manufacturers in China, providing them with kits and services.	During the Track Record Period, we had invested in the R&D with respect to small-scale environmental sanitation equipment, achieving small-scale development. We were in negotiations with potential customers in Beijing and Guangdong as of the Latest Practicable Date.

Currently, we are able to provide autonomous driving services including operation service, technological maintenance service and software update service after our vehicles and/or kits have been deployed to our customers’ location, for which we charge our customers service fees. During the Track Record Period, we had several customers for autonomous driving vehicle solutions who purchased our operation and maintenance services only, which we consider as the prototype of our AI driver subscription model. Looking forward, we will continue to drive the maturation of the AI driver subscription model by promoting our install-based AI driver in our solutions and services, empowering business partners to manufacture vehicles, develop innovative applications, and manage operations. Along with the increase of penetration rate of our autonomous driving vehicles and kits, we anticipate that our AI driver subscription services will further expand. In doing so, we will further solidify our position within the ecosystem as a provider of standardized AI driver subscription services, which cooperates with traditional vehicle manufacturers and operators without building or operating vehicles ourselves.

We are also expected to benefit from our AI driver subscription model to achieve a gross profit margin expansion in the long run. “AI driver”, being services backed by U-Drive[®] systems, which by its nature delivers a high gross profit margin as U-Drive[®] is an all-scenario system, highly automated, standardized and self-adaptive, capable of delivering results in a highly scalable manner, is currently integrated into our autonomous driving vehicle solutions and autonomous driving kit solutions in the form of operation and maintenance services, from which we charge service fees. Considering the expected high customer stickiness due to the high competitiveness of our solutions and high switching cost associated with adopting new L4 autonomous driving solutions, we expect our customers for our autonomous driving vehicle solutions and autonomous driving kit solutions to be very likely to renew contracts with us upon the expiration of their initial agreements (the terms of which may range from months to years). Renewed contracts will only include the AI driver subscription, delivering a much higher gross profit margin. As we are still at a relatively early stage of the commercialization of its solutions where its revenue growth is primarily driven by the acquisition of new customers and sales of new vehicle or kit solutions to existing customers, we expect to continue to incur costs relating to the vehicle body, hardware and labour costs relating to the deployment and maintenance, and do not expect such cost structure to experience any material change in the next three years. However, in the future, as a larger proportion of customers enter into renewed contracts solely subscribing for the AI driver after our customer base reaches a certain scale, our overall gross profit margin is expected to increase. See “— Path to Profitability.”

Strengthen team building to ensure sustainable development

We are committed to building and maintaining a talent pool, with a focus on recruiting and retaining top R&D experts who have deep expertise and practical experience in highly generalized AI algorithms such as visual-linguistic-action modeling, end-to-end imitation and reinforcement learning, and other key technologies. This strategy is designed to strengthen and advance our technological leadership.

At the same time, to support the continued growth of our overseas business, we plan to establish subsidiaries abroad to handle international operations and meet the needs of overseas markets. To drive our global expansion, mitigate risks, and foster cultural integration, we will continue to attract international sales and marketing professionals, as well as experts in cross-border human resource management with strong international business management capabilities.

We expect to recruit the following talents and allocate net proceeds from the Global Offering as follows:

- approximately 3.2% of the net proceeds to recruit 10 to 15 technical experts for the algorithm development team in the next four years;
- approximately 4.0% of the net proceeds to recruit 10 to 15 experts in the field of product localization for overseas R&D centers in the next four years;
- approximately 15.8% of the net proceeds to recruit over 80 employees in fields including business expansion, pre- and post-sales service provision, project management, sales, among others for overseas business development centers in the next four years; and
- approximately 5.7% of the net proceeds to recruit 20 employees in fields including pre- and post-sales service provision, sales management, operational support, sales, among others for BD in China in the next four years.

BUSINESS

Regarding human resource development, we are committed to increasing our investments to attract and retain industry-leading talent through a broader range of recruitment channels and competitive salary and benefits packages. Additionally, we will leverage both internal and external training programs to enhance our employees' professional skills and offer them diverse career growth opportunities.

Seek strategic investments/acquisitions to enhance our competitive edge

To support our long-term vision of becoming the world's AI driver of choice, we are actively seeking strategic investments and acquisitions to enhance our technology competitiveness and commercial viability. We seek to engage in equity investment as a minority shareholder in select companies of a relatively large scale and high valuation. We will consider such alliance from technology perspectives, with companies which are developers of core chips or sensors, as well as from commercial strategy and relationship perspectives, with companies which may enhance our commercial competitive edge such as increasing customer stickiness. Furthermore, to solidify our market position and to expand our technological prowess, we intend to acquire target entities which are relatively smaller in scale but can satisfy our R&D needs. For instance, we will consider a company with 10 to 20 employees possessing a unique single module-related technology which are in line with our potential R&D direction, as the acquisition will enhance our R&D efficiency. For such purposes, we expect to allocate 9.8% of the net proceeds from the Global Offering. We did not have a specific potential target or timeline as of the Latest Practicable Date.

We expect to fund the above growth strategies by a combination of net proceeds from the Global Offering and our own available working capital. Taking into account the net proceeds from the Global Offering, being approximately HK\$795.4 million, assuming an Offer Price of HK\$60.30 per Offer Share, and the Group's cash and cash equivalents, financial assets at fair value through profit or loss ("FVTPL") and unutilized banking facilities of RMB298.0 million in aggregate as of December 31, 2025, we expect to have sufficient funds to realize the above growth strategies.

OUR BUSINESS AND REVENUE MODELS

We are a provider of autonomous driving solutions specializing in driverless L4 technology in Greater China, dedicated to advancing our research and application across a wide range of scenarios. Our business primarily comprises (i) autonomous driving vehicle solutions to corporate customers; (ii) autonomous driving kit solutions to corporate customers, commercial vehicle manufacturers or passenger car manufacturers; (iii) autonomous driving software solutions to corporate customers, commercial vehicle manufacturers or passenger car manufacturers; and (iv) autonomous driving vehicle leasing services consisting primarily of the lease of commercial vehicles with various L4 autonomous driving functions to corporate customers. All of our solutions and services are designated Specialist Technology Products as defined under Chapter 18C of the Listing Rules and all revenues generated during the Track Record Period are from sales of these Specialist Technology Products.

The chart below illustrates our business and revenue models in general:

Specialist Technology, Product	Nature of products sold	Type of customers	Applications	Level of autonomous driving technologies applied	Revenue model/Charging basis	Accumulated number and duration of contracts during the Track Record Period	Payment schedules	Ownership of IP rights
Autonomous driving solutions	All-in-one solution, which includes the vehicle body, hardware, and operation and maintenance services	Corporate customers	Commercial vehicles in airports, factories, industrial parks and cities	L4	Transaction-based/ subscription-based ⁽¹⁾	Number: 276; Duration: Project-by-project and/or recurring, typically ranging from one month to seven years	(i) Payment upon signing of contract, (ii) payment upon delivery and acceptance, (iii) in certain cases, monthly or yearly installments for the operation and maintenance services, and/or (iv) payment upon the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology. Our customers typically have sole ownership of their background IP
Autonomous driving kit solutions	Hardware, and operation and maintenance services	Corporate customers, commercial vehicle manufacturers and passenger car manufacturers	Commercial vehicles in factories, city buses and passenger cars	Primarily L4, with certain L2/L2+ solutions	Transaction-based ⁽¹⁾	Number: 68; Duration: Project-by-project and/or recurring, typically ranging from three months to three years	(i) Payment upon signing of contract, (ii) payment upon delivery and acceptance, (iii) in certain cases, monthly or yearly installments for the operation and maintenance services, and/or (iv) payment upon the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology. Our customers typically have sole ownership of their background IP
Autonomous driving software solutions	Customized software development services	Corporate customers, commercial vehicle manufacturers and passenger car manufacturers	Software intended to be universally applicable to a variety of scenarios, not limited to a certain application scenario	Primarily L4, with certain L2/L2+ solutions	Transaction-based	Number: 52; Duration: Project-by-project, typically ranging from nine months to one year	Payments upon (i) signing of contract, (ii) delivery and acceptance, and/or (iii) in rare cases where there is a warranty period, the end of the warranty term	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, Our customers typically have sole ownership of the IP developed under the services
Autonomous driving vehicle leasing services	Lease of vehicles which are ready to be delivered under autonomous driving vehicle solutions, as a try-before-you-buy option for potential autonomous driving vehicle solution customers	Corporate customers	Commercial vehicles in airports, factories and cities	L4	Transaction-based	Number: 25; Duration: Recurring, typically ranging from three months to one year	Monthly rental payments	<ul style="list-style-type: none"> We typically have sole ownership of our background IP, Our customers typically have sole ownership of IP relating to their data, materials and information provided to us during the performance of the relevant agreement with us

Note:

(1) We offer operation and maintenance services in exchange for service fees under our autonomous driving vehicle solutions and autonomous driving kit solutions. Our customers may purchase customized services as part of the solutions in combination with vehicles or kits, while they may also purchase operation and maintenance services only after the warranty period or service period agreed in the initial purchase agreement expires. We already entered into agreements with several autonomous driving vehicle solution customers regarding provision of operation and maintenance services only in the Track Record Period. Our revenue generated from operation and maintenance services amounted to RMB1.1 million, RMB3.3 million and RMB7.4 million in 2023, 2024 and 2025, respectively, all of which was attributable to our autonomous driving vehicle solutions. See Note 5 to the Accountants' Report in Appendix I to this prospectus for details. In the future, we expect such services will gradually evolve into our "AI driver subscription services", which are expected to be standardized service packages designed for different types of customers, as opposed to customized services negotiated case-by-case. We believe such subscription-based services, which by its nature delivers a high gross profit margin, will eventually improve our overall gross profit margin when a larger proportion of our customers enter into renewed contracts solely subscribing for the AI driver services after the our customer base reaches a certain scale.

BUSINESS

Revenue

Revenue by business lines

The following chart sets forth the details of our revenue breakdown by business lines:

	Year ended December 31,					
	2023		2024		2025	
	Revenue <i>RMB'000</i>	%	Revenue <i>RMB'000</i>	%	Revenue <i>RMB'000</i>	%
Autonomous driving vehicle solutions	96,301	59.7	146,623	55.2	195,171	59.5
Autonomous driving kit solutions	27,383	17.0	48,738	18.4	10,497	3.2
Autonomous driving software solutions	34,428	21.3	67,462	25.4	121,318	37.0
Autonomous driving vehicle leasing services	3,251	2.0	2,673	1.0	1,271	0.3
Total	161,363	100.0	265,496	100.0	328,257	100.0

For a detailed analysis of the material fluctuations of our revenue during the Track Record Period, see “Financial Information — Description of Selected Items from Consolidated Statements of Profit or Loss — Revenue — Revenue by Business Lines.”

Revenue by level of autonomous driving technologies

L4 autonomous driving technology has been our business focus, and substantially all of our total revenue during the Track Record Period was generated from solutions utilizing L4 technologies. We also provided certain L2 and L2+ autonomous driving kit and software solutions to passenger car manufacturers for strategic reasons, and the testing data obtained are valuable for us to enhance our algorithms.

- All of our autonomous driving vehicle solutions and autonomous driving vehicle leasing services (in aggregate contributing to 61.7%, 56.2% and 60.8% of our total revenue, respectively, in 2023, 2024 and 2025) provided in the Track Record Period were attributable to L4 technology;
- 99.8%, 99.9% and 15.1% (in terms of revenue contribution) of our autonomous driving kit solutions were attributable to L4 technology in 2023, 2024 and 2025, respectively, with the remaining being L2/L2+. The revenue contribution of autonomous driving kit solutions to our total revenue was 17.0%, 18.4% and 3.2%, respectively, in 2023, 2024 and 2025; and
- As our software developed under autonomous driving software solutions have the flexibility in application being incorporated with both L4 and L2/L2+ technologies later on depending the customers’ own need, and we may not have full knowledge over how our customers ultimately applies such software solutions, we are unable to provide an accurate revenue breakdown for this business line by level of driving technologies. Furthermore, the price of a certain software solution is determined by a number of factors, including but not limited to the complexity of the software, e.g. the number and complexity of functions required and eventually the manpower to be invested in the development of the solutions; whether the technology involved is L4 or L2/L2+ is not a decisive factor due to the highly customized nature of the solutions, and we cannot differentiate based on the selling price of the solutions the level of driving technologies being applied. Nevertheless, we estimate, on a best-knowledge basis and based on the principal business of the relevant customers, that a vast

BUSINESS

majority of the revenue of the our autonomous driving software solutions revenue was attributable to L4, with the remaining estimated to be L2/L2+ or indistinguishable. The revenue contribution of autonomous driving software solutions to our total revenue was 21.3%, 25.4% and 37.0% in 2023, 2024 and 2025, respectively.

Revenue by types of autonomous vehicles, types of scenarios and application scenarios

In terms of application scenarios, we have been focused on commercial vehicles in closed scenarios especially at airports and factories. Such focus has been demonstrated by the revenue contribution from solutions applied in such scenarios during the Track Record Period. For open scenarios, we primarily provide buses and sanitation vehicles in cities and last-mile delivery in industrial parks under our autonomous driving vehicle solutions.

During the Track Record Period, all of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services was generated from solutions provided to commercial vehicles. The table below sets forth a breakdown of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate by types of scenarios:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Closed scenarios	98,161	98.6	149,295	100.0	175,047	89.1
Open scenarios	1,391	1.4	–	0.0	21,394	10.9
Total	99,552	100.0	149,295	100.0	196,441	100.0

Our revenue generated from open scenarios increased in 2025 primarily due to the increase in delivery of buses for cities scenario.

The table below sets forth a breakdown of our revenue from autonomous driving vehicle solutions and autonomous driving vehicle leasing services in aggregate by the following application scenarios:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Airports	70,850	71.2	87,584	58.7	76,430	38.9
Factories	22,090	22.2	38,503	25.8	41,950	21.4
Cities and others ⁽¹⁾	6,612	6.6	7,898	5.2	63,275	32.2
Ports	–	0.0	15,310	10.3	14,787	7.5
Total	99,552	100.0	149,295	100.0	196,441	100.0

Note:

- (1) Cities and others primarily including scenarios where we provide solutions of trucks for city and industrial park logistics, electric flatbed for last-mile delivery in industrial parks, underground mines, sanitation vehicles in cities, vehicle for public and personal mobility in cities.

Key Operational Data

Total number of customers and new customers

We had a total of 88, 100 and 110 customers in 2023, 2024 and 2025, respectively. We had 64, 72 and 73 new customers in 2023, 2024 and 2025. Our growing customer base demonstrates the market's confidence in and acceptance of our solutions and services.

BUSINESS

Key customer retention rate and net dollar retention rate of key customers

In each of 2023, 2024 and 2025, our average retention rate of key customers⁽¹⁾ was 75.0%, 75.0% and 66.7%, respectively, serving as the proof of the quality of our solutions and services. The net dollar retention rate of such key customers⁽²⁾ was 122.9%, 124.9% and 68.3%, respectively, in each of 2023, 2024 and 2025. The key customer retention rate and dollar retention rate of key customers declined in 2025, primarily because a customer that purchased autonomous driving kit solution in 2024 did not place new orders in 2025 as it was developing new vehicle chassis which would require additional time for re-adaptation with our products, while two other customers that purchased autonomous driving software solutions maintain stable operations and had no new customized service requirements in 2025. The continued acceptance of our products by those key customers may also lead to a positive public perception of our offerings in the market.

Key operational and financial indicators by business lines

Autonomous driving vehicle solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions ⁽¹⁾	56	94	126
Number of vehicles	117	204	216
Number of customers	45	66	83
Revenue (<i>RMB'000</i>)	96,301	146,623	195,171

Note:

(1) Some transactions were relating to operation and maintenance services only in a certain year.

Autonomous driving kit solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions	26	28	12
Number of kits	86	168	7,829
Number of customers	19	27	10
Revenue (<i>RMB'000</i>)	27,383	48,738	10,497

Our kit solutions customers in 2023 and 2024 are commercial vehicle manufacturers, while in the second half of 2025, we secured and delivered a significantly larger number of kits to a new customer which is a passenger car manufacturer with significantly larger demand in view of its target customers. We have offered a relatively low price to such customer as it is a new customer and has placed bulk orders for 30,000 kits, which has led to the decrease in revenue from kit solutions.

(1) Calculated by dividing the number of key customers contributing to our revenue in both the current year and the previous year by the number of key customers contributing to our revenue in the previous year. Key customers are those have a cumulative contribution to our revenue of more than RMB10 million in the Track Record Period.

(2) Calculated by dividing the revenue generated from retained key customers of a certain year by the revenue generated from those customers in the previous year.

BUSINESS

Autonomous driving software solutions

	Year ended December 31,		
	2023	2024	2025
Number of transactions	18	13	23
Number of customers	15	12	16
Revenue (<i>RMB'000</i>)	34,428	67,462	121,318

Autonomous driving vehicle leasing services

	Year ended December 31,		
	2023	2024	2025
Number of transactions	11	8	6
Number of vehicles	35	13	15
Number of customers	9	7	3
Number of customers subsequently purchased autonomous driving vehicle solutions in the same year	4	3	2
Revenue (<i>RMB'000</i>)	3,251	2,673	1,271

Some of our customers purchased more than one type of solutions or services during the Track Record Period. They are counted as one customer in each of the corresponding business lines in the tables above.

Order backlog

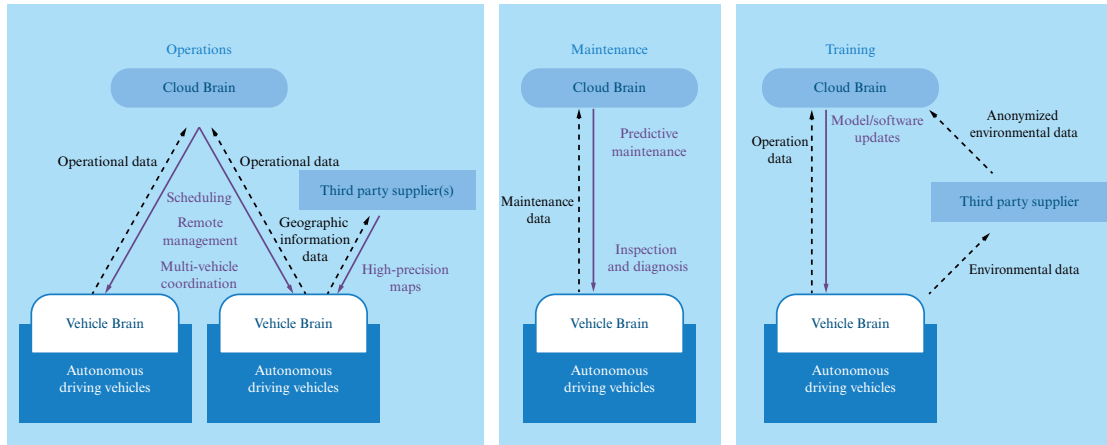
In 2025, we had entered into orders with transaction value amounting to approximately RMB519 million from which we had recognized approximately RMB270 million of revenue as of December 31, 2025, with the remaining orders to be delivered in 2026; and we further secured additional orders with transaction value amounting to approximately RMB95.2 million subsequent to December 31, 2025 and up to the Latest Practicable Date primarily relating to the sales of our autonomous driving vehicle solutions and autonomous driving software solutions, which are expected to be delivered in 2026 and 2027.

According to Frost & Sullivan, all the calculation basis of the key operating metrics are in line with industry norm, and that the average retention rates of key customers during the Track Record Period were considered high when compared to its industry peers.

OUR AUTONOMOUS DRIVING OPERATING PLATFORM

Our self-developed autonomous driving operating platform comprises two major components, namely the vehicle brain and the cloud brain. The vehicle brain primarily consists of software, i.e. our U-Drive[®] system, and hardware, i.e. autonomous driving domain controllers. The cloud brain is a centralized cloud service that consists of a lot of micro-services for three different purposes, namely operation (managing a fleet of autonomous vehicles), maintenance (applying data analytics to provide predictive

maintenance services for autonomous vehicles) and training (training new AI algorithms/models continuously based on the vehicles/scenario data). The following diagram depicts the interactions and synergies of the vehicle brain and the cloud brain:



The first function is operations. Cloud brain is the manager of multiple vehicles in a fleet. It sends scheduling orders to vehicle brains, and allows remote administrators to remotely manage it. Multiple self-driving vehicles can collaborate through cloud brain to solve the road priority in an orderly manner. The vehicle brains send geographic information data to the qualified third party surveying and mapping service providers we engage, and receive high-precision maps from such service providers.

The second function is maintenance. The vehicle brain sends maintenance data to the cloud brain periodically. At the same time, the cloud brain also regularly inspects and diagnoses the vehicle brain and the autonomous vehicle to form a data closed loop. The data analysis engine in the cloud brain can calculate the health status of the vehicle brain and the autonomous vehicle after analyzing the maintenance data. The cloud brain can initiate predictive operation and maintenance when core components are about to break down, and can also regularly dispatch maintenance orders to ensure that vehicles are maintained on time and stay healthy.

The third function is training. Based on the operational data uploaded by the vehicle brain, especially the sensor and autonomous driving data, the cloud brain can retrain the AI and autonomous driving algorithm models. A vast majority of training data are those we collect from vehicle operations as agreed with the customers and in compliance with our internal control procedures and applicable laws and regulations; while to a lesser extent, a third party service supplier also provides processed environmental data after the geographic location and privacy information are removed to enhance the capability of our algorithms to identify the environmental features. After sufficient testing, they are downloaded over the air to the vehicle brain and autonomous driving vehicles to complete the update of the model and software.

Vehicle Brain

The vehicle brain primarily consists of our U-Drive[®] system and autonomous driving domain controllers.

U-Drive[®] System

Our U-Drive[®] system is a unified autonomous driving platform that supports multiple scenarios, including closed scenarios and open roads, and also multiple vehicle types. It is designed to be highly generalizable, with optimal reusability of its algorithms and data, and can be optimized for different scenarios to meet specific needs. We have adopted a multi-redundant architecture system design, incorporating redundancy and fault-tolerance mechanisms at the algorithm, software, hardware, and control levels to enhance safety and operational efficiency.

Historically, we have completed the iterative upgrade of four major versions of U-Drive[®]. Our latest version, U-Drive[®] 5.0, introduces a higher level of generalization, self-learning, and adaptation, reducing reliance on high-precision maps and improving fault tolerance in dynamic scenarios. The system features a scenario library of over 100 scenarios and 52 vehicle models, with domain controllers and sensors to be iterated every one to two years. By combining a highly automated tool chain and a closed data loop throughout the product life cycle, the development cycle for new models and scenarios can be shortened to less than one month, better supporting the diversification of vehicle models and the fragmentation of scenarios.

See “Research and Development — Our Core Technologies — Our AI Capabilities” for details on the features and underlying technologies of our U-Drive[®] system.

Autonomous Driving Domain Controllers

Autonomous driving domain controllers are the main hardware component of our vehicle brain, enabling autonomous driving vehicles to process data from different sensors including cameras, radars, and LiDAR. Our in-house development of domain controllers began as early as 2017, making us one of the first in China’s autonomous driving industry to develop in-house domain controllers, according to Frost & Sullivan. Historically, we have completed the R&D of three product lines of autonomous driving domain controllers, the UC3200/5200 series is our high-end series for open L4 autonomous mobility scenarios; the UC2200/4200/6200 series is for L4 autonomous logistics scenarios, and we have shifted from international to domestic chips starting with the UC4200 to achieve 100% domestic sourcing, which is integrated with high-end L2+ intelligent driving; while UC1000 series is oriented to low-end L2+ intelligent driving, such as our UC1200 controller which is designed to be a low-cost, fully domestic integrated circuit solution that can be used with advanced driver-assistance system to support all the basic L2 autonomous driving functions, such as adaptive cruise control, lane-keeping assist, blind zone detection, and automated parking. In addition, we have realized the pin compatibility of different types of domain controllers for the first and second product lines. In December 2022, we were awarded the ASIL-D functional safety certification by TÜV Rheinland, based on ISO 26262:2018 standard.

Cloud Brain: Cloud-based Management Systems

Our proprietary cloud brain, consisting of multiple cloud-based management systems, is the core infrastructure for realizing the commercialization and landing of autonomous driving. Since 2019 when our cloud brain R&D project was supported by the Shanghai Artificial Intelligence Innovation and Development Special Fund, our cloud brain has completed several major technology upgrades and now has the mature capability to support large-scale commercialization. After years of continuous iterative upgrading, we have built a complete autonomous driving technology system that integrates functions including remote operations, intelligent dispatching, fleet collaboration, and overall control management. For more details, see “— Research and Development — Our Core Technologies — Our Cloud Computing Technologies.”

OUR SOLUTIONS AND SERVICES

Capitalizing on our self-developed multiple-scenario autonomous driving operating platform, we primarily generate revenue from the provision of the following autonomous driving solutions. We provide either standalone solutions or services or a combination of our solutions or services, depending on our customers' needs. As our customers usually have evolving and differentiated needs, we also cross-sell across our different solutions and services. By successfully implementing our cross-selling strategies among our different solutions and services, we believe we will be able to maximize the efficiency of our marketing efforts and improve sales and profitability. Leveraging our quality solutions and services, we are also well positioned to up-sell to our existing customers.

- ***Autonomous driving vehicle solutions.*** Our autonomous driving vehicle solutions are all-in-one solutions that combines our standardized, driverless, all-weather commercial vehicles with a customizable combination of L4 autonomous driving functions to meet our corporate customers' specific business needs such as delivery and shuttle commuting needs for multiple application scenarios, and related autonomous driving services such as deployment service, technological maintenance of vehicles and software update service;
- ***Autonomous driving kit solutions.*** Our autonomous driving kit solutions are all-in-one solutions which includes either our L4 autonomous driving kits consisting of comprehensive hardware and software systems that add autonomous driving capabilities to our customers' vehicles or L2+ autonomous driving kits that enable vehicles with a series of autonomous navigation, following and parking functions to passenger car manufacturers and commercial vehicle manufacturers, and related autonomous driving services such as deployment service, technological maintenance of kits and software update service;
- ***Autonomous driving software solutions.*** We provide our customers with autonomous driving software solutions, which primarily include software development services on a project-by-project basis, where we tailor-make autonomous driving software, such as L2 and L4 autonomous driving modules, comprehensive AI data infrastructure, cloud brain software, and software tools, that meet our customers' specific requirements, and after-sales technological support such as bug fixing services. We are also able to upgrade the software's functions and performance at customers' requests, charging them separately; and
- ***Autonomous driving vehicle leasing services.*** As part of our efforts to gain new customers, we also lease them our commercial vehicles with various L4 autonomous driving functions as a try-before-you-buy option.

Our autonomous driving and AI technologies underpinning our autonomous driving solutions fall under the acceptable sector of “advanced hardware and software,” respectively, that are included in the list of Specialist Technology Industries set out in Chapter 2.5 of the Listing Guide. The table below sets out the analysis of how our solutions, services and technologies fall within their respective acceptable sectors:

Specialist Technology Product	Specialist Technology	Acceptable Sectors	Applications	Origins and Ownership of Relevant Key IPs
Autonomous driving solutions	Autonomous driving vehicle solutions	<ul style="list-style-type: none"> Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles: vehicles and trucks equipped with self-driving solutions 	<p>Powered by our autonomous driving operating platform¹, our commercial vehicles typically feature autonomous driving functions such as intelligent dispatching, remote monitoring, battery power monitoring, battery management, strict safety mechanism, automatic recharging, and real-time status display/transmission.</p>	<ul style="list-style-type: none"> Self-developed since March 2016 Proprietary
Autonomous driving kit solutions	Autonomous vehicles	<ul style="list-style-type: none"> Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles: vehicles and trucks equipped with self-driving solutions 	<p>Powered by our autonomous driving operating platform¹, our L4 autonomous driving kits are a complete kit that includes both vehicle brain and sensor set of an autonomous driving vehicle, but without the vehicle body; while our L2+ autonomous driving kits can support all kinds of L2 autonomous driving requirements, including adaptive cruise control, lane-keeping assist, blind zone detection, and automated parking.</p>	<ul style="list-style-type: none"> Self-developed since July 2016 Proprietary
Autonomous driving software solutions	Autonomous vehicles	<ul style="list-style-type: none"> Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles: vehicles and trucks equipped with self-driving solutions 	<p>We can help our customers to develop autonomous driving-related software, systems and technologies integrated with both L4 and L2/L2+ technologies, such as driver assistance technology, comprehensive AI data infrastructure, autonomous driving operating system, cloud brain software, and software tools, for different application scenarios based on their specific requirements and needs, and embed such software, systems and technologies into their proprietary system. See “— Our Solutions and Services — Autonomous Driving Software Solutions.”</p>	<ul style="list-style-type: none"> Self-developed since October 2016 Proprietary
Autonomous driving vehicle leasing services	Autonomous vehicles	<ul style="list-style-type: none"> Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles: vehicles and trucks equipped with self-driving solutions 	<p>Powered by our autonomous driving operating platform¹, our commercial vehicles typically feature autonomous driving functions such as intelligent dispatching, remote monitoring, battery power monitoring, battery management, strict safety mechanism, automatic recharging, and real-time status display/transmission.</p>	<ul style="list-style-type: none"> Self-developed since March 2016 Proprietary

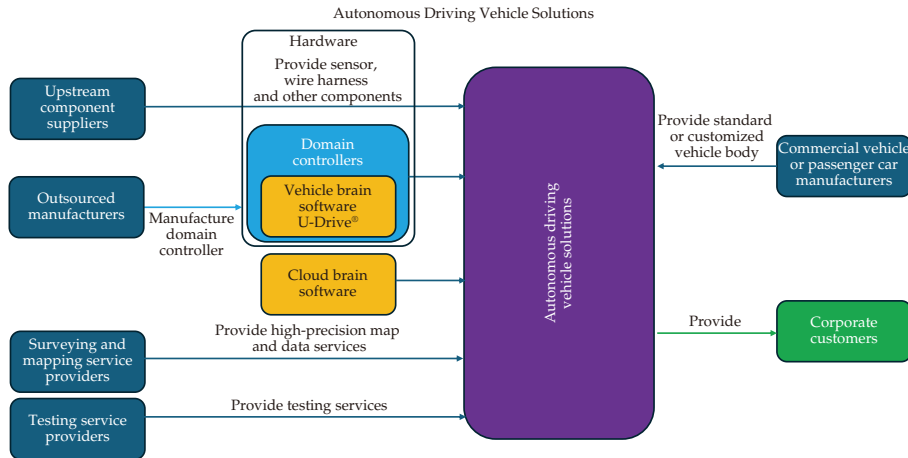
(1) Our self-developed autonomous driving operating platform comprises two major components, namely the vehicle brain and the cloud brain. The vehicle brain primarily consists of our U-Drive[®] system and autonomous driving domain controllers. The cloud brain consists of a series of cloud-based management systems, covering operational, maintenance and R&D functions. Our U-Drive[®] system and cloud brain applied AI technologies including modular AI algorithms, from perception phase (such as BEV, Transformer, occupancy networks), to prediction phase (such as Bayesian networks, multilayer perceptron/VectorNet and Transformer), and decision making phase (such as partially observable markov decision process (POMDP), game theory, reinforcement learning and multi-agent reinforcement learning), and finally planning and control phase (such as model-based or optimized planning and control algorithms, and algorithms that guarantee precise control). In the upcoming versions, U-Drive[®] 6.0 will add new AI algorithms such as VLM and World Model, and U-Drive[®] 7.0 will add state-of-the-art algorithms including imitation learning-based end-to-end algorithm, VLAM. See “— Our Solutions and Services — Autonomous Driving VehicleSolutions” and “— Our Autonomous Driving Operating Platform.”

Autonomous Driving Solutions

Autonomous Driving Vehicle Solutions

Our autonomous driving vehicle solutions are all-in-one solutions designed for both closed scenarios and open roads. We offer our customers with our standardized, driverless, all-weather commercial vehicles with a customizable combination of L4 autonomous driving functions to meet our corporate customers’ specific business needs such as delivery and shuttle commuting needs for multiple application scenarios, and related autonomous driving services such as technological maintenance of vehicles and software update service.

The diagram below illustrates the business model of our autonomous driving vehicle solutions:



Our various L4 autonomous driving functions have been proven to have primarily enabled three major types, six subtypes of vehicles and 52 vehicle models of commercial vehicles as of the Latest Practicable Date. The first major type, namely logistics vehicles, include autonomous tractors, autonomous electric trucks, and autonomous electric flatbeds. The second major type of vehicles is operations vehicles, which includes vehicles for special purpose operation. The third major type of vehicles is mobility vehicles, which includes vehicles for personal mobility and vehicles for public mobility. We purchase from vehicle manufacturers various vehicle bodies which are either standard products or modified based on the technical specifications required to implement various autonomous driving functions provided by us, allowing us to quickly expand into new scenarios. We then assemble the vehicle bodies with our proprietary kit and install the autonomous driving system and related software at our warehouse, assembly and testing center in Jiaxing, Zhejiang. We are also committed to continuous improvement and iteration of our autonomous driving vehicles. See “— Research and Development — Key R&D Projects” for our ongoing autonomous driving vehicle R&D projects.

Our commercial vehicles are typically equipped with a front LiDAR camera sensor module, a rear LiDAR camera sensor module, and an integrated top set including a single global navigation satellite system real-time kinematic positioning, horn, lamp, and cameras. Our commercial vehicles typically have the following features: (i) Fully driverless without intervention of standby safety drivers; (ii) Non-stop operation; (iii) Adaptation to complex road conditions, including both closed scenarios and open roads; (iv) 360-degree sensing with no blind spots; (v) Well designed for functional safety, including redundancy and fault monitoring and handling; (vi) Multiple safety protection for both vehicle and its operating environment; (vii) All-weather operations, including adverse weather conditions such as rain, snow, fog and dust storm; (viii) Automatic recharging function; (ix) Intelligent dispatching; (x) Remote monitoring and operation; (xi) Battery power monitoring and management; (xii) Real-time status display/transmission; and (xiii) Self-developed cloud-based maintenance platform that supports 24/7 operation and maximize operational efficiency in mixed-traffic environment.

BUSINESS

We have established a hierarchical maintenance system and developed an intelligent tool chain. Through our maintenance system, we are able to implement an efficient maintenance management mode that combines on-site and remote operation for autonomous driving vehicles. The system takes “preventive monitoring + hierarchical response” as the core logic, supports technology-driven rapid iteration, and meets the reliability requirements of complex scenarios while ensuring large-scale operation.

Set forth below are the three layers of our maintenance system:

- ***On-site maintenance.*** The on-site maintenance team, typically our business partners or end customer personnel, performs daily inspection, data collection and troubleshooting of autonomous driving equipment using our proprietary mobile operation terminals.
- ***Regional support.*** Using our 24/7 remote monitoring and expert system, our regional support centers can perform complex troubleshooting and dispatch engineers to provide on-site support as needed.
- ***Center maintenance.*** Our 24/7 monitoring and big data analysis platform can provide early warning of potential problems with autonomous driving vehicles and respond to customer troubleshooting in a timely manner, synchronizing and driving the continuous development of autonomous driving algorithms to reduce long-term operation and maintenance costs.

As of the Latest Practicable Date, our system had supported the maintenance management of more than 1,000 autonomous driving vehicles, with a cumulative operation mileage of approximately 9.2 million kilometers.

For each transaction, customers typically make payment upon signing of contracts, payment upon delivery and acceptance of our vehicles, monthly installments, and/or payment by the end of the warranty term.

Operations

Vehicles for special purpose operation

					
Medium-to-large sanitation vehicles	Small sanitation vehicles	Small patrol vehicle	Retail vehicles	Large patrol vehicles	Follow-me vehicles
Cities	Cities	Cities, power stations, and oil and gas pipelines	Cities	Airports, cities and borders	Airports
U-Drive [®] for trucks	U-Drive [®] for UiBox	U-Drive [®] for UiBox	U-Drive [®] for UiBox	U-Drive [®] for passenger cars	U-Drive [®] for passenger cars
					

Underlying Autonomous Driving Platform

Mobility

Vehicles for personal mobility

Vehicles for public mobility

Robotaxi	8-seat buses	13-seat buses	19-seat buses	22-seat buses
Cities	Cities	Cities	Cities	Cities
U-Drive [®] for passenger cars	U-Drive [®] for buses	U-Drive [®] for buses	U-Drive [®] for buses	U-Drive [®] for buses

Vehicle Types

Product Specifications

Scenarios

Vehicle Types

Product Specifications

Scenarios

Underlying Autonomous Driving Platform

Case Study: HKIA Autonomous Driving Project

Client Background

Hong Kong International Airport (“HKIA”) is a globally renowned aviation hub. In 2025, its passenger volume reached 61 million, while its cargo throughput remained among the highest globally. HKIA connects more than 200 destinations worldwide and has been repeatedly recognized as one of the world’s best airports. Its operational scale, technological infrastructure, and service quality represent the highest standards in the aviation industry, establishing it as a key node for passenger and cargo transport in the Asia-Pacific region.

Project Challenges

Deploying our autonomous driving products at HKIA required overcoming a multitude of aviation-specific challenges. First and foremost, the project had to meet the aviation industry’s stringent safety standards, significantly surpassing those of standard logistics scenarios. Secondly, the integration had to account for the highly complex nature of airport operations. Our autonomous vehicles needed to seamlessly integrate into workflows that involve baggage sorting, flight dispatch, and ground operations, while remaining compatible with existing airport systems and equipment. Environmental reliability also posed a serious challenge, as Hong Kong frequently experiences typhoons and heavy rain. The vehicles had to maintain high operational stability in scenarios such as long tunnels, low visibility, and intense precipitation. Lastly, the project needed to comply with civil aviation regulations.

Solutions and Industry Barriers Overcome

From the initial tests in 2018 to scaled operations beginning in 2023, we deployed over 70 autonomous vehicles of three major types at HKIA. This six-year collaboration enabled us to establish an unparalleled advantage in this vertical field. To ensure uninterrupted operation in adverse weather and weak network conditions on airport aprons, we met HKIA’s standards for safety and continuous operations. After receiving approval from the HKCAD in December 2019 to operate without human drivers, we overcame significant challenges, such as safe towing with long trailers under complex airport conditions. Our solution achieved precise positioning and ensured no boundary breaches even in restricted airport zones. Our vehicles operated continuously throughout typhoons and storms, maintaining uninterrupted logistics services 24/7, 365 days a year.

To facilitate standardized replication and improve deployment efficiency, we developed a standard autonomous driving platform tailored to aviation industry requirements. We also implemented a cost-efficient, comprehensive operations and maintenance system that meets the strict SLA standards in the airport sector. It includes real-time alerts, minute-level remote support, and a cloud-based data analysis system that calculates a health index for each vehicle daily and triggers predictive maintenance accordingly. Over 70 software iterations have been executed with HKIA, forming a standardized and best-practice over-the-air system upgrade process. Our proprietary toolchain and simulation-based testing system were developed to boost software update efficiency by over 10 times.

The project also established a deep ecosystem advantage. We provided HKIA with extensive technical support and training services, enabling airport personnel to skilfully operate and maintain the autonomous electric towing vehicles and driving systems.

Value Creation

The project delivered significant and multi-faceted value for HKIA. In terms of safety enhancement, our autonomous fleet achieved 3.6 million kilometers of safe operation as of the Latest Practicable Date. Our autonomous vehicles reached nearly the same speed and punctuality as human-driven counterparts, but with continuous operation and instant responsiveness. From a sustainability perspective, the switch to electric autonomous vehicles, along with the reduction in human driver carbon footprints, cut carbon emissions significantly. This project set the benchmark for autonomous driving implementation in the aviation industry and is now positioned for rapid replication across the world’s top 50 airports. It has reduced the deployment cycle for new airport projects to under six months, securing our long-term competitive advantage in the airport domain.

Case Study: Tongwei Autonomous Logistics Project

Client Background

Tongwei Solar Energy (Sichuan) Co., Ltd. (“**Tongwei**”) is the global leader in the photovoltaic (“**PV**”) industry, holding dual market-leading positions in high-purity polysilicon and solar cell production. With an annual capacity of 900,000 tons of polysilicon and over 140GW in solar cell output, Tongwei has maintained the world’s highest solar cell shipment volume for eight consecutive years. As a benchmark enterprise in China’s national dual-carbon strategy, Tongwei is both a key standard-setter and a powerhouse in global new energy manufacturing. Its production bases span core industrial zones such as the Yangtze River Delta and the Chengdu-Chongqing economic region, and its operational systems represent the highest level of sophistication in global PV manufacturing.

Project Challenges

Tongwei’s digital transformation confronted three core challenges widely recognized in the PV industry as a “trilemma.” First, extreme precision and industrial-grade safety were required. Materials such as glass substrates and solder ribbons are exceptionally sensitive, requiring a transportation system with docking accuracy within 10 centimeters and obstacle avoidance success rates above 99.9%. Second, the system had to operate with high throughput under extreme production demands. Each production base handles the transfer of over 1,800 pallets per day across more than 300 transport trips. These movements must function continuously under adverse conditions such as rain and nighttime darkness, leaving nearly zero tolerance for system faults. Lastly, Tongwei needed to break through legacy barriers of incompatible systems. The challenge was to interface with diverse third-party vision systems, forklifts, and other heterogeneous equipment, building a unified communication protocol across brands and suppliers to resolve the long-standing issue of data silos in industrial automation.

Solutions and Industry Barriers Overcome

To address these multi-faceted challenges, we implemented a “technology-data-ecosystem” triad strategy. Our end-to-end autonomous logistics system integrated unmanned forklifts, unmanned towing vehicles, and intelligent dispatching into a fully automated logistics chain. This covered the complete journey of materials from the raw materials warehouse to production lines, enabling true end-to-end logistics automation. By securing a key role in Tongwei’s Industry 4.0 upgrade, we established a strategic foothold in the emerging ecosystem of intelligent PV manufacturing. One of our defining strengths was our fast deployment and iteration. From contract signing in June 2023 to final project delivery in December 2023, we completed more than 70 algorithm iterations, reducing the average industry deployment timeline by 40%. Throughout the process, we maintained a tightly closed-loop technical cycle, ensuring that each version incrementally improved precision, efficiency, and system resilience.

Value Creation

The project delivered value that extended beyond financial metrics, providing a new solution for manufacturing in the PV sector. On the commercial front, we reduced the need for 40 outdoor logistics drivers, directly cutting annual labor costs by RMB5 million. The system also enhanced process synchronization and coordination, raising production line integration efficiency by 30%, and achieved a return on investment of under two years.

In terms of safety, we achieved a record of over 10,000 hours of incident-free operation as of the Latest Practicable Date. Even under extreme weather conditions like rain and nighttime low visibility, the failure rate of the logistics system was kept below 0.1%, ensuring uninterrupted 24/7 production.

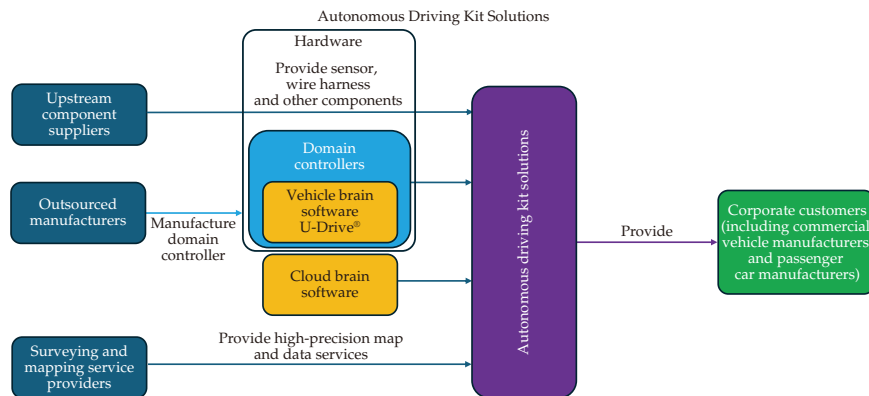
BUSINESS

At the industry level, this project became the first fully end-to-end automated logistics benchmark in the PV sector. It has already been replicated at Tongwei's Nantong and Meishan bases. Moreover, the learnings and technical models developed through this project have been adopted by other top PV manufacturers, including Jinko Solar and JA Solar. By spearheading this transformation, we helped elevate China's PV industry in the global technology landscape, contributing to its leadership in both efficiency and automation standards.

Autonomous Driving Kit Solutions

In addition to our all-in-one solutions, i.e. our autonomous driving vehicle solutions, we also offer autonomous driving kit solutions that can be used in a wider range of scenarios beyond existing scenarios. This approach allows us to swiftly expand the application scenarios for our autonomous driving solutions and sell to not only corporate customers, but also commercial vehicle manufacturers and passenger car manufacturers. Our autonomous driving kit solutions are all-in-one solutions which includes either our L4 autonomous driving kits consisting of comprehensive hardware and software systems that add autonomous driving capabilities to our customers' vehicles or L2+ autonomous driving kits that enable vehicles with a series of autonomous navigation, following and parking functions to passenger car manufacturers and commercial vehicle manufacturers, and related autonomous driving services such as deployment service, technological maintenance of kits and software update service. Our autonomous driving kits are a complete kit that includes both vehicle brain and sensor set of an autonomous driving vehicle, but without the vehicle body.

The diagram below illustrates the business model of our autonomous driving kit solutions:



For each transaction, customers typically make payment upon signing of contracts, payment upon delivery and acceptance of our kits, monthly installments, and/or payment by the end of the warranty term.

L4 Autonomous Driving Kits

In July 2020, we began offering our L4 autonomous driving kits to our corporate customers, commercial vehicle manufacturers and passenger car manufacturers. Our L4 autonomous driving kits consist of essential hardware components, primarily including sensors, and software components such as our autonomous driving system and related algorithms, that enable our customers' vehicles to operate autonomously.

Specifically, we have partnered with six major commercial vehicle manufacturers to develop L4 autonomous driving kits for buses and trucks of various sizes and features as of the Latest Practicable Date. As of the same date, we had applied our L4 autonomous driving kits to vehicles designed for various application scenarios, including: logistics, such as last-mile delivery in industrial parks, factories, pig farms and underground mines; mobility, such as public and personal mobility in airports and parks; and operations, such as patrol, sanitation, and retail in airports and cities. We are also exploring new applications to further expand our market reach. During the Track Record Period, our L4 autonomous driving kits were offered to corporate customers, such as HKIA, and commercial vehicle manufacturers

and passenger car manufacturers such as Skywell New Energy Vehicles Group Co., Ltd. and logistics service providers for car manufacturers.

L2+ Autonomous Driving Kits

Our L2+ autonomous driving kits adopt service-oriented architecture (“SOA”)-based integrated software architecture. Our modular approach in developing L2+ autonomous driving kits enables easy adaptation to all kinds of computing platforms, flexibly meeting all kinds of L2 autonomous driving requirements, including adaptive cruise control, lane-keeping assist, blind zone detection, and automated parking.

According to Frost & Sullivan, we are one of the first movers in the industry to develop a controller with high-speed navigation on autopilot using a single chip, namely our UC1200A controller, as opposed to the two chips typically required. Moreover, we are one of the few companies that can adopt hybrid rule-based and data driven design methodology on a low-end autonomous driving domain controller, our UC1200A, according to the same source. Our UC1200 controller is expected to provide all-in-one intermediate driving and parking functions, including highway auto pilot, commute memory pilot, vision and ultrasonic fusion autonomous parking, data desensitization and backhaul, over-the-air, shadow mode, and other auxiliary functions. In addition, it is expected to be backward compatible with a full range of basic L2 autonomous driving functions. We are also the first company in the industry to realize full-time access to vision sensors using time division multiplexing on a single chip, further providing passenger car manufacturers with drive recorder functionality and cost reduction. Leveraging our ability in adopting hybrid rule-based and data driven design methodology on our UC1200A controller, we are able to offer L2+ autonomous driving kits with features comparable to industry-leading companies but at a lower cost as compared to the industry average, giving us greater pricing flexibility. During the Track Record Period, our L2+ autonomous driving kits were offered to a number of leading China commercial vehicle manufacturers and passenger car manufacturers.

Case Study: Autonomous Pig Transfer Project

Client Background

We have provided our autonomous driving kit solutions of a client which is a leading enterprise in China’s pig farming industry (“**Client A**”). Ranked among the Fortune China 500 and China’s Top 500 Agricultural Enterprises, Client A was also listed on the Hurun Global 500 in 2022. Client A operates a fully integrated business model centered on pig farming, encompassing feed processing, breeding, and slaughtering. As a flagship of modern agriculture in China, Client A leads globally in farming scale, technological capability, and industrial integration.

In the pig sales process, the transfer of pigs from pigsties to shipment loading points has long been one of the most labor- and cost-intensive segments of the logistics chain. Beginning in 2022, we initiated technical exchanges with Client A, focusing on developing an autonomous driving system tailored to pig transport vehicles. By the second quarter of 2023, we had entered pilot cooperation and began testing autonomous pig-loading operations at Client A’s flat-roof pigsty facilities in Nanyang. After successful validation by the third quarter of 2023 and continued optimization, mass deployment began in the second quarter of 2024. As of now, we have delivered nearly 60 systems that are fully operational in Client A’s integrated pig farming complexes.

Project Challenges

Deploying autonomous driving technology in the pig farming industry involved overcoming several domain-specific challenges. First, the system needed to achieve high-precision docking — pigs must be transferred with a positioning accuracy within ± 5 cm between the pickup point and the vehicle, which far exceeds the standards in typical logistics scenarios. Second, biosafety was a critical concern. In pig farming, epidemic prevention costs account for over half of total production management expenses. To meet biosafety protocols, all incoming vehicles must endure high-temperature disinfection, placing extreme demands on the corrosion resistance and stability of onboard systems. Third, the project required reliable

24/7 operation under harsh conditions such as nighttime visibility, rain, snow, fog, unexpected obstacles, and pedestrian traffic. Lastly, our solutions had to seamlessly integrate with a tightly coupled operational process — this included automated gates, on-site traffic control infrastructure, specialized disinfection units, and enterprise production and sales systems to ensure full information flow automation.

Solutions and Industry Barriers Overcome

Through the large-scale deployment of this project, we have built multidimensional capabilities and industry barriers that offer a lasting advantage. To address system coordination challenges, we integrated both physical and data layers with Client A's existing pig transfer equipment. This enabled a fully automated process from pigsty to shipment gate. With vehicle-cloud coordination, intelligent dispatch, and dynamic path planning, we ensured seamless operation among all devices. Furthermore, integration with production management systems allowed full automation of information flows.

This was the first autonomous driving project in the livestock transfer segment to be implemented and operated at scale in the industry. The experience we gained from these deployments now offers us an early-mover advantage and a wealth of standardized data, paving the way for further commercialization within the animal husbandry sector. System reliability was another key achievement. Through extensive validation using dozens of vehicles across real-world operational sites, we iterated and optimized system components repeatedly. As a result, the overall system has now achieved 99.5% operational stability, fully meeting the peak-period transfer needs of pig shipments.

We also achieved rapid deployment in this project. By adopting modular designs for both vehicle bodies and autonomous driving kits, we streamlined our software deployment processes. This allowed us to complete the full assembly-to-deployment cycle of an autonomous pig transfer vehicle within just 3 to 5 days. The enhanced efficiency provided a strong foundation for stable supply and delivery, particularly during peak sales seasons in the pig farming industry.

Value Creation

The project delivered multi-dimensional strategic value for Client A. On the biosafety front, our solutions significantly enhanced epidemic prevention while reducing costs. Since biosafety-related expenditures account for more than half of overall production management costs, our system — which reduces human-pig contact by 91% — dramatically lowered the risk of disease transmission, including African Swine Fever. In terms of operational efficiency, each vehicle achieved a 40% increase in daily transfer volume, while labor costs fell by 50%. Annually, this translates into operating cost savings of over RMB10 million.

In addition, the project served as a strategic lever for industry leadership. By exporting the technical solutions to other top-5 pig farming companies, we contributed to the broader advancement of autonomous technologies in animal husbandry. Finally, the project reinforced Client A's first-mover advantage in the “intelligent pig farming” space. It has played a key role in maintaining Client A's 15% production costs lower than the industry average, supporting their long-term competitiveness in a rapidly modernizing agricultural sector.

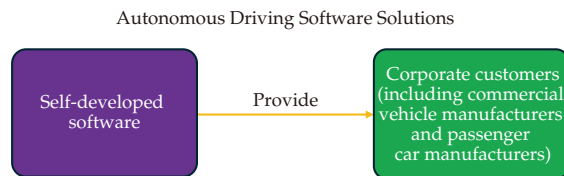
Autonomous Driving Software Solutions

In the process of acquiring new customers, we sometimes begin by offering autonomous driving software solutions to meet our customers' needs at different stages of achieving truly autonomous operations. In doing so, we earn our customers' trust and demonstrate our autonomous driving capabilities to cross-sell our all-in-one autonomous driving vehicle solutions or autonomous driving kit solutions. We offer autonomous driving software solutions to corporate customers, commercial vehicle manufacturers and passenger car manufacturers which primarily include software development services on a project-by-project basis, where we tailor-make autonomous driving software that meet our corporate customers' specific requirements. More specifically, we can help our customers to develop autonomous driving-related software, systems and technologies, autonomous driving modules which are

BUSINESS

primarily L4 and, to a lesser extent, L2, comprehensive AI data infrastructure, cloud brain software, and software tools, for different application scenarios based on their specific requirements and needs, and embed such software, systems and technologies into their proprietary system.

The modular approach we took in developing our cloud brain allows us to quickly develop software for new application scenarios for our customers at a lower cost by combining and modifying different modules. As such, we can typically complete development and deliver the required software to our customers within six months to a year. This is much faster than customers developing this software from scratch, which can take years. We may also receive service fees from upgrading services for the software's functions and performance at customers' requests. The diagram below illustrates the business model of our autonomous driving software solutions:



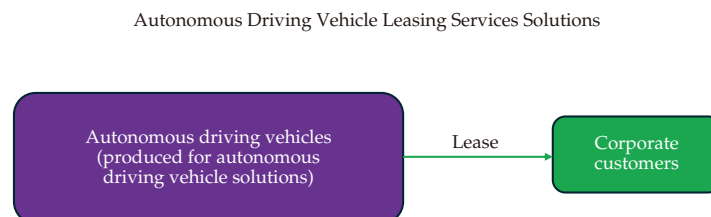
In most cases, we deliver software only under our autonomous driving software solutions. In 2023, we also delivered results of certain projects under our autonomous driving software solutions business which also comprised hardware we procured, designated by and delivered directly to customers. Pursuant to the accounting policies and based on the judgment of management, the relevant revenues generated were recognized on a net basis, while the corresponding trade and bills receivables (as well as trade and bills payables) were recorded on a gross basis.

For each transaction, customers make payments upon signing of contracts, delivery and acceptance of the software developed, and/or in rare cases where there is a warranty period, by the end of the warranty term.

Autonomous Driving Vehicle Leasing Services

Subject to the needs of our corporate customers and as part of our efforts to gain new customers, we also offer leasing services for our commercial vehicles with various L4 autonomous driving capabilities as a try-before-you-buy option. Our corporate customers can use our autonomous driving vehicles for a certain period of time before purchasing our autonomous driving vehicle solutions. For example, a major international airport in Northwestern China procured our autonomous driving vehicle solutions, which included 65 autonomous driving vehicles, after leasing our autonomous driving vehicles for three years. As deployment is necessary at the initial stage of delivery such services, we usually incur relatively higher cost of sales during this stage. After the deployment stage, we generally observe an improved gross profit margin.

The diagram below illustrates the business model of our autonomous driving vehicle leasing solutions:



We receive monthly rental payments from our customers of autonomous driving vehicle leasing services.

BUSINESS

Our Operational Highlights

The table below sets out the timeframe of operations for each of our solutions and services, all of which are part of our autonomous driving solutions and are specialist technology products:

	Autonomous driving vehicle solutions	Autonomous driving kit solutions	Autonomous driving software solutions	Autonomous driving vehicle leasing services
Commencement of R&D	March 2016	July 2016	October 2016	March 2016
PoC	March 2017 ⁽¹⁾	February 2017	April 2018	March 2017
Commercial-ready	July 2019	May 2018	June 2018	April 2021
Revenue generation	July 2020	June 2018	June 2018	June 2021

Note:

- (1) We generated revenue during the PoC stage for conducting road tests of autonomous driving vehicles with safety driver for the HKIA project. We started to record revenue from certified products in July 2020.

We had a total of 88, 100 and 110 customers in 2023, 2024 and 2025, respectively. We had 64, 72 and 73 new customers in 2023, 2024 and 2025. Our growing customer base demonstrates the market's confidence in and acceptance of our solutions and services. The transaction volume of our autonomous driving solutions had a general increasing trend from 2023 to 2025, in line with the growth of our business.

PATH TO PROFITABILITY

We are a Commercial Company with our Specialist Technology Products successfully commercialized in the Track Record Period. We have demonstrated a strong revenue growth, maintained a relatively high gross profit margin, and achieved operating expense efficiency demonstrated by its decreasing operating expense/revenue ratio throughout the Track Record Period. In the next three years, we do not expect any material change in our business model, business focus in terms of revenue contribution by business lines/user industry/application scenario, or cost structure; we expect to achieve profitability leveraging a similar growth strategy adopted in the Track Record Period, that is, (i) strong revenue growth, (ii) maintaining our relatively high gross profit margin, and (iii) increasing operating expense efficiency as our revenue increases.

STRONG GROWTH MOMENTUM AND REVENUE VISIBILITY

We are currently at a relatively early stage of commercialization, but have demonstrated continuing revenue growth and increasing customer adoption. Our revenue increased by 64.5% from RMB161.4 million in 2023 to RMB265.5 million in 2024, and further increased by 23.7% to RMB328.3 million in 2025. This growth has been underpinned by successful launches of new solutions and services, deployment across new sectors, and proactive market expansion efforts.

We serve a growing and geographically diversified customer base, expanding from 88 customers in 2023 to 110 in 2025. As of the Latest Practicable Date, we served leading customers across six countries and regions, including recurring deployment programs at flagship sites such as HKIA and Client A. These deployments are replicating to additional locations, providing us with meaningful revenue backlog and forward visibility.

We expect to maintain the growth momentum in the next three years leveraging the industry tailwinds and our sustainable growth strategies.

Industry Tailwinds and Commercial Headroom

We operate in addressable markets with a substantial room for growth, and we have formed our growth strategies to capture the market opportunities.

BUSINESS

According to Frost & Sullivan, the CAGR of the size of the Greater China and global L4 autonomous driving solutions for commercial vehicles in the airport scenario markets is expected to be 78.6% and 91.7%, respectively, from 2026 to 2030; the CAGR of the size of Greater China and global L4 autonomous driving solutions for commercial vehicles in the factory scenario markets is expected to be 67.4% and 73.4%, respectively, from 2026 to 2030. We believe we are well positioned to capture the rapid market growth in these two key sectors, leveraging our established leading market position supported by our growth strategies.

According to Frost & Sullivan, the CAGR of the size of the Greater China and global L4 autonomous driving solutions for commercial vehicles in open scenarios markets is expected to be 103.2% and 103.9%, respectively, from 2026 to 2030. In light of the market trend, we also expect to expand into open scenarios in addition to further strengthening our market position and penetration in the market for commercial vehicles in closed scenarios (primarily including airports and factories). For instance, U-Drive[®] 6.0 and 7.0 are designed for open roads with the capability of expanding the our product offerings and addressable markets.

As the CAGR of the size of the global L4 autonomous driving solutions for commercial vehicles in each of closed and open scenarios markets from 2026 to 2030 is higher than that of the Greater China market, being 53.8% vs. 52.1%, and 103.9% vs. 103.2%, we expect to benefit from our “overseas expansion” plan in terms of strong revenue growth.

Our business model emphasizes repeatable deployments in semi-controlled environments, where customer needs are urgent and switching costs are high. These conditions allow us to build deeper relationships, expand wallet share, and reinforce our market position.

Strategic Roadmap for Growth and Market Leadership

To sustain growth and achieve profitability, we are executing a multi-pronged development strategy. This includes: (i) accelerating the sale of standardized autonomous vehicles in high-demand verticals such as airports and factories, (ii) expanding our product mix to include new industrial vehicle types such as driverless forklifts and light trucks and developing new solutions and services that cater to the dynamic needs of the market, and (iii) deepening international presence through a “overseas expansion” strategy targeting top-tier airports and manufacturing hubs worldwide.

The table below sets forth our growth strategies corresponding to such measures to realize revenue growth as well as our proposed allocation of net proceeds from the Global Offering in this regard:

Measures to drive revenue growth	Growth strategies	Proposed use of proceeds
Accelerating the sale of standardized autonomous vehicles in high-demand verticals such as airports and factories	<ul style="list-style-type: none"> • Consolidate our leading market position in key sectors: to deepen expansion in airports and factories scenarios, by retaining existing customers and acquiring new customers. We also expect to conduct BD activities and recruit sales professionals to facilitate business expansion in these key sectors, while continuing to benefit from our proven track record of delivering high quality solutions to esteemed customers such as HKIA to achieve an efficient customer acquisition in our existing key sectors. 	<ul style="list-style-type: none"> • Further develop U-Drive[®] system and expand cloud computing resources; to adapt to exponential increase in business volume • Fulfill business development initiatives in China: to conduct BD activities and recruit sales personnel in China
	<ul style="list-style-type: none"> • Continue to increase R&D investment to drive technological innovation and breakthroughs; to continue to upgrade and iterate U-Drive[®]. U-Drive[®] 7.0 is expected to be adaptable to more complex scenarios to satisfy customer needs in key sectors such as airports and factories and capable of supporting millions and tens of millions of vehicles to satisfy our rapidly growing business scale. Although various application scenario may involve different types of autonomous vehicles, we would try to standardize the technical solutions under the same type of autonomous vehicles as well as applying standardized technical solutions among different types of vehicles, so as to reduce the R&D cost when we expand our customer base. 	<ul style="list-style-type: none"> • Strengthen team building to ensure sustainable development: to recruit sales and marketing professionals to support BD activities.

Measures to drive revenue growth

Expanding product mix to include new industrial vehicle types such as driverless forklifts and light trucks and developing new solutions and services that cater to the dynamic needs of the market

Growth strategies

- **Continue to increase R&D investment to drive technological innovation and breakthroughs:** to develop new products and solutions such as new vehicle models; to expand into new and more complex scenarios to satisfy demands from existing and new customers; to continue to upgrade and iterate U-Drive®. U-Drive® 6.0 and 7.0 are designed for open roads with the capability of expanding our product offerings and addressable markets.
- **Deepen our presence in existing sectors:** to deepen our presence in key verticals such as airports and factories, and adjacent sectors like electric utility operations and environmental sanitation. We have collaborated with major utility partners in China to develop a number of products, including substation inspection products and “inspection vehicle + robot dog” collaborative inspection solutions, which are based on our standardized UiBox products. In this scenario, the L4 driverless inspection vehicle transports the L4 robot dog to the inspection station via open roads, drops off the robot dog for inspection, and then retrieves the robot dog and transports it to the next station. We have also entered into framework orders for such electric utility operation products. For environmental sanitation sector, we have developed a small-scale sanitation product based on the standard UiBox product, i.e. L4 driverless autonomous sanitation vehicles applied in open roads to clean non-motorized lanes and pavements and have initiated negotiations with several large sanitation equipment manufacturers for potential cooperations. By standardizing and replicating our core platform across fragmented sectors, we aim to achieve rapid product deployment, and, over the long term, drive recurring revenue through AI driver subscription services.

- **Strengthen team building to ensure sustainable development:** to recruit R&D experts and sales and marketing professionals
- **Seek strategic investments/acquisitions to enhance our competitive edge:** to enhance our R&D competitive edge in a more cost-efficient manner

Deepening international presence through a “overseas expansion” strategy targeting top-tier airports and manufacturing hubs worldwide

- **Execute our “overseas expansion” strategy:** with a focus in airports and factories/manufacturing sector to take advantage of our leading position and proven track record in these two sectors. We expect to establish local sales teams and R&D centers in Hong Kong, Singapore/Malaysia, Qatar, Europe, Japan/South Korea, and the United States, and build up two data centers in Singapore/Malaysia and Qatar. Our expansion to Qatar will be implemented in a prudent manner in view of the current situation in the Middle East.
- **Strengthen team building to ensure sustainable development:** to recruit R&D experts and sales and marketing professionals

Proposed use of proceeds

- **Further develop U-Drive® system and expand cloud computing resources:** to adapt to exponential increase in business volume, and to enable adaptation of system into new products, industry verticals and new scenarios
- **Build overseas R&D centers:** to develop localized/new products specifically addressing unique local issues or conditions
- **Fulfill overseas business development initiatives:** to set up overseas BD centers and recruit sales personnel overseas
- **Fulfill business development initiatives in China:** to conduct BD activities and recruit sales personnel in China
- **Make strategic investments:** acquisitions or minority equity investments in target companies to enhance R&D competitiveness and efficiency. We expect to allocate approximately 7.8% of the net proceeds from the Global Offering for such minority equity investments in the next four years, but we did not have a specific target or timeline as of the Latest Practicable Date. We have tested one new type of chip, three types of LiDAR and five types of cameras, and will conduct more tests before we form a preliminary plan of potential investments.

- **Build overseas R&D centers:** to develop localized/new products specifically addressing unique local issues or conditions
- **Build up overseas data centers:** to satisfy the massive data processing and storage demand derived from overseas business
- **Fulfill overseas business development initiatives:** to set up overseas BD centers and recruit sales personnel overseas

See “— Our Strategies” and “Future Plans and Use of Proceeds.”

In 2025, we had entered into orders with transaction value amounting to approximately RMB519 million from which we had recognized approximately RMB270 million of revenue as of December 31, 2025, with the remaining orders to be delivered in 2026; and we further secured additional orders with transaction value amounting to approximately RMB95.2 million subsequent to December 31, 2025 and up to the Latest Practicable Date primarily relating to the sales of our autonomous driving vehicle solutions and autonomous driving software solutions, which are expected to be delivered in 2026 and 2027.

COST DISCIPLINE

Relatively high gross profit margin

In the Track Record Period, we successfully maintained a relatively high overall gross profit margin, being 48.8%, 43.7% and 51.1% in 2023, 2024 and 2025 despite the fact that the revenue contribution or gross profit margin of each of our four business lines fluctuated. In the next three years, we do not expect a material change in our business model or revenue contribution by business lines/industry verticals scenarios/geographic locations, and thus do not expect a material change in its cost structure. As a result, we estimates our overall gross profit margin will continue to be relatively high in the next three years.

Nevertheless, we believe we are well positioned to further optimize our cost of sales in the future. For instance, as the sales of our autonomous driving vehicle solutions grow, and certain key components such as vehicle bodies, LiDARs, domain controllers, cameras, and wiring harnesses can be used in both commercial vehicles and passenger cars, we expect to leverage strengthened bargaining power in bulk orders to obtain more favorable price for key components and negotiate longer credit terms with our suppliers. We have successfully reduced the costs of certain key components by 2025 through our implementation of various measures. In particular, by increasing our purchase volumes, we have obtained discounts of approximately 5% to 18% on vehicle bodies and LiDARs; by sourcing directly from manufacturers, we have secured a discount of approximately 29% on in-vehicle displays; and by establishing long-term business relationships with relevant suppliers, we have obtained discounts of approximately 7% to 26% on electric parking brake systems and 5G industrial IoT gateways. Additionally, we expect our costs related to the delivery of our solutions to be further reduced as we have already shortened deployment period from one month to one to two weeks since the second half of 2025, for our autonomous driving vehicle solutions which were provided to repeat customers or for similar scenarios or similar customer requirements — where we can implement relatively standardized deployment plans.

In the long run, as a larger proportion of customers enter into renewed contracts solely subscribing for the AI driver services after our customer base reaches a certain scale, our overall gross profit margin will increase. See “— Our Strategies — Expand our business into new sectors, promote the maturation of AI driver subscription model and maintain ecosystem positioning.”

High operating expense efficiency

During the Track Record Period, our operating expenses (i.e. the aggregate of R&D expenses, selling and marketing expenses and administrative expenses)/revenue ratio decreased from 192.5% in 2023 to 126.5% in 2024 and further to 116.8% in 2025. The continually improved operating expense efficiency is primarily a result of our efficient R&D and sales and marketing activities.

In the next three years, the revenue increase is expected to significantly outpace the increase of R&D expenses, selling and marketing expenses, and administration expenses.

- The high R&D expense efficiency is realized by the U-Drive[®] system, which is already an all-scenario system capable of delivering results in a highly scalable manner. We also expect to accelerate the sale of standardized autonomous vehicles in high-demand verticals, for which no significant R&D expenses (which are usually incurred for the development of new/customized solutions) will incur. As one of our primary goals of our R&D activities is to continuously improve our all-scenario autonomous driving systems, especially in terms of capabilities in

complex scenarios (such as open roads), versatility (adapting to new scenarios while minimizing marginal costs), and fault tolerance (e.g., the system can still be applied even if delivery or partner mapping is inaccurate, or if road construction occurs), our expansion into new industry verticals or sectors is expected to drive our revenue growth without incurring high marginal R&D costs. In addition, we have been enhancing our operational efficiency primarily through the wider adoption of AI tools and platforms into programming, product and solution designing and testing with the aim to achieve higher cost efficiencies in R&D process.

We plan to further (i) promote the widespread adoption of AI-powered programming tools internally to enhance our software development efficiency; and (ii) improve the automation of tasks such as issue analysis, data annotation, and test case generation, in particular: (1) considering that issue analysis typically involves extensive engineering manpower, we are continuously developing issue analysis tools that will significantly reduce our labor costs for issue analysis in the future; (2) data annotation plays a critical role in the decision-making process of autonomous driving algorithms, but it requires significant and sustained manual effort. We are continuously advancing the automation of data annotation. This involves leveraging LLMs such as VLMs, deploying multiple larger-scale, higher-precision models in the cloud, and applying temporal fusion methods to generate high-precision pre-annotated results, thereby significantly reducing the need for manual annotation; and (3) simulation testing is crucial for autonomous driving and is more cost-effective than real-vehicle testing. We are leveraging heuristic methods, optimization-based methods, and LLM-based methods to automate the generation of massive numbers of test cases. We believe the cost-efficiency in our R&D activities will be further enhanced as a result.

- Selling and marketing expenses are also expected to increase at a significantly lower pace compared with revenue/gross profit growth in the next three years. We had high key customer stickiness in the Track Record Period, primarily due to the quality of our solutions and services as well as the high switching costs for customers in the industry. Furthermore, we will also continue to benefit from our proven track record of delivering high quality solutions to esteemed customers such as HKIA to achieve efficient new customer acquisition in our existing key sectors. Therefore, we expect our customer acquisition cost to remain relatively low, as we expect to acquire new customers through local partners and up-sell/cross-sell to repeat accounts. In particular, we plan to work more closely with our OEM partners and local partners to jointly promote our solutions and services, thereby reducing selling and marketing expenses.
- Administrative expenses are poised to increase at a more steady pace than the revenue/gross profit growth in the next three years. We expect to incur additional staff costs and office rental expenses in overseas markets in line with the overseas expansion strategy, while we will take a prudent approach in our business expansion, e.g. the increases in the headcount of overseas administrative personnel and office spaces will be well-organized and correspond to the pace of business expansion. We thus expect our administrative expenses to be controllable in the next three years. We have implemented several energy-saving initiatives in our daily operations such as real-time monitoring of high-energy-consumption equipment, setting computers to sleep mode, and phasing out outdated and energy-intensive equipment. In addition, we regularly review our cloud service subscriptions and promptly terminate unused cloud resources, thereby ensuring that we purchase software licenses only based on actual operational needs and reducing our administrative expenses.

To summarize, we have implemented cost optimization and operating expense efficiency improvement initiatives as described above to maintain our overall gross profit margin at a relatively stable level and enhance our operating expenses efficiency. However, we do not

expect cost of sales and operating expenses to decline in terms of their absolute amount given our expected business growth. Nevertheless, we will continue to explore feasible cost control measures. For instance, we believe that we have the flexibility to lower our finance costs by using the net proceeds from the Global Offering to support our business operations and in turn reduce the level of outstanding bank loans. We will also continue to enhance management of trade receivables to minimize impairment. See “— Outlook for Breakeven and Profitability” below for detailed discussion.

U-Drive[®] systems contributing to profitability

We expect to achieve the following leveraging our continuous technological iterations and innovations of our proprietary U-Drive[®] systems:

- *Drive efficient adaptation of autonomous driving technology to various scenarios:* we will continue to enhance and upgrade its self-developed U-Drive[®] system, with the aim to accomplish efficient adaptation to extensive scenarios and industries, thereby satisfying the fast-evolving and diversifying needs of the customers and collaborators to further improve the scale of business. For instance, we have invested additional R&D efforts in our next generations of the U-Drive[®] system to render them more adaptable and efficient of targeting a wider range of scenarios and industries. The next generations of the U-Drive[®] system will primarily target (i) complex scenarios, such as open roads; (ii) adaptability, to minimize marginal costs when adapting novel scenarios and (iii) fault tolerance, to ensure functionality even when delivery or partner mapping is inaccurate, or when road construction occurs. We believe that a broadening industry coverage of the autonomous driving solutions will further improve its scale of business and visibility in the long run.
- *Reduce marginal costs of innovation and breakthroughs for new vehicle models and scenarios:* While we have been constantly making R&D investments to further enhance our R&D capabilities, we are proactively taking actions to address the R&D marginal costs in various aspects. For instance, U-Drive[®] 5.0 strengthens the kinship among different types of vehicle models, which simplifies the process of new model development. Given the refined data and AI infrastructure capabilities, we are managed to significantly reduce manual automation costs while enhance efficiency in training new models. With the gradual deployment of our overseas computing centers, we expect the training duration for new large models, which forms the most expensive constituent of R&D costs, to reduce from weeks to days or even less. Going forwards, we plan to increase our adoption of AI programming and data-driven model deployment to further optimize R&D marginal costs while improve overall R&D efficiency.
- *Cost of sales optimization:* we expect that both U-Drive[®] 6.0 and 7.0 will further optimize its costs of sales in the following ways: (i) reduce the development costs for novel model vehicles in closed scenarios, primarily due to the superior versatility in connection with the new systems. U-Drive[®] 6.0 and 7.0 will significantly reduce the total number of R&D personnel required on the projects and shorten the development cycle; (ii) reduce the development costs for novel model vehicles on open roads. U-Drive[®] 5.0 requires extensive customization when addressing open-road scenarios. In contrast, U-Drive[®] 6.0 and 7.0 are designed for open roads with the capability of expanding the product offerings and addressable markets; and (iii) reduce the operational and maintenance costs across all vehicle types and scenarios. U-Drive[®] 6.0 is equipped with the function of identifying and diagnosing issues through remote large-scale models, which in turn will reduce staffing requirements per route compared with the existing U-Drive[®] 5.0. Going forward, we are striving to further upgrade its U-Drive[®] system and optimize our cost of sales to improve our overall profitability.

OUTLOOK FOR BREAKEVEN AND PROFITABILITY

We recorded net losses of RMB213.1 million, RMB211.6 million and RMB230.2 million in 2023, 2024 and 2025, respectively, with narrowing losses reflecting improving operating leverage. We believe that our current sales momentum, order backlog, and margin expansion strategy position us well to achieve net profit breakeven within the next three years. We expect to continue investing in strategic R&D and commercialization, but remain confident in our ability to reach sustainable profitability over the medium term. Our anticipation to achieve breakeven depends on our reasonable estimate and belief as of the Latest Practicable Date and various assumptions, many of which are beyond our control, including but not limited to the following assumptions: (i) there will be no material delays or obstacles to our business plan and development strategies; (ii) we will be able to deliver our solutions and services in the manner and quality anticipated; (iii) we will be able to fulfill the contractual undertakings relating to our solutions and services and ensure they are performed in accordance with the relevant contractual terms; (iv) our counterparties will perform their obligations in accordance with the relevant contractual terms; (v) our customers' own financial and operational performance will not experience any material adverse changes; (vi) our operations and our business relationships with major customers and suppliers will not be materially affected; (vii) there will be no regulatory regime undermining our business; (viii) there will be no material changes in the conditions under which we operate; (ix) there will be no other material adverse effect that would undermine our business and financial performance; (x) our business and financial performance will grow generally as we anticipated; and (xi) there will be no occurrence of any event as disclosed in "Risk Factors." Benefiting from the solid foundation we have built and the market opportunities we have seized, we believe that we are able to maintain the sustainable growth of our business.

In addition to a sustainable growth to achieve a net profit level breakeven, we have also been improving our management of working capital, including:

- (i) further improving the management of trade receivables. We will continue to prudently review the recoverability of trade receivables and long-aged trade receivables by taking into account factors including but not limited to the on-going business performance and financial condition of our customers, the expected business performance and financial condition of our customers in the near future, the relevant customers' plan to settle the corresponding trade receivables and long-aged trade receivables, and the negotiation results with the relevant customers. We will also strive to negotiate more favorable credit terms when entering into new contracts with customers. For instance, in 2024 and 2025, we secured more favorable payment schedules under certain new contracts with customers of its autonomous driving vehicle solutions, with an increased proportion of prepayments upon the signing of agreements. We have been and will be actively communicating with our customers regarding trade receivables collection. The above management measures have resulted in a decrease of trade and bills receivables turnover days from 295.1 days in 2023 to 263.6 days in 2024; such turnover days increased to 310.8 days in 2025 primarily because we delivered solutions amounting to approximately RMB107 million at the end of 2025 which resulted in a relatively high level of trade and bills receivables as of December 31, 2025;

BUSINESS

- (ii) further improving the management of inventories. We believe that we did not encounter significant inventory recoverability issues as: (a) we have adopted effective inventory management measures primarily including the implementation of “first in, first-out” method, making procurement plan based on definite and binding delivery schedules under orders or sales agreements; and (b) our inventories generally have no expiration date and earlier types of raw materials will be utilized during the maintenance of earlier models sold. The inventory turnover days significantly decreased from 302.1 days in 2023 to 138.6 days in 2024 and further decreased to 119.2 days in 2025 as a result of the above management measures. Going forward, we will continue to adhere to our current inventory management measures, and expects to further improve its inventory management by prioritizing the utilization of existing inventories and close observation on the market price of key raw materials to facilitate a more efficient procurement plan. Moreover, during the Track Record Period, we did not encounter material fluctuations of our solutions and recorded a relatively high gross profit margin (generally higher than 40%), i.e. we did not encounter situations where the selling price cannot cover the relevant costs which will lead to an impairment of inventories; and
- (iii) further improving the management of trade payables. Our trade and bills payable turnover days slightly decreased from 125.2 days in 2023 to 122.7 days in 2024, and increased to 194.6 days in 2025 as we obtained more favorable payment terms with from certain of our suppliers in 2025, such as longer credit terms or accepting credit sales instead of full prepayments. Going forward, we intend to improve the turnover of trade payables primarily by negotiating with existing and potential suppliers for more favorable credit terms.

We had cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities of RMB298.0 million in aggregate as of December 31, 2025. Subsequent to December 31, 2025 and up to March 31, 2026, we had obtained additional banking facilities amounting to RMB210 million to further strengthen our working capital sufficiency.

RESEARCH AND DEVELOPMENT

Overview

Over the years, we have been devoted to the R&D, evolution and innovation of L4 autonomous driving solutions. We have established our R&D centers in Beijing, Shanghai and Chongqing, focusing on AI and L4 autonomous driving, hardware and cloud brain, and smart driving of passenger cars, respectively. Utilizing our R&D centers, we actively engage in resolving challenges associated with design and development of autonomous driving technologies to bolster the overall competitiveness of our solutions and services.

During the Track Record Period, our R&D expenses amounted to RMB184.4 million, RMB196.4 million and RMB233.7 million in 2023, 2024 and 2025, respectively, demonstrating our significant and continuous efforts into the R&D of our solutions, services and technologies.

Our Core Technologies

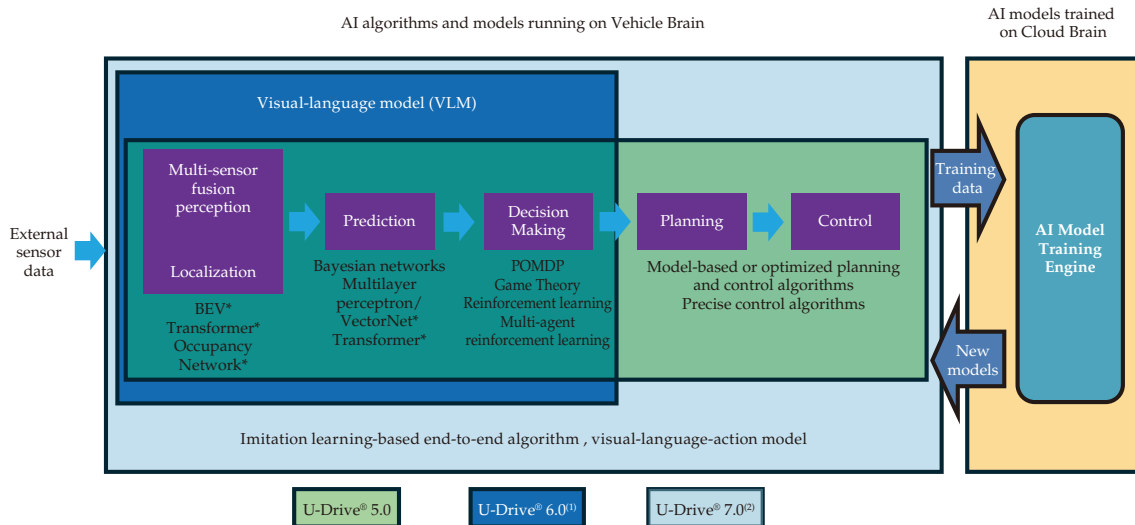
We have, after years of R&D investment and practice, mastered a number of core technologies that cover our vehicle- and cloud-based AI capabilities and our safety framework. All of these core technologies are in-house developed, and are currently used in the R&D of our products.

Our AI Capabilities

We believe that embodied AI has evolved in three key directions. The first is reinforcement learning, where AI learns through rewards and punishments, enabling models like AlphaGo Zero and DeepSeek-R1-Zero to surpass human experts without guidance. The second direction is imitation learning, where AI maps large datasets to train neural networks for input-to-output inference, learning from examples rather than explicit rules. The third is knowledge-based learning, which involves breaking down problems into smaller components and teaching AI to address them individually.

Similarly, autonomous driving has three main approaches. The modular approach divides driving into perception, localization and other modules guided by expert rules, integrating deep learning and increasingly using VLMs to replace traditional rules. Imitation learning learns direct input-output mappings from sensor data and control signals without step-by-step processing, while reinforcement learning trains AI from scratch in dynamic traffic simulations via reward and punishment to surpass human driving performance.

Through academic collaboration and industry trend tracking, we have researched all three approaches. Our U-Drive[®] system, the core of our autonomous driving OS, is developed based on the traditional approach, and the diagram below shows the AI algorithms, models, and underlying AI technologies applied in it:



* Deep learning models

Notes:

- (1) Our U-Drive[®] 6.0 is expected to upgrade U-Drive[®] 5.0 by integrating VLMs in the perception, prediction and decision making AI algorithms and models.
- (2) Our U-Drive[®] 7.0 is expected to further upgrade U-Drive[®] 6.0 by integrating imitation learning-based end-to-end algorithm and visual-language-action model in the perception, prediction, decision making, planning and control AI algorithms and models.

Our U-Drive[®] 5.0 system is driven by a combination of AI algorithms and models supported by the underlying AI technologies. External data collected by sensors will flow into perception/localization module, then to prediction module, decision making module, planning module, control module on vehicle brain. Each module functions as elaborated as follows:

- *Perception and localization.* Our perception module employs a deep learning-based multi-sensor temporal fusion method, utilizing BEV, convolutional neural network or transformer, and occupancy network algorithms to achieve target detection and tracking capabilities. This ensures high accuracy, meeting both road safety standards and the strictest safety requirements for specialized environments. The method also demonstrates strong replicability, allowing it to detect aircraft, gates, roller doors, various irregular vehicles and special targets, as well as the posture of trailer queues and safe interactions between people and trailer queues. Additionally, it is highly optimized for extreme weather such as rain, snow, fog, and sandstorms, ensuring all-weather operational reliability.
- Our localization module fuses 6–7 measurements from multi-sensors (e.g. LiDAR, camera), preventing position loss and incorrect entry into non-driving areas under extreme conditions. Unlike traditional feature-based methods, we use deep learning to robustly handle lighting, weather, and seasonal variations. This allows autonomous vehicles to adapt to diverse scenarios: tunnels, elevated bridges, urban canyons, underground parking, and open aprons. Our multi-modal fusion strategy delivers centimeter-level positioning across wide environments, supporting ultra-precise docking with stations and equipment. It satisfies intelligent system integration requirements in logistics, with positioning accuracy up to ± 3 cm.
- *Prediction.* Our prediction algorithm employs diverse algorithms and fusion strategies. It features a Bayesian network-based dynamic intention prediction model with data-driven iteration and high interpretability, an obstacle speed prediction model using VectorNet, and a Transformer-based multi-target trajectory prediction model with strong replicability and generalization. These models accurately predict unexpected events and hazards, including the behavior of special vehicles, aircraft, and personnel in high-safety logistics scenarios such as airports to ensure proactive prevention.
- *Decision-making.* Our decision-making module adopts multiple approaches, including Partially Observable Markov Decision Process (POMDP), game theory, reinforcement learning, and multi-agent reinforcement learning, to model sequential decision-making under uncertainty. With lateral and longitudinal collaborative decision-making, the system safely and flexibly handles complex scenarios from closed environments to open roads (e.g., roundabouts, intersections, merge/diverge areas), while improving safety, comfort, and traffic efficiency.
- *Planning.* Our planning algorithm supports most global and local path planning methods, along with trajectory planning and speed planning algorithms. It enables multi-level integration and uses neural networks for flexible obstacle avoidance. It also supports path planning in special scenarios such as precise docking, parallel parking, and narrow-space traversal, ensuring safety and efficiency in logistics applications.
- *Control.* Our control algorithm covers classic methods (PID, LQR), model predictive control, and data-driven approaches like neural networks, enabling targeted optimization across different speeds and scenarios.

The vehicle brain will transmit selected training data to the cloud brain where the AI models are trained. The cloud brain will transmit new AI models generated from the trainings to the vehicle brain so as to update the AI capabilities of the latter.

Future U-Drive[®]-based products will advance knowledge-based technologies, evolving from vehicle-cloud collaborative VLM to vehicle-side distilled self-contained VLM, continuously boosting on-board cognitive ability. VLM will be integrated into perception, localization, prediction, and decision-making in U-Drive[®] 6.0, significantly enhancing real-world scene understanding. We also plan to combine imitation learning, world models, and reinforcement learning. For example, we plan to combine the VLM with end-to-end imitation learning to form a vision-language-action model in our U-Drive[®] 7.0. After two iterations, U-Drive[®] 7.0 is expected to approach human-level cognition and ultimately outperform top human drivers by over 100 times in safety, efficiency, experience, operability, cost, and durability.

Our Cloud Computing Technologies

Our autonomous driving system is based on the concept of vehicle-cloud collaboration, where the vehicle brain acts as the driver, while the cloud brain manages, trains, and maintains the driver's health. Our cloud brain consists of a series of cloud-based management systems, covering scheduling, operational, AI training, and maintenance functions. We have adopted various cloud computing technologies to build our cloud brain. In particular:

- *Customer business system integration.* Our cloud brain is equipped with an application programming interface that allows third-party developers to develop integration programs with specific business systems (such as airport operation systems), covering user interfaces, business process interfaces, and the generation of various reports.
- *Fleet scheduling and multi-vehicle coordination.* We have developed a fleet scheduling module that works with vehicle decision-making and control to manage interactions among multiple vehicles, particularly right-of-way coordination across multi-route scenarios such as industrial parks. This improves fleet efficiency to match or exceed that of manned fleets.
- *Cloud-based remote operation of vehicles.* We also developed a business interface that serves as an operational interface for users to manage and operate autonomous vehicles in the cloud, supporting integration with third-party dispatch platforms. This interface can serve as the primary interface for users to operate L4+ autonomous vehicles, offering functionalities such as remote vehicle startup, issuance of operational commands, and display of vehicle usage and status data.
- *Over-the-air software and data updates.* Our vehicles are equipped with an interface for updating our software and maps, which is connected to the relevant software and data version management system in the cloud. It is responsible for managing software and map resources from the cloud to the vehicle, performing resource updates and inspections, and tracking the status of vehicle resources.
- *Vehicle data analysis and predictive maintenance.* Our data platform aggregates in-vehicle data and logs for cloud-brain enabled near-real-time analysis. It monitors vehicle operating status and delivers maintenance recommendations.
- *Data-algorithm closed loop for near-fully automated annotation, training, validation and iteration.* Our training platform aggregates sensor data, driving routes, and surrounding traffic conditions in disturbed environments. After cleaning and labeling the data, we can train, validate, and iterate our positioning models, perception models, prediction models, and planning algorithms in the cloud.

- *Simulation and testing.* Our simulation and testing system supports cloud-based simulation of vehicle models on real road networks, enabling comprehensive evaluation of new algorithms and models including safety, passability, and smoothness testing to accelerate system iteration.
- *Cloud-deployed multi-modal large models.* Our cloud-deployed VLMs provide multiple advanced capabilities: automatic sensor data annotation for training small models, and model distillation for vehicle-side deployment. They act as AI remote operators to support vehicle extrication, user queries, and scenario explanation. Furthermore, they use generative AI to generate low-probability test cases, and analyze vehicle logs and diagnostics to assist bug triage and repair recommendations.

Our Safety Framework

Our autonomous driving system adopts five core safety frameworks: passive safety, functional safety, expected functional safety, behavioral safety, and cybersecurity. It meets vehicle-end and cloud-end safety requirements for L4 autonomous driving. Frost & Sullivan recognizes our vehicle-cloud collaborative safety design as unique and industry-leading, supporting safe operation of our L4 autonomous vehicles on airport aprons — among the few globally deployed.

This safety design supports the vehicle- and cloud-side No On-vehicle Monitoring Employee (“**NOME**”) mechanism. The system is divided into a working domain and a safety monitoring domain, with the latter having higher safety priority and authority. Redundancies at critical points minimize single-point failures across the chain. The safety monitoring domain independently assesses module status — including drive-by-wire, domain controller, communication, sensors, and algorithm stack — and executes safety actions. It also monitors passive safety events such as collisions and uses expected safety behavior patterns to enable fail-safe stop or fail-operational degraded performance.

The cloud-side safety design receives vehicle safety data and monitors the vehicle safety monitoring domain. It evaluates vehicle safety status using built-in safety behavior patterns, issues safety commands, and ensures safe vehicle stopping. The vehicle is equipped with cybersecurity mechanisms including encryption, authentication, isolation, sandbox protection, and firewalls to prevent hacking and hijacking, and triggers immediate security responses upon attacks.

We have also strengthened data and cloud security capabilities for our cloud brain, complying with safety standards such as ISO 27001 and MLPS 2.0 level 3. We have conducted over ten penetration testing drills and certifications with major clients in the airport industry. Additionally, we have integrated data and privacy compliance designs and collaborated with cloud providers in various countries to ensure adherence to local laws and regulations.

Our R&D Process

Our R&D team is responsible for and leading our daily R&D activities. We take into account our overall business strategies, technological feasibility demonstration and customer needs, carry out the R&D of new solutions and services, new technologies and other cutting-edge technology research activities.

The major phases of our R&D process include the followings:

- Formulation of R&D plans, including: (i) understanding potential customers’ demand and technological trends and conduct market research; (ii) conducting technical feasibility study; and (iii) conducting vehicle model selection and pre-assessment.

BUSINESS

- Pre-project establishment, including: (i) setting up portfolio management team; and (ii) conducting market assessment, technical feasibility and commercial viability studies.
- Design and development, including: (i) establishing product development team; (ii) formulating specific development plan and conduct return on investment analysis; (iii) finalizing go-to-market plan, product definition and development plan; (iv) establishing the project; and (v) conducting product development and trial production.
- Mass production and product launch, including: (i) product iteration, finalization and mass production; and (ii) release of products.

Our R&D Team

As of December 31, 2025, our R&D team consisted of 227 members, including 221 R&D personnel and six management personnel, 50.2% of which possessed a master's degree or above. In 2023, 2024 and 2025, the attrition rate of our R&D personnel was 16.0%, 28.6% and 20.6%, respectively. The relatively high attrition rate in 2024 was caused by the departure of R&D personnel as we streamlined the organizational structure of our R&D department. The relatively high attrition rate in 2025 was due to our disposal of Yuxing Zhejiang. We have not experienced any loss of key R&D personnel since our inception which constitute material adverse impact on us. Our R&D team is led by our Co-founder, executive Director and chief executive officer Mr. Wu Gansha, who has extensive experience in the autonomous driving industry. Each of our core R&D team members possesses more than eight years of industry experience, with global working experience in reputable technology companies.

The following chart illustrates the profile of our core R&D team members:

Core R&D team member	Profile
Mr. Zhou Xin (周鑫)	Mr. Zhou is our executive Director, our chief products officer and one of our Co-founders. He graduated from Fudan University (復旦大學) in the PRC with a bachelor's degree and a master's degree in computer science and engineering. Mr. Zhou has over 17 years of experience in the autonomous driving industry. He was instrumental in the development of our ASBs, AETs, and domain controllers, laying the foundation for our future R&D direction.
Mr. Liu Yang (劉洋)	Mr. Liu holds a D.Eng. in Mechanical Engineering from Tsinghua University (清華大學), an M.S. in Electrical Engineering from the University of Michigan, Ann Arbor, and a B.S. in Electronic Engineering from Southeast University (東南大學). With nearly 14 years of experience in intelligent driving, he has held positions at Pan Asia Technical Automotive Center Co., Ltd. (泛亞汽車技術中心有限公司) and our Company, including Active Safety Systems Engineer and System Manager. He is currently responsible for multi-sensor data fusion algorithm development and engineering team management. His leadership led to the completion of the ASIL-D functional safety certification for fusion software and the development of L3 autonomous driving AI perception products.
Dr. Zhou Xiaocheng (周小成)	Dr. Zhou is our chief technical architect for overseas business. He graduated from Xiangtan University (湘潭大學) and the University of the Chinese Academy of Sciences (中國科學院大學) in the PRC with a bachelor's degree in computer science and technology and a Ph.D. degree in computer architecture, respectively. Dr. Zhou previously worked as a Senior Researcher at Intel China Research Institute (英特爾中國研究院) from July 2007 to March 2016. Dr. Zhou is responsible for the development of system architecture and algorithm design in the commercialization process of multi-scenario autonomous driving technology.
Dr. Zhang Dan (張丹)	Dr. Zhang is our head of infrastructure platform R&D department. He graduated from Xi'an Jiaotong University (西安交通大學) in the PRC with a Ph.D. degree in computer science and technology. Prior to joining us in 2016, Dr. Zhang worked at Intel Research Institute (英特爾研究院), specializing in compilation technology, data privacy protection, and robotics. Dr. Zhang is responsible for the development of algorithms related to localization, perception, planning and control, and related frameworks and products.

BUSINESS

To support our business expansion, we will continue to recruit and train top talents especially those with experience from leading companies in the relevant industries and with expertise in the relevant fields. To further incentivize our R&D staff to develop and protect our IP rights, we have also established an IP incentive scheme, pursuant to which we may grant cash incentives to our employees if they have successfully developed job-related inventions and creations, to which we are entitled to the ownership. We generally grant cash incentives upon the IP right application and upon the grant of IP right. In 2023, 2024 and 2025, the total cash incentives granted to our employees under the scheme amounted to RMB0.5 million, RMB0.2 million and RMB0.4 million, respectively.

We employ a comprehensive strategy to retain core R&D personnel, focusing on various incentive models and career development pathways. A key component of this strategy is long-term equity incentives, which align individual interests with our growth objectives. Mid-term incentives, such as annual performance bonuses, break down strategic goals into actionable targets, while short-term incentives recognize significant contributions and innovative solutions through periodic acknowledgments. In addition, career development is prioritized through multiple promotion pathways, allowing employees to choose between management and technical tracks. In addition, we offer skill enhancement opportunities through relevant training programs and cross-departmental technical exchanges, fostering collaboration and innovation. We also offer competitive compensation packages. Finally, the work environment is structured to encourage creativity, providing flexible working arrangements and adequate resources to support high efficiency and a strong sense of belonging among employees.

We have entered into confidentiality and invention assignment agreements, and non-competition agreements with our R&D staff, or included confidentiality, invention assignment, and non-competition clauses in the employment contracts with our R&D staff. For key terms of our employment contracts with key management and technical staff, see “Directors and Senior Management — Key Terms of Employment Contracts.” We have also entered into confidentiality agreements or included confidentiality clauses in the relevant agreements with our customers and collaborators. During the Track Record Period and up to the Latest Practicable Date, we did not have any legal claims or proceedings that may have a material adverse impact on our key R&D programs and business operations.

R&D Collaboration

Substantially all of our R&D activities during the Track Record Period were performed in-house. We also partner with commercial vehicle manufacturers to develop L4 autonomous driving kits for buses and trucks of various sizes and features, and have established partnership with six major commercial vehicle manufacturers as of the Latest Practicable Date. Through collaboration with different commercial vehicle manufacturers, we can quickly develop autonomous driving kits for new application scenarios and industries.

Salient terms of a typical agreement for R&D collaborations generally include: (i) the duration of our collaboration agreements typically ranges from 15 to 18 months; (ii) we are typically responsible for providing hardware, underlying software, middleware, the integration of systems; while our partnered vehicle manufacturers are responsible for providing vehicles for testing. Our in-house R&D personnel generally performs substantially all of the R&D work. We also work with our partnered vehicle manufacturers for the design of solutions, the selection of sensors, and the development of algorithm software and data closed-loop function; (iii) both parties shall together formulate a comprehensive written research plan; (iv) we and vehicle manufacturers typically have sole ownership of our respective background IP. Vehicle manufacturers may also own or share the IP derived from the research program if they bear the full cost of R&D for the development of such products, or amortize the full cost of development into such products, or if there are explicit provisions in the technical requirements for development. The software code is typically jointly owned by both parties. The data during the development phase of the research project is typically also jointly owned by both parties, while the data after the mass production of the vehicle is solely owned by the vehicle manufacturer; and (v) typically, vehicle manufacturers are entitled to early termination rights if we fail to cure a breach, such as failure to deliver the desired work products that satisfy the criteria specified in the relevant agreements within a specified time period, within a notice period.

Key R&D Projects

Universal Autonomous Driving System — U-Drive® 5.0

We have completed the optimization of the U-Drive® 5.0 system at the end of 2025. U-Drive® 5.0 system is our first all-scenario autonomous driving operating system, designed to swiftly adapt to the diverse needs of commercial vehicles across various industry scenarios. It features an AI algorithm library with high generalization, enabling on-demand configuration and combination of algorithms. To enhance its performance, we have integrated advanced algorithms such as BEV, multi-sensor temporal fusion, transformers, and occupancy networks, which improve fault tolerance in dynamic environments, enhance maneuverability and efficiency in complex traffic situations, and reduce dependence on high-precision maps. For extreme weather, we have implemented more robust and safer perception and localization algorithms based on multi-sensor fusion and deep learning, which can cope with rain, snow, fog, and sandstorms, supporting all-weather operation. Additionally, we have incorporated specialized algorithms specifically tailored for commercial vehicles into the traffic situations, further optimizing functionality for our users. The optimization of U-Drive® 5.0 enhances its overall performance in scenarios such as airports, while also enables the handling of more complex scenarios on public roads, supporting full-scenario operation.

As of the Latest Practicable Date, we had successfully adapted 52 vehicle models, creating optimized reference configurations for various scenario and vehicle model categories. When migrating to a new scenario or vehicle model, we can quickly fine-tune and establish the initial adaptation parameters by simply assessing its affinity with existing scenarios and models in the database. These parameters can be validated in both real and simulated vehicle environments. Our comprehensive tool chain facilitates deployment, calibration, and maintenance throughout the product lifecycle, enabling continuous feedback and optimization of adaptation parameters. This results in an optimal configuration for each scenario, ensuring improved performance and adaptability. As of the Latest Practicable Date, we were able to complete a development cycle for new vehicle models and scenarios in less than one person-month.

Universal Autonomous Driving System — U-Drive® 6.0

We commenced the R&D of U-Drive® 6.0 system in December 2024, which is expected to be completed by December 2026. We aim to enhance the existing knowledge-based approach by integrating VLMs. In particular, we will focus on the development of a cloud-based VLM that will serve as a foundational model for evolution in the long run, and the integration of the cloud VLM into U-Drive® 5.0 system. These advancements are expected to significantly improve autonomous driving performance in corner case scenarios and enable collaborative driving between vehicles and the cloud at low to medium speeds.

In addition, U-Drive® 6.0 system will feature a VLM with two to three billion parameters, enabling real-time perception and cognition on vehicle-end domain controllers within 400-500 TOPS of computing power. This VLM can operate independently of U-Drive® 5.0 system, increasing versatility and speeding up convergence for corner cases in various complex environments, including unfamiliar open roads and airport operations. Moreover, utilizing multimodal large model technology, we also expect to build a world model in the cloud to generate various realistic complex traffic scenarios for autonomous driving models in a competitive manner.

Universal Autonomous Driving Three-model Integration System — U-Drive® 7.0

We commenced the R&D of U-Drive® 7.0 system in March 2025, which is expected to be completed by December 2028. U-Drive® 7.0 system is expected to integrate several advanced components, including the training of U-Drive® Zero system using reinforcement learning based on the world model from U-Drive® 6.0 system that uses a neurological network-based, on-line study method to improve its adaptability with open world environment, and the training of U-Drive® E2E system through end-to-end imitation learning utilizing historical data that relies on end-to-end model designed for closed environments without extensive reliance on cloud computation. Additionally, it is expected to expand on U-Drive® 6.0 system by incorporating a VLM with 10 billion parameters for real-time operation on a domain controller, enhancing the vehicle’s visual-language-action capabilities.

The comprehensive model will integrate three distinct models: the “Default Model,” which is agile and human-like, the “Bottomline Model,” which addresses low-confidence scenarios with a fallback mechanism, and the “Guardian Model,” which corrects any abnormal driving decisions to maintain safety. This integrated approach aims to set the foundation for developing a full-scenario, all-weather L5 autonomous driving operating system.

Big Cloud Brain 3.0

We have been developing our Big Cloud Brain 3.0 since March 2024 and expect to complete it by March 2027. It is expected to be a significant improvement over the previous version in terms of operations, maintenance and R&D support. It is designed to intelligently manage a fleet of 10,000 vehicles, enabling more than 90% of remote support calls to be handled by AI customer service using cloud vision and VLMs. Operational efficiency is expected to be greatly enhanced in mixed operations of manned and driverless vehicles, as well as in automatic recharging and scheduling.

Specifically, R&D for Big Cloud Brain 3.0 will primarily focus on (i) improving the automation capabilities of large-scale data-algorithm to achieve nearly fully automated processes for data cleaning, labeling, training, and validation; (ii) implementing a performance feedback-optimization closed loop through vehicle shadow modes and performance probes, enabling visualization and automatic analysis of key performance indicators and providing optimization suggestions for R&D; (iii) enhancing simulation capabilities by upgrading to our U-Drive® 6.0 system, which uses generative AI to facilitate large-scale test case generation for algorithmic regression testing and the development of our U-Drive® Zero system; and (iv) conducting large-scale software-in-loop and hardware-in-loop testing to reduce the costs and risks associated with large-scale software upgrades.

Third-generation UiBox

We are developing our third-generation UiBox based on a 100% domestic supply chain for autonomous driving domain controllers, low-cost sensor configurations, and budget-friendly chassis. Our domain controller boasts the highest level of integration in the industry, combining a powerful system on a chip, real-time microcontroller, inertial measurement unit, real-time kinematic GPS, 5G modem, automotive Ethernet switch, and ports for cameras and LiDAR, all within the smallest footprint. We anticipate that this design will improve cost-effectiveness by over 30%, while also enhancing autonomous driving performance in more complex traffic environments, including capabilities for obstacle avoidance and recovery during reverse maneuvers. Additionally, it is expected to meet certain industry and regional requirements for corrosion resistance, moisture protection, and explosion-proof features. We expect to complete the development of the third-generation UiBox in June 2026.

AETs

We are currently upgrading our AETs to enhance towing capacity and range while reducing costs. We are improving their perception capabilities and computational power to enable more sophisticated autonomous driving functions, such as taxiway crossing, aircraft dynamic recognition, and precise docking for multi-trailer operations. Additionally, the upgraded AETs are expected to have stronger all-weather operational capabilities, ensuring support in harsh conditions like dust storms and extreme temperatures. We are also expanding their business functions to include automatic recharging, intelligent dispatching, flight information system interfacing, and intelligent top-loading functions. As of the Latest Practicable Date, we have completed the upgrading of fully by-wire chassis of our AETs. We are currently progressing with fully functionality testing and final testing of the AETs, with completion expected by May 2026.

ASBs

We are currently developing 40-seat ASBs, low-cost sightseeing buses, and double-decker sightseeing buses. In addition, we are upgrading the appearance of our ASBs by adopting the sensor and vehicle body integration and standardized vehicle design, improving drive-by-wire and intelligent driving capabilities of our ASBs, and continuing to iterate our remote operation and data closed-loop cloud platform and related tools. We expect to complete the development of our 40-seat buses, low-cost sightseeing buses, and double-decker sightseeing buses by December 2026.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we were granted 661 patents, including 597 in the PRC, 11 in South Korea, six in Hong Kong, 24 in the U.S., 13 in Japan, and 10 in Europe; and filed 217 patent applications, including 203 in the PRC, seven in Europe, four in the U.S., two in South Korea, and one in Singapore. As of the same date, we had 75 software copyrights registered in the PRC. See “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Our Intellectual Property Rights” for more information. A vast majority of our intellectual properties are self-developed and we did not in-license any intellectual property rights in the past. As of the Latest Practicable Date, of all the 878 patents and patent applications, 860 were internally developed, 14 were co-developed and co-owned under research programs with our collaborators, and four were developed by third parties that were acquired and solely owned by us. Each of the co-owners has full title to such patents, and there are no contractual tenure and material payment obligations associated with such co-owned patents. While we believe that the specific and generic claims contained in our pending applications provide adequate protection for various aspects of our solutions, services and technology, third parties may nevertheless challenge such claims.

The following table sets forth the details of our registered key patents which are crucial to our business operations during the Track Record Period:

No.	Patent	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Registration	Expiry date
1.	Method, device, apparatus and medium for determining the position of a full-trailer articulated vehicle and tractor (全掛汽車列車、拖斗位姿確定方法、裝置、設備和介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving software solutions	Important for autonomous driving products in trailer-involved logistics scenarios	The PRC	June 23, 2022	June 23, 2042
2.	Method, apparatus, device and medium for panoramic segmentation of three-dimensional point cloud data (三維點雲數據的全景分割方法、裝置、設備及介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving vehicle solutions	Reducing the complexity of data configuration and realizing panoramic segmentation efficiently and accurately while guaranteeing operational effectiveness	The PRC	March 29, 2022	March 29, 2042
3.	Multi-vehicle collaboration method, device, system, equipment, media and product (多車協同方法、裝置、系統、設備、介質和產品)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving kit solutions	Improving the problem of vehicles in the same lane blocking each other	The PRC	September 22, 2021	September 22, 2041
4.	Semi-trailer vehicle train, reversing control method, device, equipment and medium (半掛汽車列車、倒車控制方法、裝置、設備和介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving software solutions	Control algorithm with trailer reversing, important for trailer-involved logistics scenarios	The PRC	August 31, 2021	August 31, 2041
5.	Decision-making method, device, apparatus and medium for avoiding obstacles (避讓障礙物的決策方法、裝置、設備及介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving vehicle solutions	Important decision-making algorithm for autonomous vehicles	The PRC; Europe; Japan; South Korea; the U.S.	August 25, 2021	August 25, 2041
6.	Method, apparatus, computer device, and storage medium for recognizing key target objects (關鍵目標物的識別方法、裝置、計算機設備及存儲介質)	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving kit solutions	Important industry-leading technology of target selection for passenger cars	The PRC	August 17, 2021	August 17, 2041
7.	A vehicle positioning method, apparatus, electronic device and storage medium (一種車輛定位方法、裝置、電子設備和存儲介質)	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving kit solutions	Vehicle positioning method for passenger cars, which is an important fundamental patent	The PRC; Europe; Japan; South Korea; the U.S.	June 28, 2021 (the PRC); June 1, 2022 (Europe, Japan, South Korea, and the U.S.)	June 28, 2041 (the PRC); June 1, 2042 (Europe, Japan, South Korea, and the U.S.)
8.	Automatic unhooking device, tractor-trailer and vehicle (自動脫掛鉤裝置、牽引車和車輛)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving software solutions	Enabling automatic unhooking in logistics scenarios	The PRC	March 24, 2021	March 24, 2041

No.	Patent	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Registration	Expiry date
9.	A map matching method, apparatus, electronic device and storage medium (一種地圖匹配方法、裝置、電子設備和存儲介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving vehicle solutions	Enabling visual semantic positioning for autonomous vehicles	The PRC; Europe; Japan; South Korea; the U.S.	September 27, 2020	September 27, 2040
10.	Guardrail estimation method and in-vehicle device based on multi-sensor information fusion (基於多傳感器數據融合的護欄估計方法和車載設備)	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving kit solutions	Enabling estimation of guardrails using multi-sensor information, which is an industry-leading technology	The PRC	November 22, 2019	November 22, 2039
11.	Forward target selection method, apparatus and in-vehicle device (前向目標選擇方法、裝置及車載設備)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving kit solutions	Forward target selection for L2+ autonomous driving functions of passenger cars, such as high-speed piloting, which is an important fundamental patent	The PRC	November 14, 2019	November 14, 2039
12.	A method of upgrading an autonomous driving system, an autonomous driving system and an in-vehicle device (一種自動駕駛系統升級的方法、自動駕駛系統及車載設備)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving kit solutions	Related to shadow mode, which enables continuous optimization of decision-making algorithms	The PRC; Europe (under substantial review); Japan; South Korea; and the U.S.	March 19, 2019 (the PRC); May 28, 2019 (Europe, Japan, South Korea, and the U.S.)	March 19, 2039 (the PRC); May 28, 2039 (Europe, Japan, South Korea, and the U.S.)
13.	A method and apparatus for determining network structure accuracy and delay optimization points (一種確定網絡結構精度和延時優化點的方法和裝置)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving vehicle solutions	Improving the efficiency and stability of data transmission, ensuring the stable operation of autonomous vehicles in various complex environments	The PRC	March 11, 2019	March 11, 2039
14.	Visual positioning method and device (視覺定位方法以及裝置)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving vehicle solutions	Enabling vehicle positioning, which is an important fundamental patent	The PRC	November 28, 2018	November 28, 2038
15.	A visual positioning map loading method, apparatus, system and storage medium (一種視覺定位地圖加載方法、裝置、系統和存儲介質)	UISEE Beijing	Self-developed; Proprietary	Autonomous driving kit solutions	Significantly reducing vehicle-side storage requirements and improve performance	The PRC; the U.S.	November 21, 2018	November 21, 2038
16.	A multi-sensor data fusion method, apparatus, in-vehicle device and storage medium (一種多傳感器數據融合方法、裝置、車載設備及存儲介質)	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving vehicle solutions	The foundation of multi-sensor data fusion, which is an important fundamental patent	The PRC	June 19, 2018	June 19, 2038

No.	Patent	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Registration	Expiry date
17.	Threat degree calculation method, target selection method and application in autonomous driving (自動駕駛中的威脅度計算方法、目標選擇方法及應用)	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving kit solutions	Enabling the processing of millimeter-wave radar targets, which is an industry-leading approach	The PRC	June 6, 2017	June 6, 2037
18.	Method and system for detecting a tractor pulled by a tractor, and a driverless tractor	UISEE Beijing	Self-developed; Proprietary	Autonomous driving software solutions	Enabling accurate detection of the positional status of trailers	Hong Kong	April 3, 2019	April 3, 2039

The following table sets forth the details of our registered key software copyrights which are crucial to our business operations during the Track Record Period:

No.	Software copyright	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Registration	Expiry date
1.	Platform for remote monitoring of autonomous equipment and vehicle operations (v1.0) (用於遠端監控無人設備和車輛運營的平台 (v1.0))	UISEE Shanghai	Self-developed; Proprietary	Autonomous driving vehicle solutions	Enabling remote management and scheduling of autonomous vehicles to efficiently accomplish operational tasks	The PRC	January 24, 2024	N/A
2.	Diagnostic tool for autonomous systems (CN) (無人駕駛系統診斷工具 (CN))	UISEE Beijing	Self-developed; Proprietary	Autonomous driving software solutions	Enabling the diagnosis and problem analysis of the operation status, vehicle status and sensor status of the autonomous driving system	The PRC	October 27, 2021	N/A

Note:

(1) Represents areas that we have applied our key IP to and/or that we expect to apply our key IP to.

BUSINESS

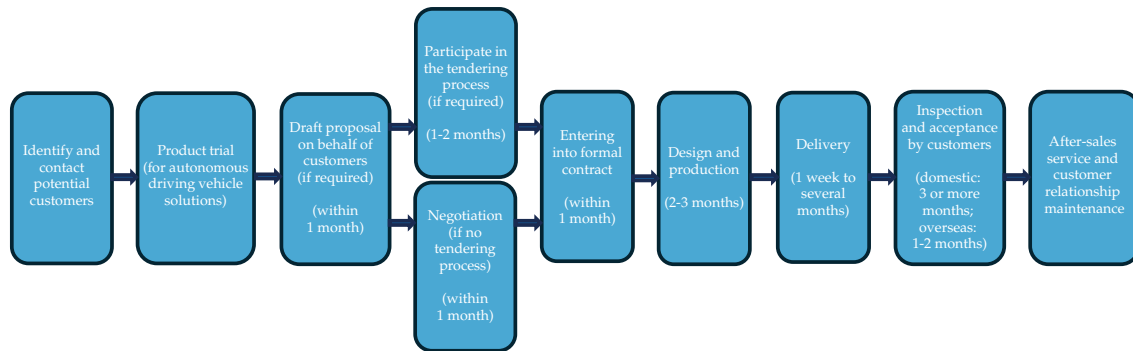
See “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Our Intellectual Property Rights” to this prospectus for further details regarding our IP.

We have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish management over our intellectual property rights, (ii) timely registration, filing and application for ownership of our intellectual properties, (iii) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (iv) engaging professional intellectual property service providers.

During the Track Record Period and as of the Latest Practicable Date, we were not engaged in or threatened with any claim for material infringement of any intellectual property rights, whether as a claimant or as a defendant. Our Directors confirm that they are not aware of any pending legal, arbitral or administrative proceedings of infringement of any third parties’ intellectual property rights by us as of the Latest Practicable Date. However, we may be unable to adequately protect our intellectual properties. See “Risk Factors — Risks Relating to Our Intellectual Property — We may be unsuccessful in obtaining or maintaining patent or other adequate IP protection for our technologies, solutions or services, due to any rejections of our patent applications.

SALES AND MARKETING

We have established a sales and marketing team responsible for identifying suitable potential markets and customers and maintaining our relationship with existing customers. Our sales and marketing members are equipped with knowledge and expertise about our solutions, services and technologies, and are able to identify the requests of our existing and new customers. The following diagram illustrates our typical sales process:



Set forth below are the different steps of our sales process:

- **Identify and contact potential customers.** Our sales and marketing team conducts in-depth research on the overall market size, growth trend, competition pattern, policies and regulations of the relevant industry to understand the macro environment and development dynamics of the market for the development of sales strategies. Based on the market research and analysis, our sales and marketing team then determines the characteristics of target customers, including their size, industry type, geographical location, business conditions and technical requirements and gathers information about potential customers through various online and offline marketing channels. Our marketing personnel then approach potential customers to establish initial communication, and understand their willingness to communicate further; and our sales personnel then engage in in-depth communication with these potential customers to gain a detailed understanding of their business needs, pain points, and expectations in order to provide targeted solutions and services.

BUSINESS

- **Product trial.** As part of our efforts to attract new customers, we may also lease our autonomous vehicles to our potential customers to use for a period of time as a try-before-you-buy option.
- **Solution development and presentation.** Based on the customer's specific needs and business scenarios, our sales personnel take the lead in customizing solutions and services, including product selection, functional configuration, implementation plans, and service commitments, and then present the benefits and value of our solutions and services to the customer.
- **Tendering, commercial negotiation and contract signing.** Where applicable, we may participate in the tendering process or negotiate with the customer regarding the price, payment methods, delivery time and after-sales service, and eventually enter into formal contracts with the customer.
- **Design and production.** Our sales personnel forward the order information to the relevant departments, and coordinates each department to ensure that the order can be fulfilled on time.
- **Delivery.** Products are then delivered to the customer's designated location. For solutions or services that require implementation and installation, we will arrange for professional technicians to perform on-site implementation and troubleshooting to ensure that the solutions or services can operate normally and meet the customer's needs.
- **Inspection.** We will then obtain confirmation from our customer as to whether they are satisfied with the quality, functionality and performance of the product or service.
- **After-sales service and customer relationship maintenance.** We provide training to our customers' employees on the methods and skills for using our solutions or services. The standard basic warranty period for our solutions is generally one year, and we do not provide free-of-charge technical support and maintenance services after the expiry of such warranty period and will charge extra fees for an extension upon our customers' request. We have established after-sales service channels to provide customers with technical support and maintenance services to ensure the stable operation of our solutions or services, as well as to regularly visit our customers to gather their feedback and suggestions.

As of December 31, 2025, our sales and marketing team consisted of 32 members who worked closely with our R&D team to execute our marketing strategies. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB68.7 million, RMB76.1 million and RMB83.3 million, respectively, accounting for 42.6%, 28.7% and 25.4%, respectively, of our revenue for the corresponding years.

Pricing

We price our solutions and services considering a variety of factors, such as our cost of sales, the value of our solutions and services to the customer, the scarcity of our solutions and services in the market, the urgency and certainty of the delivery of our solutions and services, our delivery capacity, competition in the market, market's willingness to pay, the overall market condition, and competitors' pricing strategies. During the Track Record Period, the price of our autonomous driving vehicle solutions generally ranged from over 100 thousand to a few million in RMB per vehicle, depending on a number of factors including but not limited to the type of vehicles and the scope of operation and maintenance services needed where applicable; the price of our autonomous driving kit solutions generally ranged from a few thousand to a few million in RMB per kit, depending on a number of factors including but not limited to the type of kits delivered and the scope of operation and maintenance services needed where applicable; the price of our autonomous driving software solutions generally ranged from approximately ten thousand to a few million in RMB per solution, depending on a number of factors including but not limited to the complexity of the software developed, to be more specific, the manpower expected to be consumed on a certain software development project; and the price of our autonomous driving vehicle leasing services generally ranged from a few thousand to over 200 thousand in RMB per project per month, depending on the number and type of vehicles leased under one solution. Our success will depend on our ability to expand our solutions and services in a cost-efficient manner and improve the quality and efficiency of our existing solutions and services. Furthermore, within each category of our solutions and services, we provide various options to meet diverse customer needs. For details, see "Business — Our Solutions and Services — Autonomous Driving Solutions." Typically, these solutions or services 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 solutions and service portfolio.

Marketing and Branding

We have a team of dedicated customer relationship managers who provide our existing customers with software updates, customer service, and regular check-ins to maintain our relationship with them and to explore new business opportunities. We also maintain contact with potential customers through email and newsletters, and offer a telephone hotline for consultation. As part of our efforts to attract new customers, we may lease our autonomous vehicles to our potential customers to use for a period of time as a try-before-you-buy option. In addition, we have a sales team that actively visits potential customers. We use a mix of online channels for marketing and branding, including social media for customer engagement and brand building, search engine optimization to increase visibility of our official website, and an easy-to-use official website to drive inquiries. We also work with media companies to promote our brand through advertising and press coverage, and actively participate in industry events and exhibitions.

Our Customers

Our major customers include corporate customers, commercial vehicle manufacturers, and passenger car manufacturers. In each year of 2023, 2024 and 2025, revenue contributed from our five largest customers amounted to RMB106.5 million, RMB122.7 million and RMB123.9 million, respectively, accounted for 66.0%, 46.2% and 37.8% of our total revenue in the same years, respectively. In each year of 2023, 2024 and 2025, revenue contributed from our largest customer amounted to RMB61.3 million, RMB49.0 million and RMB31.7 million, respectively, accounting for 38.0%, 18.5% and 9.7% of our total revenue in the same years, respectively.

BUSINESS

We observe seasonality in terms of revenue recognition because a larger proportion of products are delivered in the second half of a year in general. The negotiations with new customers and the new customers' internal procedures to complete the execution of purchase agreements usually occur in the first few months of a year, while the orders are made subsequently, with a larger proportion of products scheduled to be delivered in the second half of a year. See "Risk Factors — Risks Relating to Our Financial Prospects and Need for Additional Capital — Our sales and financial performance may be influenced by seasonality." In the meantime, as a vast majority of our solutions are transaction-based instead of subscription-based, our revenue will be impacted by the number of transactions and the value of such transactions. Such seasonality and transaction-based nature of our current revenue model may cause fluctuation of our revenue, which is not uncommon in the industry according to Frost & Sullivan.

The following tables set out the details of our five largest customers in each year based on their revenue contribution during the Track Record Period:

For the year ended December 31, 2023

Ranking	Customer	Background	Solutions/ Services provided	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue (RMB'000)	Percentage of total revenue (%)
1	Airport Authority Hong Kong	A statutory body wholly owned by the Hong Kong Government and is responsible for the operation and development of HKIA, with total assets of HK\$280.8 million as of December 31, 2025	Autonomous driving vehicle solutions	2023	30 days	Bank transfer	61,303	38.0
2	Customer A	A Wuhan-based company that primarily engages in the development and manufacture of L4 autonomous driving products, with total assets of approximately RMB320,435 million as of September 30, 2025	Autonomous driving kit solutions	2022	30 days	Bank transfer	20,628	12.8
3	Customer B	A Beijing-based company that primarily engages in the provision of coal mine intelligent technology R&D and consulting, equipment customization and upgrading, system integration and operation and maintenance and other professional services, a large-scale state-owned enterprise with registered capital of RMB37.0 billion	Autonomous driving software solutions	2023	30 days	Bank transfer	9,396	5.8
4	Customer C	A Shanghai-based company that primarily engages in the provision of cloud computing and smart manufacturing solutions, a state-owned company with registered capital of approximately RMB37.04 million	Autonomous driving software solutions	2023	30 or 90 days	Bank transfer	8,724	5.4
5	CIMC-TianDa Holdings Company Limited (中集天 達控股有限公司)	A UK-based intelligent logistics solution provider; its subsidiary is a Shenzhen-based supplier of equipment for airport, logistics, and fire and rescue, a private company with registered capital of HK\$166,380 million	Autonomous driving vehicle solutions	2023	30 days	Bank transfer or acceptance of bill of exchange	6,475	4.0
Total							106,526	66.0

BUSINESS

For the year ended December 31, 2024

Ranking	Customer	Background	Solutions/ Services provided	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue (RMB'000)	Percentage of total revenue (%)
1	Airport Authority Hong Kong	A statutory body wholly owned by the Hong Kong Government and is responsible for the operation and development of HKIA, with total assets of HK\$280.8 million as of December 31, 2025	Autonomous driving vehicle solutions	2023	30 days	Bank transfer	49,035	18.5
2	Shanghai Baochi Vehicle Machinery Co., Ltd. (上海保馳 汽車機械有限 公司)	A Shanghai-based special vehicles and equipment provider, a private company with registered capital of RMB10.0 million	Autonomous driving vehicle leasing services and autonomous driving vehicle solutions	2021	30 or 180 days	Bank transfer	30,325	11.4
3	Hainan Huneng New Energy Vehicle Sales Co., Ltd. (海南 滙能新能源汽車 銷售有限公司)	A Haikou-based company that primarily engages in the sales of vehicles, a private company with registered capital of RMB5.0 million	Autonomous driving vehicle solutions	2024	3-6 months	Bank transfer	15,310	5.8
4	Shenzhen Sitong Technology Holdings Co., Ltd. (深圳市四 通科技控股有 限公司)	A Shenzhen-based company that primarily engages in the provision of IT products and services including servers and storage devices, a private company with registered capital of RMB60.0 million	Autonomous driving software solutions	2024	15 working days	Bank transfer	15,000	5.6
5	Customer D	A Tongxiang-based skateboard chassis and autonomous driving solution provider, a private company with registered capital of approximately RMB8.2 million	Autonomous driving kit solutions	2024	Nil or 5 working days	Bank transfer	13,009	4.9
Total							122,679	46.2

BUSINESS

For the year ended December 31, 2025

Ranking	Customer	Background	Solutions/Services provided	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue (RMB'000)	Percentage of total revenue
1	Shanghai Xiangyi Xinyu Technology Co., Ltd. (上海翔熠新語科技有限公司)	A Shanghai-based company that primarily engages in the sales of vehicles, a private company with registered capital of RMB10.0 million	Autonomous driving vehicle solutions	2025	180 days	Bank transfer	31,681	9.7%
2	Customer E	A Shanghai-based company that primarily engages in the sales of vehicles, a private company with registered capital of RMB1.0 million	Autonomous driving vehicle solutions	2025	90 days	Bank transfer	27,154	8.3%
3	Customer F	A private software development enterprise based in Beijing, China, with registered capital of RMB14.3 million	Autonomous driving software solutions	2025	180 days	Bank transfer	22,776	6.9%
4	Customer G	A private software development enterprise based in Shenzhen, China, with registered capital of RMB1.0 million	Autonomous driving vehicle solutions	2025	2-13 months	Bank transfer	21,394	6.5%
5	Customer H	A state-owned intelligent equipment and software development company based in Chengdu, Sichuan, with registered capital of RMB98.0 million	Autonomous driving vehicle solutions; Autonomous driving software solutions	2025	60 days	Bank transfer	20,910	6.4%
Total							123,915	37.8%

Salient terms of a typical agreement for our autonomous driving vehicle solutions generally include: (i) the term typically ranges from one to seven years; (ii) we are typically obliged to (a) provide our autonomous driving vehicles to the customer, (b) install and test our products, and (c) provide technological support during the warranty period; (iii) we are typically entitled to receive (a) payment upon signing of agreement, (b) payment upon delivery and acceptance of our product, (c) monthly installments, and/or (d) payment upon the end of the warranty term, which is generally one year; (iv) we generally grant to our customers credit terms of 30 to 180 days from invoice date; in certain cases, we may grant a longer credit term on a case-by-case basis. We typically settle with our customers by bank transfer; (v) we typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology; while our customers typically have sole ownership of their background IP; (vi) we and our customers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (vii) both parties typically can unilaterally terminate the agreement upon written notice if the other party is bankrupt or dissolved, becomes unable pay the required fees, or breaches of the agreement despite the written demands to perform.

Salient terms of a typical agreement for our autonomous driving kit solutions generally include: (i) the term typically ranges from three months to three years; (ii) we are typically obliged to (a) provide our autonomous driving kit to our customers, (b) install the kits on our customer's vehicles, and/or (c) provide training and technological support; (iii) we are typically entitled to receive (a) payment upon signing of agreement, (b) payment upon delivery and acceptance of our product, (c) monthly installments, and/or (d) payment upon the end of the warranty term, which is generally one year; (iv) we generally grant to our customers credit terms of five to 30 days from invoice date and settle with them by bank transfer; (v) we typically have sole ownership of our background IP, such as IP relating to our products and relevant hardware and software technology; while our customers typically have

BUSINESS

sole ownership of their background IP; (vi) we and our customers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (vii) both parties typically can unilaterally terminate the agreement upon written notice if the other party is bankrupt or dissolved, becomes unable pay the required fees, or breaches of the agreement despite the written demands to perform.

Salient terms of a typical agreement for our autonomous driving software solutions generally include: (i) the term typically ranges from nine months to one year; (ii) we are typically obliged to (a) develop the software or provide technological system to the specification of our customers, (b) provide training and technological support for the customer during the warranty period, both remotely and on-site, and/or (c) provide source codes, instruction manuals, and other information or materials created during the course of software development; (iii) we are typically entitled to receive payments upon (a) signing of agreement, (b) delivery and acceptance of our product and/or service, and/or (c) in rare cases where there is a warranty period which may range from three months to one year, the end of the warranty term; (iv) we generally grant to our customers credit terms of 15 to 180 days from invoice date and settle with them by bank transfer; (v) we typically have sole ownership of our background IP; while our customers typically have sole ownership of the IP developed under the services; (vi) we and our customers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (vii) our customers can typically unilaterally terminate the agreement if we breach, or fail to remedy our breach of, the agreement.

Salient terms of a typical agreement for our autonomous driving vehicle leasing services generally include: (i) the term typically ranges from one to three years and to a lessor extent, less than one year; (ii) we are typically obliged to lease our autonomous driving vehicles and other equipment and software necessary for the operation of our vehicles to our customers; (iii) we are typically entitled to receive monthly installments; (iv) we generally grant to our customers credit terms of 30 days from invoice date and settle with them by bank transfer; (v) we typically have sole ownership of our background IP; while our customers typically have sole ownership of IP relating to their data, materials and information provided to us during the performance of the relevant agreement with us; (vi) we and our customers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (vii) if our customers fail to make payments pursuant to the relevant agreements within a specified time period, we are generally entitled to early termination rights. Both parties typically can terminate the agreement upon written notice if the other party fails to remedy its contractual breach.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year as of the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with, nor did we receive any material complaints from, our customers.

PROCUREMENT AND SUPPLY

Raw Materials and Procurement

The raw materials for our commercial vehicles with various L4 autonomous driving functions and autonomous driving kits consist primarily of AI and other chips, LiDAR, modules, GPU servers, and cameras. Furthermore, raw materials for our commercial vehicles also include customized vehicle bodies, such as tractors, buses, and patrol cars, procured from third-party vehicle manufacturers. We compare potential suppliers' prices and product offerings, and enter into a formal contract with the selected supplier. We conduct thorough inspections after receiving the products to ensure that both the quality and quantity meet our specified requirements.

When sourcing or customizing a vehicle body, we first communicate and confirm our specific requirements for the vehicle body with the vehicle manufacturer, covering aspects such as design, materials and functionality. The vehicle manufacturer is required to submit a preliminary design plan for our review to ensure that it meets the technical specifications. Following this review, the vehicle manufacturer shall develop a prototype vehicle and conduct extensive validation testing on the prototype vehicle, including durability and crash testing, to ensure that it meets our high safety and performance standards. After the prototype vehicle passes initial validation, we will enter into a formal contract with the vehicle manufacturer. The vehicle manufacturer shall then manufacture the vehicle bodies in accordance with the contract, provide regular progress reports and deliver the vehicle bodies in a timely manner.

We outsource the manufacturing of domain controllers to third parties where we provide product design and specifications and the third party manufacturers produce products that meet our standards. In 2023, 2024 and 2025, we paid these outsourced third-party manufacturers RMB3.0 million, RMB1.5 million and RMB3.9 million, respectively, for the manufacturing of domain controllers. The ownership and risks of such products are transferred from the outsourced manufacturers to us after the finished domain controllers are delivered to us (or our designated location as agreed), inspected and accepted by us. We issue invoices after acceptance, and usually make full payments within the agreed credit period ranging from 30 to 90 days. According to Frost & Sullivan, outsourcing the manufacturing of domain controllers is in line with the industry norm. The costs paid to outsourced manufacturers were accounted as cost of sales in the Track Record Period.

Our inventory primarily consists of raw materials, work-in-progress and finished goods. We use our enterprise resource planning system to assist us in planning and managing our inventory control. We categorize our inventory by quantity and value and conduct regular inventory reviews, physical stock counts and aging analyses. Our team timely monitors our inventories, including inventory levels, inventory age, inventory composition and inventory turnover rate. Furthermore, we apply the “first in, first out” inventory management method to avoid obsolescence or expiry of raw materials. In 2023 and 2024 and 2025, our inventory turnover days were 302.1 days, 138.6 days and 119.2 days, respectively. For more details, see “Financial Information.”

Our Suppliers

In selecting our suppliers, we primarily consider their ability to ensure stable supply, good product quality, strong technical capability, competitive price and quality after-sales service. For vehicle bodies, we set higher standards when selecting vehicle manufacturers since the vehicle body is the most important component of our autonomous driving vehicles. Among other things, we typically consider: (i) their technical development capabilities to customize vehicle bodies to meet our specific requirements in terms of safety redundancy, real-time monitoring and electromagnetic compatibility; (ii) their relevant certifications, including quality control management and environmental management, to ensure that their production processes meet international standards; and (iii) the effectiveness of their after-sales service. In addition, we maintain stable relationships with multiple vehicle manufacturers to ensure that we can meet the diverse needs of our customers and ensure a stable supply. We generally require our suppliers to provide relevant qualification certificates, complete a questionnaire and submit product samples before we engage them as our suppliers. We have established supplier evaluation measures and a supplier evaluation plan. We regularly conduct supplier performance reviews and classify our suppliers into different tiers on the qualified supplier list based on our engagement and evaluation mechanisms. We generally review our suppliers semi-annually or annually. As of the Latest Practicable Date, we had maintained stable business relationship with our major suppliers for approximately five years in average.

During the Track Record Period, our suppliers for our main business operations consisted primarily of vehicle manufacturers, software and hardware manufacturers, and testing service providers. In each year of 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB39.7 million, RMB64.8 million and RMB113.1 million, respectively, accounting for 35.5%, 33.7% and 38.8% of our total purchases in the same year, respectively. In each year of 2023, 2024 and 2025, purchases attributable to our largest supplier amounted to RMB18.2 million, RMB17.8 million and RMB45.6 million, respectively, accounting for 16.2%, 9.3% and 15.7% of our total purchases in the same year, respectively.

BUSINESS

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period based on purchases from them:

For the year ended December 31, 2023

Ranking	Supplier	Background	Products/ Services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase (%)
1	Zhejiang Jixinxiang New Energy Equipment Manufacturing Co., Ltd. (浙江吉鑫祥新能源裝備製造有限公司)	A Taizhou-based machinery manufacturing enterprise specializing in the production of forklifts, logistics handling equipment and aviation ground equipment, a private company with registered capital of RMB21.0 million	Logistics tractors vehicle bodies	2021	30 days	Bank transfer	18,152	16.2
2	Supplier A	A Beijing-based LiDAR technology company, which is a subsidiary of a Silicon Valley-based LiDAR technology company previously listed on the Nasdaq Stock Exchange that merged with a San Francisco-based LiDAR technology company listed on the Nasdaq Stock Exchange with total assets of US\$349.5 million as of December 31, 2025	Lidar products	2018	30 days	Bank transfer	7,973	7.1
3	Skywell New Energy Vehicles Group Co., Ltd. (開沃新能源汽車集團股份有限公司)	A Nanjing-based automobile manufacturer, a private company with registered capital of RMB1.5 billion	Vehicle body accessories	2019	30 days	Bank transfer	4,753	4.3
4	Supplier B	A Shanghai-based human resource provider listed on the Hong Kong Stock Exchange, with total assets of RMB3.1 billion as of December 31, 2025	Human resource service to facilitate labor outsourcing arrangement for certain on-site deployment staff	2019	60 days	Bank transfer	4,600	4.1
5	Zhejiang Goodsense Forklift Co., Ltd. (浙江吉鑫祥叉車製造有限公司)	A Taizhou-based machinery manufacturing enterprise specializing in the production of forklifts, a private company with registered capital of RMB50.0 million	Tractors vehicle bodies	2018	30 days	Bank transfer	4,224	3.8
Total							39,702	35.5

BUSINESS

For the year ended December 31, 2024

Ranking	Supplier	Background	Products/ Services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase (%)
1	Zhejiang Jixinxiang New Energy Equipment Manufacturing Co., Ltd. (浙江吉鑫祥新能源裝備製造有限公司)	A Taizhou-based machinery manufacturing enterprise specializing in the production of forklifts, logistics handling equipment and aviation ground equipment, a private company with registered capital of RMB21.0 million	Logistics tractors and vehicle bodies	2021	30 days	Bank transfer	17,814	9.3
2	Grey Stone Technology (Shenzhen) Co., Ltd. (灰石科技(深圳)有限公司)	A Shenzhen-based company that engages in software and information technology service industry, a private company with registered capital of RMB10.0 million	Servers	2024	30 days	Bank transfer	15,900	8.3
3	Shenzhen Maimang Zhixun Technology Co., Ltd. (深圳市麥芒智訊科技有限公司)	A Shenzhen-based technology company, a private company with registered capital of RMB20.0 million	Servers	2024	30 days	Bank transfer	11,040	5.7
4	Hunan Automobile Manufacturing Co., Ltd. (湖南汽車製造有限公司)	A Hunan-based machinery manufacturing enterprise that provides smart computing solutions, a private company with registered capital of RMB100.0 million	Logistics tractors and vehicle bodies	2024	Payment in advance	Bank transfer	10,200	5.3
5	Supplier C	A Beijing-based company primarily engaged in the development of intelligent connected vehicle simulation testing technologies listed on the Hong Kong Stock Exchange, with total assets of RMB1,035.9 million as of December 31, 2025	Simulation software service	2023	90 days	Bank transfer	9,845	5.1
Total							64,799	33.7

For the year ended December 31, 2025

Ranking	Supplier	Background	Products/Services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase
1	Skywell New Energy Vehicles Group Co., Ltd. (開沃新能源汽車集團股份有限公司)	A Nanjing-based automobile manufacturer, a private company with registered capital of RMB1.5 billion	Logistics tractors	2019	Within 24 months after acceptance	Bank transfer	45,607	15.7%

BUSINESS

Ranking	Supplier	Background	Products/Services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase
2	Supplier D	A Changzhou-based industrial internet platform company specializing in intelligent manufacturing and supply chain management, a private company with registered capital of RMB21.3 million	Software algorithm service	2024	30 days	Bank transfer	20,720	7.1%
3	Supplier E	An information system integration research and development company, a private company based in Tianjin, China, with registered capital of RMB200 million	Software algorithm service	2025	90 days-120 days	Bank transfer	17,755	6.1%
4	Zhejiang Jixinxiang New Energy Equipment Manufacturing Co., Ltd. (浙江吉鑫祥新能源裝備製造有限公司)	A Taizhou-based machinery manufacturing enterprise specializing in the production of forklifts, logistics handling equipment and aviation ground equipment, a private company with registered capital of RMB21.0 million	Logistics tractors and vehicle bodies	2021	3 days-90 days	Bank transfer	16,143	5.5%
5	Hunan Automobile Manufacturing Co., Ltd. (湖南汽車製造有限責任公司)	A Hunan-based machinery manufacturing enterprise that provides smart computing solutions, a private company with registered capital of RMB100.0 million	Logistics tractors and vehicle bodies	2024	Payment in advance	Bank transfer	12,858	4.4%
Total							113,083	38.8%

Salient terms of a typical agreement with our vehicle manufacturer suppliers generally include: (i) our vehicle manufacturer suppliers provide us with customized vehicle bodies and/or parts according to our requirements and technical specifications and/or services as specified in the agreement; (ii) the term typically ranges from two to six months, or until both parties fulfill their obligations under the agreement; (iii) we are required to make payments to our vehicle manufacturer suppliers according to the payment schedule agreed by the parties; (iv) our vehicle manufacturer suppliers generally settle with us by wire transfer and grant to us credit terms within three to 90 days from invoice date, while certain suppliers also require for prepayment; (v) our vehicle manufacturer suppliers are typically responsible for delivering the vehicles and/or parts to our designated location as specified in the agreement, while the associated logistics costs may be borne by us or our vehicle manufacturer suppliers; (vi) we have the right to conduct inspections based on mutually agreed-upon standards. Our vehicle manufacturer suppliers are responsible for any product quality issues that do not meet requirements; (vii) we typically have sole ownership of the IP of technologies and related parts independently developed by us; and our vehicle manufacturer suppliers typically have sole ownership of the IP of technologies and related parts independently developed by them. We typically have sole ownership of the IP of the technology and related parts jointly developed by us and the vehicle manufacturer supplier under the agreement; (viii) we and our vehicle manufacturer suppliers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (ix) we are generally entitled to early termination rights if our vehicle manufacturer suppliers' design, development and quality assurance capabilities do not meet our requirements or if they delay in delivery for over 30 days.

Salient terms of a typical agreement with our other suppliers generally include: (i) our suppliers provide us with products and/or services as specified in the agreement; (ii) the term

BUSINESS

typically remains effective for one year or until both parties fulfill their obligations under the agreement; (iii) we are required to make payments to the supplier according to the payment schedule agreed by the parties; (iv) our suppliers generally settle with us by wire transfer and grant to us credit terms within five to 120 days from invoice date. Certain suppliers also require for prepayment; (v) our suppliers are typically responsible for delivering the products to our designated location as specified in the agreement and are responsible for any associated logistics costs; (vi) we have the right to conduct inspections based on mutually agreed-upon standards. Our suppliers are responsible for any product quality issues that do not meet requirements; (vii) we typically have sole ownership of our background IP; and our suppliers typically have sole ownership of their background IP. We typically own the IP derived from the project under the agreement, and are entitled to apply for patent for such IP; (viii) we and our suppliers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party; and (ix) typically, both parties can terminate the agreements if the other party fails to cure a breach within the notice period, or without cause upon 30 days' prior written notice. The agreements may also be terminated as mutually agreed by both parties.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or delay in delivery of our orders from our suppliers.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year as of the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

The number of our overlapping customers and suppliers was 7, 4 and 8 in each of 2023, 2024 and 2025, respectively. The revenue generated from these overlapping parties amounted to RMB31.8 million, RMB61.0 million and RMB22.5 million in 2023, 2024 and 2025, representing approximately 19.7%, 23.0% and 6.9% of our total revenue in the respective years. The gross profit derived from such revenue in 2023, 2024 and 2025 was RMB22.3 million, RMB30.5 million and RMB11.3 million, with gross profit margins of 70.1% and 50.0% and 50.4%, respectively. These margins were commensurate with those of our other customers. Our purchases from overlapping customers and suppliers in 2023, 2024 and 2025 were RMB23.6 million, RMB1.9 million and RMB18.5 million, respectively, accounting for 14.7%, 1.0% and 6.4% of our total purchases in the respective years.

According to Frost & Sullivan, such overlapping arrangements are common in the autonomous driving and advanced manufacturing industries, where supply chain integration, co-development and cross-licensing are prevalent practices. It is typical for industry participants to act both as upstream component suppliers and downstream solution integrators. In our case, overlapping relationships typically arise when vehicle manufacturers supply vehicle bodies or components for our autonomous driving solutions while also procuring our autonomous driving kits, software, or complete vehicles for integration into their own product lines. This dual role is reflective of our ecosystem-driven commercialization model and the collaborative structure of the autonomous driving industry. Our Directors confirm that all transactions with these overlapping customers and suppliers were conducted in the ordinary course of business, on normal commercial terms, and were not inter-conditional. The contractual terms were substantially the same as those with our other customers and suppliers. To the best knowledge of our Directors, all of these parties were Independent Third Parties.

OUR JIAXING ASSEMBLY AND TESTING CENTER

We have one assembly and testing center established in Jiaxing, Zhejiang in 2017, where we assemble vehicle bodies manufactured by manufacturers with our autonomous driving kit for our autonomous driving vehicle solutions and perform testings on the finished vehicles. The property of our Jiaxing assembly and testing center, with a GFA of 10,000 sq.m., is leased from an Independent Third Party.

LOGISTICS AND INVENTORY MANAGEMENT

Our warehouses are located in Jiaxing, Zhejiang Province and Fangshan District, Beijing. Our warehouse, assembly and testing center in Zhejiang is used to store and assemble autonomous driving vehicles and kits, and to conduct road tests before delivery; while our warehouse in Beijing is used to store electronic components and other parts. We manage our inventory based on sales forecasts and are directly responsible for the warehousing and storage of our raw materials and products. In particular, raw materials and products that have passed quality inspections are delivered to our warehouse, assembly and testing center in Zhejiang, where we implement strict inventory management and control measures.

Our products are transported by qualified third party logistics providers to locations specified by our customers. We generally enter into framework service agreements with logistics providers with a term of one year or more, under which we send across delivery instructions by order and settle logistics fees monthly. The credit terms generally range from two to three months. Currently, we are able to deliver our products to most regions in northern, eastern and southern China within two to three days.

QUALITY CONTROL

We are committed to providing our customers with high-performance products with consistent quality and reliability. We have established a comprehensive set of quality control and assurance procedures to monitor our operations to ensure compliance with relevant regulatory requirements, customer requirements, and our internal quality requirements. For example, we select our suppliers based on a strict set of criteria to make sure our requirements are being consistently met. In addition, we conduct inspection on delivered products in accordance with our quality management standards. We conduct comprehensive safety assessment and vehicle environment testing before delivering our autonomous vehicles. Typically, we are required to conduct 100 km and 500 km road tests before delivering to customers in the Chinese Mainland and other regions or countries, respectively, which in accordance with international standards and consistent with industry practice according to Frost & Sullivan. We set strict quality control standards and perform a series of quality checks according to these standards at our facility in Jiaxing, Zhejiang Province. We have a quality control team that is responsible for handling all quality and safety issues of our vehicles and works closely with our after-sales department to provide solutions and services and remediation in case of any quality or safety issues. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product recalls or return, quality issues, safety issues or car accident.

As of the Latest Practicable Date, we had obtained ISO 9001 and IATF 16949 certifications. ISO 9001 is a globally recognized quality management standard; while IATF 16949 is an international standard for automotive management systems that is a widely adopted and standardized quality management system for the automotive sector. During the Track Record Period, we were able to meet the different standards and requirements of our customers in the Chinese Mainland and around the world. We will continue to regularly monitor our operations to ensure that we closely follow the rules and standards in the certifications.

On June 22, 2025, two driverless shuttle buses used to transport airport staff had a minor collision within the restricted area of the HKIA. Neither bus was carrying passengers at the time, and no injuries were reported. It was found that, at the time of the incident, the relevant buses had not yet been equipped with the vehicle-to-vehicle (V2V) communication function, as the V2V function was not considered necessary on the relevant buses because they were not expected to meet at the intersections where the incident happened according to bus schedules and routes. The incident was not related to the accuracy of our algorithms. Subsequent to the incident, we have optimized the shuttle bus system by enhancing the passage priority judgment logic, reducing vehicle speed and increasing the braking time buffer when shuttle buses are approaching to intersections. On July 28, 2025, the relevant two bus routes returned to normal operations.

On August 19, 2025, a driverless bus with no airport staff onboard was involved in a minor collision with an aircraft towing vehicle within the restricted area of HKIA. No injuries were reported, and airport operations were not affected. The incident was not related to the autonomous driving system; it was caused by the misjudgment of a remote human operator engaged by us that the vehicle could proceed after it stopped at an obstacle. The relevant vehicles were put back to normal operations soon after inspection.

BUSINESS

On September 30, 2025, one driverless bus supplied by us, which was temporarily operated by a human driver during vehicle inspection, collided with two parked vehicles and an electrical vehicle charging unit at HKIA. No one was injured in this incident. Based on our understanding, the bus was in full manual driving mode, and the collision happened as a result of careless driving by our driver, so this incident was not related to our autonomous driving system. We have repaired the bus involved in this incident, which had resumed operations as of the Latest Practicable Date. Following this incident, we have terminated the employment of the driver involved and conducted safety trainings for all drivers. No similar incidents had occurred as of the Latest Practicable Date.

We consider such incidents do not have a material adverse impact on our overall operations and financial position based on the following reasons: (i) the above incidents do not constitute a breach of contract by us under the sales agreement between the Airport Authority Hong Kong and us; (ii) as of the Latest Practicable Date, we had agreed to bear the labor cost incurred by the Airport Authority Hong Kong to hire human drivers when the operations of driverless buses were suspended, being approximately HK\$168,000, and we had not received any other claims from the Airport Authority Hong Kong; (iii) after the incidents, the type and scope of products and services provided by us to the Airport Authority Hong Kong have not been changed; (iv) after the incidents, the commercial arrangement and the mode of cooperation between the Airport Authority Hong Kong and us have not been changed; (v) our business relationship with the Airport Authority Hong Kong will continue; and (vi) there have been no existing or potential disputes, arbitrations, litigations or other legal proceedings between the Airport Authority Hong Kong and us.

SAFETY CONTROL

We have implemented a rigorous safety control policy to ensure the highest level of safety for all users and stakeholders. We conduct comprehensive risk assessments focused on identifying potential hazards associated with our autonomous driving solutions. Based on the results of the risk assessment, we implement robust safety measures such as redundant systems, fail-safe mechanisms, and advanced collision avoidance systems. For example, our vehicles are equipped with multiple sensors such as LiDAR, radar and cameras to provide a comprehensive view of the environment and ensure reliable operation even if one sensor fails. We also provide comprehensive safety training for all personnel involved in the deployment and maintenance of our autonomous driving solutions. This training covers not only the technical aspects of the systems, but also emergency response procedures and cybersecurity best practices. We have a well-defined process for analyzing and reporting incidents. Our operations team promptly investigates the incident, and we will then issue a detailed report outlining the findings, corrective actions taken, and measures to prevent future occurrences.

We follow the ISO 26262 road vehicles — functional safety standard and various other product and industry standards, including industry standards specific to airport products for product development. In particular, we have established a special product safety department that is responsible for implementing functional safety during the development of all products, and organizing problem analysis and discussion, forming the closed loop of problem report, solution, and repair. We also obtain ISO 26262 certification for our products when necessary, and had obtained ISO 26262 certification for our multi-sensor data fusion software as of the Latest Practicable Date.

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

In our autonomous driving vehicle solutions, autonomous driving vehicle leasing services and certain autonomous driving kit solutions where we provide deployment, maintenance and operation services, the localization, perception, prediction, planning and control modules on our autonomous driving vehicles collect and generate certain types of data, such as vehicle information and status, key hardware information, maintenance records, operational data (e.g., mileage, orders), vehicle-cloud IoT data, and vehicle log data. No personal data are collected in the operations of vehicles. The types of data collected through our testing vehicles are solely for the purposes of and are limited to the scope necessary for enabling safe functioning, training and perfection of our autonomous driving system. These data are collected, stored and processed as agreed by the customers and in compliance with our internal control procedures and applicable laws and regulations in all material respects, in particular:

- (i) data collected in Chinese Mainland and Singapore are stored on third party cloud service platforms in the corresponding jurisdictions;

BUSINESS

- (ii) data collected in Hong Kong are stored on servers in Hong Kong and a cloud service platform in Shanghai dedicated to the Hong Kong projects and isolated from other data. The data on Shanghai server are underlying information to assess the vehicle healthiness, which are agreed by the customer to be transmitted to Shanghai as no separate computer cluster to process such data has been set up in Hong Kong. No geographic, video or personal data are involved. Since such data do not include personal data and there are no other laws or regulations in Hong Kong which prohibits the transfer of such data to outside Hong Kong, the transfer of such data from Hong Kong to Shanghai is not in breach of any laws or regulations in Hong Kong, as advised by our legal advisers as to Hong Kong laws in relation to the operations of the Group;
- (iii) for the project in Qatar lasted from January to May 2025, the data generated from the operations of vehicles were stored on a local server, and had been deleted immediately subsequent to the termination of such project; and
- (iv) for the pilot project in United Arab Emirates (two vehicles in total) in 2022, the data were stored on local servers and deleted after the projects were completed in 2023.

For projects in China, we also collaborated with a qualified service provider who provide us with data collection and retention, data annotation, data cleansing and other necessary technical processing services in accordance with relevant laws and regulations. Based on our collaboration agreement arrangements with the data service provider, we entrusted it to collect and store geographic information data and audio/video data outside vehicles generated during autonomous vehicle operations. The data provided by the service provider, which were limited to processed environmental data after the geographic location and privacy information are removed, were one of the sources of training data for our AI models while a vast majority of our training data are those we collect as agreed with the customers and in compliance with our internal control procedures and applicable laws and regulations. The service provider was also contractually responsible for performing compliance processing including data anonymization. Meanwhile, the data service provider contractually undertook to us to (i) ensure security and stability of the designated data storage environment; (ii) prevent data leaks or unauthorized access; and (iii) refrain from using the data beyond the scope defined in the agreement. We do not directly own, access or process personal information of traffic participants outside the vehicles, such as license plate number or human face, captured by the sensor suite on our autonomous driving vehicles. Such personal information was desensitized by the service provider in their environment.

We also implement a stringent data control system to ensure that only authorized personnel can view and retrieve these video clips and in a manner that meets security, privacy and compliance requirements. The data we collect and generate in our operations within the territory of the PRC is stored and processed on the servers deployed locally and cloud servers within the territory of PRC. We do not engage in any provision of personal information, important data or geographic information data to overseas recipients. On that basis, our operations had not involved any transfer of important data or personal information to any overseas recipients outside PRC during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisors are of the view that, during the Track Record Period and as of the Latest Practicable Date, we are not subject to the cybersecurity review, given that: (i) we had not been notified of being classified as a critical information infrastructure operator; (ii) we have not received any queries or notifications from any PRC governmental authorities, nor received any notification with regard to cybersecurity review; and (iii) Hong Kong is not included in the definition of “abroad (國外)” thereof and a listing in Hong Kong is not in the scope of “listing abroad” (國外上市), accordingly, a cybersecurity review is not expressly required for a listing in Hong Kong.

BUSINESS

We provide services such as monitoring, maintenance, and management of autonomous driving vehicles primarily through our cloud brain control system, and had received Multi-level Protection Scheme (“MLPS”) 2.0 level 3 certification for such system as of the Latest Practicable Date. MLPS is a complex technology standard that requires companies to assess the current state of their information and network systems with servers located in China and the risks associated with them. Under the MLPS, companies are required to evaluate and determine the level to which the company’s information and network systems belong — from the lowest level 1 to the highest level 5 — based on their relative impact on national security, social order, and economic interests if the system is damaged or attacked. We also conduct penetration test, which is an authorized simulated cyberattack on a computer system to evaluate the security of the system, before delivering our solutions and services to our customers.

We have designated personnel responsible for cybersecurity, data security and privacy. We have established a comprehensive system to regulate our data processing activities, which includes procedures and policies that guide our information security and compliance initiatives, define our data classification and management system, specify management and compliance requirements, mandate trainings for relevant personnel, and establish procedures for data security and compliance risk assessments and audits. We have also set up an emergency response mechanism for information security incidents. All our personnel are required to strictly follow our internal rules, policies and protocols to safeguard the integrity of our data. We provide data privacy trainings to our personnel on a periodic basis to increase their compliance awareness, and require them to sign a confidentiality agreement with us.

To ensure data security, we have adopted rigorous encrypted algorithm to store sensitive data and strictly execute a data accessing and transmitting policy to ensure the confidentiality of our data. We have also established a remote disaster recovery system for our server by setting up multiple storage for the same information and data of long time dimension on the cloud, local and remote locations. Even if the server is damaged due to the highest level of disasters such as earthquakes, mudslides and other irresistible natural disasters, we believe that it can safeguard and guarantee that the service and data can be completely restored within 24 hours.

As of the Latest Practicable Date, we had obtained the ISO 27001 information security management system and ISO 27701 privacy information management certifications. ISO 27001 is a recognized and widely applied management system standard centered on information asset security and business risk management within the field of information security. ISO 27701 is a framework for data privacy that builds on ISO 27001. See “Risk Factors — Risks Relating to Our Industry and Business Operations — We are subject to cybersecurity risks to operational systems, security systems, infrastructure, integrated software in our solutions and services and customer data processed by us or third-party vendors or suppliers. Any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business and reduce confidence in us and our solutions and services.” and “Regulatory Overview — PRC Laws and Regulations — Regulations on Data Security, Cyber Security and Data Privacy Protection.”

Our PRC Legal Advisors are of the view that we have been in compliance with the relevant PRC laws, rules and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date on the basis that (i) we do not collect or process amounts of personal data for purposes of providing autonomous driving solutions, as we do not conduct business directly with individuals, (ii) we have implemented comprehensive cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data, prevent unauthorized access or use of data and respond to network security incidents, (iii) we have not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities for violation of cybersecurity and data protection laws, rules and regulations, (iv) there have been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of our Directors, threatened against or relating to us, and (v) we have not experienced any material leakage of data, any breach of confidential business data or violation of cybersecurity and data protection and privacy laws, rules and regulations which will have a material adverse impact on our business operations.

BUSINESS

Taking into consideration the advices of our legal advisors as to Hong Kong, Singapore and Qatar laws in relation to the operations of the Group, respectively, and we are not aware of any investigations, penalties or disciplinary actions regarding its historical pilot project in United Arab Emirates, we consider our Group was in compliance with the applicable laws and regulations on data privacy and security in all material respects in Hong Kong, Singapore, Qatar and United Arab Emirates during the Track Record Period and up to the Latest Practicable Date.

AWARDS AND RECOGNITION

As of the Latest Practicable Date, we had received numerous awards and recognitions in respect of our Group, solutions, services and technologies, including the following:

Award year	Award/Recognition	Awarding Institution/Authority
2025	Cathay Subsidiary Services' Winner of Digital Leadership	Cathay Subsidiary Service
2025	Golden Bull Technology Innovation Enterprise — Artificial Intelligence (金牛科創企業獎—人工智能)	China Securities Journal (中國證券報)
2025	2024-2025 Innovative Leading Enterprise in the Field of Intelligent Driving (2024-2025年度智能駕駛領域創新領軍企業)	Chinese Venture (融中財經)
2025	ISC.AI • Hurun China Digital Intelligence Pioneer — Wu Gansha 2025 (2025 ISC.AI • 胡潤中國數智化先鋒人物 — 吳甘沙)	Hurun Research Institute
2024	Global Unicorn Index 2024 (2024年全球獨角獸榜)	Hurun Research Institute
2024	1st Place in the RoboDrive Challenge Track 3: Robust Occupancy Prediction	International Conference on Robotics and Automation
2024	2024 Good Science and Technology Innovation Companies (2024科創好公司)	China Star Market (科創板日報)
2023	KPMG China's Leading Autotech 50 (畢馬威中國領先汽車科技企業50)	KPMG China
2022	Most Socially Influential Startups in the PRC (中國最具社會影響力的創業公司)	Fortune
2022	The Second Prize of Beijing Science and Technology Progress Award (北京市科學技術進步獎二等獎) relating to our R&D and industrial application of key technologies of autonomous driving in regional logistics transportation (區域物流運輸無人駕駛關鍵技術研發及產業化應用)	The People's Government of Beijing Municipality
2021	National Key Specialized and New Small Giant Enterprise (國家級專精特新“小巨人”企業)	MIIT
2018	2018 Forbes China Most Innovative Companies (2018福布斯中國最具創新力企業)	Forbes

COMPETITION

The market for autonomous driving solutions is rapidly evolving and competitive, with many potential applications under development. As a result, although we believe that we have market-leading autonomous driving technology, we face competition from a range of companies developing autonomous driving solutions for these applications, some of which may be similar to ours. Our primary competitors include other autonomous driving solution providers. We believe that we are strategically well-positioned in our market and compete favorably with others based on our advanced autonomous driving technology that delivers superior performance and quality, our broad range of solutions and services, and our strong R&D capabilities. For more information on the competitive landscape of our industry, see “Industry Overview.” Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths, which are highlighted in the paragraph headed “— Our Competitive Strengths” in this section.

BUSINESS

EMPLOYEES

As of December 31, 2025, we had a total of 443 full-time employees, of which approximately 92.3%, 6.3%, 1.1% and 0.2% of whom were based in the PRC, Hong Kong, Singapore and Qatar, respectively. The following table sets forth a breakdown of our employees categorized by function as of December 31, 2025.

Function	Number	Percentage (%)
R&D	227	51.2
Operations ⁽¹⁾	143	32.3
General management and administrative	41	9.3
Sales and marketing	32	7.2
	<u>443</u>	<u>100.0</u>

Note:

- (1) Our operations employees may perform sales and marketing functions as needed when they are not assigned to tasks directly relating to the delivery of our solutions and services. We allocate employee costs to our cost of sales or selling and marketing expenses based on their recorded working hours for the corresponding functions.

As part of our human resources strategy, we offer employees competitive salaries, performance-based bonuses, and other incentives. We typically enter into intellectual property assignment agreements, confidentiality agreements and non-competition agreements with our key employees. Our employees are reviewed quarterly or annually on the basis of, among other criteria, their abilities to achieve stipulated performance targets. As a result, we have generally been able to attract and retain qualified employees and maintain a stable core business and operating team.

We primarily recruit our employees through on-campus recruitment, online recruitment channels and professional headhunters. We provide on-board training for all of our employees as well as periodic training or seminars to ensure their self-development. We also strive to create a multiple-incentive mechanism and a friendly working environment to fulfil our employees' full potential. We have adopted the Pre-IPO Incentive Schemes for the purpose of attracting, retaining and rewarding talents for our development. See "History, Development and Corporate Structure — Pre-IPO Incentive Schemes" and "Appendix VI — Statutory and General Information — D. Pre-IPO Incentive Schemes" for details.

We believe that we generally maintain good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with our employees.

INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance and medical insurance. We also purchase property insurance and third party liability insurance for our autonomous driving vehicles on a project-by-project basis.

As advised by our PRC Legal Advisor, based on our commercial contracts with our customers, and pursuant to Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Implementation Guidelines for the Pilot Program on Market Access of Intelligent and Connected Vehicles (ICVs) (《智能網聯汽車准入和上路通行試點實施指南》), insurance companies shall compensate for personal injury or property loss caused by our products within the coverage limits of the applicable insurance, and we may assume liability for any compensation shortfall not covered by insurance as the ultimately responsible party if such loss results from product defects. Additionally, in the event of a product recall due to defects or malfunction which is not covered by insurance as in line with

BUSINESS

the industry norm according to Frost & Sullivan, we may bear responsibilities to repair, replace, or provide refunds for affected products and compensate customers for losses resulting from such recalls.

For vehicles sold to customers, we customarily obtain vehicle property insurance and third-party liability insurance covering a defined contractual period (typically ranging from three months to one year, subject to specific negotiation). Pursuant to the relevant contractual provisions, customers are obligated to renew such insurance upon its expiration while certain customers may also procure insurance directly without our involvement. Failure by customer to fulfill the aforementioned obligation of renewing and procurement would render the customer liable for any resultant losses of the primary insured event(s). For vehicles leased to customers, we would typically secure commercial insurance for the entirety of the lease term to mitigate associated operational and asset risks.

In addition, to mitigate potential risks of cyber attacks targeting our IT infrastructure and systems, we have purchased cyber insurance providing coverage against, among others, liability arising out of cyber risk, denial of service. For our operations overseas, we have further obtained coverage by professional indemnity insurance to cover liability arising out of any wrongful acts, errors, omissions, and other misconducts by our employees. We also attempt to mitigate the risks of liabilities and claims by subjecting our autonomous driving vehicles to rigid testing and by including security features in product design. To enhance the safety level of our products and operations, we developed a remote maintenance system to manage and monitor our autonomous driving vehicle in operation, detect abnormalities, and intervene if necessary. We can also provide regular inspection of such autonomous driving vehicles for our customers to ensure safe operation. Our Directors consider our insurance policy as a whole is in line with the general market practice and complies with the relevant rules and regulation. According to Frost & Sullivan, our insurance coverage is in line with the market practice. See “Risk Factors — Risks Relating to Our Industry and Business Operations — We may not have sufficient insurance coverage to cover our business risks.” As of the Latest Practicable Date, we had not experienced any business interruptions that had a material adverse effect on our business.

PROPERTIES

We are headquartered in Beijing, the PRC. As of the Latest Practicable Date, we did not own any property in the PRC, and leased 11 properties in the PRC with an aggregate GFA of approximately 17,411.46 sq.m. from third parties. These properties were used primarily as premises of office spaces, assembling, testing and R&D. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from one to 10 years. To support our business operations overseas, we also leased one property in Hong Kong with an aggregate GFA of approximately 120 sq.m. used for office spaces.

As of the Latest Practicable Date, we had not obtained lease registration for nine of the properties we leased primarily as offices and assembly/testing premises in the PRC. See “— Legal Proceedings and Compliance.” According to Frost & Sullivan, even if relocation happens, which will incur certain relocation costs, which the Company estimates to be approximately RMB1.0 million in aggregate, primarily including expenses relating to the lease of new premises, renovation and modification of facilities, and the relocation and recalibration of equipment, while we may face challenges such as staff adaptation and operational adjustments during the relocation period, it is expected that, with a well-planned and orderly execution of the relocation, there will be no material adverse impact on our overall operations. According to Frost & Sullivan and to the best of the Directors’ knowledge, there are sufficient alternative premises in the market. Based on the above, our Directors do not expect the relocation, which nevertheless will not happen due to the failure to complete the lease registration, will have a material disruption to our overall operations. See “Risk Factors — Risks Relating to Our Industry and Business Operations — Legal defects regarding some of our leased properties may adversely affect our business, financial condition and results of operations.”

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulties in renewing lease agreements or locating new premises for our facilities. We do not foresee any major challenges or impediments in renewing the relevant leases upon their expiration.

BUSINESS

LICENSES, PERMITS AND CERTIFICATES

As of the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all material licenses and permits necessarily required for our business operations in the PRC, and such licenses and permits had remained in full effect. Our PRC Legal Advisors have advised us that there was no material legal impediment to renewing our material licenses and permits as of the Latest Practicable Date.

The following table sets forth a list of material licenses, permits and approvals obtained for our operations as of the Latest Practicable Date:

License/Permit	Holding Entity	Issuing Authorities	Date of Issuance	Date of Expiration
High-tech Enterprise Certificate (高新技術企業證書)	Our Company	Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau of the State Administration of Taxation	December 19, 2024	December 18, 2027
High-tech Enterprise Certificate (高新技術企業證書)	UISEE Zhejiang	Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance, Zhejiang Provincial Taxation Bureau of the State Administration of Taxation	December 8, 2023	December 7, 2026
High-tech Enterprise Certificate (高新技術企業證書)	UISEE Shanghai	Shanghai Municipal Science and Technology Commission, Shanghai Municipal Finance Bureau, Shanghai Municipal Taxation Bureau of the State Administration of Taxation	December 25, 2025	December 25, 2028

INDUSTRY STANDARDS, COMPETENT AUTHORITY REQUIREMENTS

The application of L4 autonomous driving technology in domestic settings such as airports, factories, ports, public transport, sanitation, and mining involves adherence to multiple national standards, industry regulations, and regulatory approvals. The key principles include:

Regulatory responsibility

- For vehicle-related matters, our partner manufacturers are responsible for compliance, while we handle autonomous driving certifications.
- If we sell vehicle solutions, we shall obtain necessary regulatory approvals. For driving kits, the vehicle integrator typically assumes this responsibility.
- We are not required to obtain licenses, permits or certificates for provision of autonomous driving solutions to our customers for operations in open scenarios, and the operating entities, i.e. our customers, shall obtain relevant licenses, permits or certificates.

Compliance for data acquisition

We require customers to register with local industry bureaus and obtain autonomous driving demonstration permits. We may also commission qualified third party service providers for data collection and mapping management.

Scenario-specific standards and licenses

Airports: Autonomous vehicles (e.g. baggage tugs, shuttle buses) must meet aviation-specific standards and pass airworthiness evaluations managed by our vehicle providers. We are also developing new technical requirements for unmanned equipment, while registration with civil aviation authorities is typically handled by the airports.

Factories/Parks: In closed settings (e.g. factory sites, logistics parks), L4 vehicles typically do not require public road licenses but must comply with relevant industry standards and safety requirements (e.g., AGV standards GB/T 30029-2013). Special permits for hazardous areas require additional certifications from the Ministry of Emergency Management, obtained by us or vehicle integrators.

Ports: The Ministry of Transport outlines specific design standards and technical requirements for automated container terminals and unmanned container transport vehicles. Operators must apply for port operating licenses and may need to obtain operational permits for autonomous equipment from local transport authorities. The process usually involves closed testing, joint acceptance, and trial operation approvals, with us collaborating with port management and operators.

Buses: Standards for urban public transport vehicles include technical requirements for emergency braking and remote monitoring. Local pilot programs (e.g. in Beijing, Shanghai and Shenzhen) require applications for intelligent connected vehicle demonstration licenses, with us assisting vehicle providers and end customers in securing necessary certifications.

Sanitation Vehicles: Compliance with technical specifications for specialized operational vehicles is required, along with adherence to local government procurement standards. Some cities are piloting L4 autonomous sanitation vehicles, necessitating testing licenses and operational permits. We primarily act as a kit provider, assisting vehicle manufacturers with certifications and helping end customers in obtaining local licenses.

Trucks (Long-haul Logistics/Mining): The Ministry of Transport's draft regulations outline infrastructure requirements for autonomous truck operations on highways. In mining scenarios, the National Mine Safety Administration mandates specific safety reviews for unmanned mining trucks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ESG Governance

Our Board holds the highest decision-making authority regarding our ESG direction. It is responsible for approving our ESG strategies, overseeing climate-related risks, and ensuring that our management approach supports the Group's sustainable growth and alignment with the transition to a low-carbon economy.

To execute the Board's strategy, an ESG working group has been established. Led by our Director and composed of senior management from product, operations, HR, and finance, this group drives the implementation of our ESG framework. Its core functions include:

- Identifying and prioritizing material ESG risks and opportunities;
- Formulating action plans and monitoring performance against set targets;
- Facilitating stakeholder engagement and keeping abreast of market trends;
- Compiling annual ESG data and reports for Board review and approval.

As advised by our PRC Legal Advisor, we have complied with PRC ESG-related laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date, including the preparation of Environmental Impact Assessment reports, execution of environmental protection facility acceptance inspections, implementation of occupational hazard factor monitoring and remittance of statutory social insurance contributions and housing provident fund allocations for employees. We have not incurred any material ESG-related administrative penalties during the Track Record Period and up to the Latest Practicable Date.

Identification and Management of ESG-related Risks and Opportunities

The ESG working group is responsible for identifying, assessing, and managing material ESG-related risks and opportunities. An assessment report is submitted to the Board at least annually, and the Board retains ultimate oversight of the Group's risk management activities.

The assessment process integrates our business knowledge, industry research, and international reporting frameworks. Risks are evaluated based on their likelihood and potential impact on business, strategy, and finances. An inherent risk rating is first assigned, followed by a residual risk rating that reflects the effectiveness of existing controls. A similar methodology is applied to assess ESG opportunities.

The Group has identified the following material ESG risks:

- **Climate-related physical risks**, including extreme weather events that may damage assets or disrupt operations. These are addressed through weather monitoring and emergency response procedures.
- **Climate-related transition risks**, such as evolving low-carbon regulations and shifting customer preferences, which could increase compliance or production costs. These are managed through regulatory tracking and the adoption of energy-efficient equipment.
- **Product quality and safety risks**, which are mitigated by strict oversight across R&D, production, and after-sales processes.
- **Supply chain risks**, including supplier quality and stability issues, which are controlled through supplier evaluation policies and long-term partnerships.
- **Intellectual property and data security risks**, which are protected through patent registrations, confidentiality agreements, ISO certifications (27001 and 27701), encryption protocols, and disaster recovery systems.

In addition, the Group actively pursues ESG opportunities, including growing demand for electric vehicle technologies and energy-efficient solutions, by investing in innovation and implementing energy conservation measures.

ESG Policy

We are committed to incorporating ESG factors into our business decision-making process. Accordingly, we have established a group-level ESG policy complemented by a set of measures and initiatives to guide our actions and measures to strengthen our sustainability efforts.

Environment

Our environmental policy outlines our green practices and measures (as far as practicable), with a focus on emission reduction, waste reduction, resource conservation, protection of environmental and natural resources, as well as addressing climate change. In addition, we have obtained the ISO 14001:2015 environmental management system certification for our operation facility to ensure our environmental management practices meet international standards and continuously improve our environmental performance.

During the Track Record Period, we did not encounter any non-compliance or complaints in relation to the environmental protection. In 2023, 2024 and 2025, we incurred expenses for environmental compliance of RMB13,300, RMB9,600 and RMB16,600, respectively.

Sustainable Mobility

Through our AI-powered L4 autonomous driving operating system, we aim to enhance safety, efficiency, and low-carbon development. We primarily deploy new energy vehicles as part of our solutions and remain focused on reducing carbon emissions across our own operations, customer value chains, and society at large.

Our autonomous driving system incorporates multiple safety redundancies, comprehensive failure handling, and holds international certifications for road safety and information security. Our vehicle-brain and cloud-brain architecture enables continuous technology iteration through real-world data collection, while the cloud-brain optimizes driving strategies and operational efficiency via big data analytics.

Emissions, Energy and GHG Management

Given the nature of our business, we do not generate material SO_x, NO_x or PM emissions in the course of our operations. Our primary energy consumption and GHG emissions (Scope 1 and 2) arise from purchased electricity. To manage consumption, we have implemented energy-saving measures including energy-efficient equipment, LED lighting, natural light utilization, and employee guidelines on light and air-conditioning usage.

Water and Waste Management

Water consumption, which is sourced from the municipal supply, is managed through timely repairs, water-efficient equipment, consumption monitoring, and employee awareness initiatives.

Our non-hazardous waste, primarily domestic waste from offices and warehouses, is managed through waste sorting for recycling and paper reduction measures such as double-sided printing. Employees are also encouraged to minimize waste generation through internal communications. We do not generate hazardous waste in our operations.

BUSINESS

Environmental Metrics and Targets

The table below sets forth key environmental metrics of our business operations^{1,2}:

	Unit	Year ended December 31,		
		2023	2024	2025
Emissions				
GHG emissions³				
Total (Scopes 1, 2, 3)	tCO ₂ e	1,895.98	1,616.46	1,551.32
(i) Direct emissions (Scope 1)	tCO ₂ e	0.28	–	–
(ii) Energy indirect emissions (Scope 2)	tCO ₂ e	731.78	655.75	605.39
(iii) Other indirect emissions (Scope 3) ⁴	tCO ₂ e	1,163.93	960.71	945.92
Use of Resources				
Energy				
Total	MWh	1,199.44	1,343.07	1,315.00
(i) Purchased electricity	MWh	1,199.44	1,077.16	995.68
(ii) Solar energy	MWh	–	265.91	319.32
Water				
Total	m ³	1,515.36	2,536.47	2,583.54

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being. Our social policy has outlined socially responsible practices and measures.

Employment and Labor Practice

We aim to build an inclusive and diverse workforce. We uphold principles of equal opportunity, diversity, and inclusiveness in all aspects of employment, including compensation, recruitment, promotion, benefit, and welfare. We respect labor rights, and we strictly prohibit the recruitment and use of child labor.

We are committed to continually investing in our workforce. To this end, we actively provide employee development program to equip our employees with professional knowledge, skills, and competence. We also encourage employees to actively participate in various training programs to enhance their personal and professional skills.

In addition, we are committed to building and maintaining a talent pool, with a focus on recruiting and retaining top R&D experts who have deep expertise and practical experience in key technology areas, such as AI research and the development of high-generalization algorithms. To attract and retain talents and cultivate their skills, we provide them with reasonable career development paths, adequate training, medical and accident insurance and fairly evaluation their performance.

1 The data covers the Group's major business operations.

2 Totals may not be the exact sum of numbers stated here due to rounding.

3 The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development ("WBCSD") and the World Resources Institute (WRI). Scope 1 (Direct) emissions cover GHG emissions directly produced by business owned or controlled by the Group, Scope 2 (Energy indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other Indirect) emissions that occur in the Group's value chain.

4 The Scope 3 emissions include the emissions generated from Category 6: business travel as well as Category 7: employee commuting.

BUSINESS

Furthermore, we strive to strengthen employee engagement by regularly arranging leisure activities for our employees and maintaining two-way communications with our employees, to increase their overall job satisfaction.

Occupational Health and Safety

Maintaining a healthy and safe workplace is one of our priorities. Health and safety policies have been established, including provision of personal protective equipment, regular workplace inspections, and relevant training. Emergency response procedures and accident recording and handling systems are in place, with clear departmental responsibilities for incidents such as fires.

Supply Chain Management

Our supply chain ESG risk management policy and procurement procedures integrate sustainability expectations — including employment practices, health and safety, business ethics, data privacy, and environmental protection — into supplier selection and regular evaluations. Suppliers are assessed based on strict criteria and classified into tiers accordingly. Green procurement measures include prioritizing energy-efficient products and encouraging suppliers to adopt environmentally friendly practices. Major suppliers are generally required to sign a sustainability commitment and provide relevant certifications (e.g., ISO 14001) where applicable.

Product Responsibility

We are committed to delivering high-quality, safe, and environmentally friendly products. We have obtained ISO 26262:2018 (functional safety for road vehicles) and IATF 16949 certifications. Quality measures include safety assessments, vehicle environmental testing, and after-sales services such as technological maintenance, software updates, and bug-fixing. Customer complaint handling procedures are in place, and no material complaints were received during the Track Record Period. Our marketing and advertising policies ensure promotional materials and product labelling are accurate and compliant.

Technology and Intellectual Property

We protect our intellectual property through patent applications, engagement of professional IP service providers, and timely action against potential conflicts. Internal policies include an intellectual property incentive scheme and protection guide. Key employees are required to enter into intellectual property assignment, confidentiality, and non-competition agreements.

Data Privacy and Information Security

We uphold high standards of data privacy and security. Data collected through our autonomous driving system — such as street view images — is limited to the scope necessary for system training and safe functioning, and is processed in compliance with applicable laws. We collaborate with a licensed surveying service provider and do not directly access personal information of traffic participants.

Internal policies and strict access controls prevent unauthorized data use. We have designated personnel responsible for cybersecurity and data privacy, and have obtained ISO 27001 (information security) and ISO 27701 (privacy information) certifications. All personnel undergo periodic data privacy training. During the Track Record Period, we recorded no material data breaches or regulatory violations.

Business Ethics

We uphold the highest standards of business ethics, strictly prohibiting bribery, extortion, fraud, and money laundering. Preventive measures include anti-corruption policies for the Board and employees, and whistle-blowing channels for reporting potential misconduct. The Board oversees these measures and procedures. During the Track Record Period, we were not aware of any material non-compliance with relevant laws or regulations.

BUSINESS

Community Investment

We strive to contribute to the community through our technology. We have established a community engagement policy and encourage employee participation in community services through internal communications.

Social Metrics

The table below sets forth key social metrics of our business operations.

Workforce

	Unit	As of December 31,		2025
		2023	2024	
By gender				
Male	Number	392	343	362
Female	Number	100	94	81
By employment type				
Full time	Number	466	437	443
Part time	Number	26	–	–
By age group				
At or below 30	Number	242	184	178
Between 31-50	Number	243	243	254
At or above 51	Number	7	10	11
By geographical location				
The Chinese Mainland	Number	482	413	410
Hong Kong	Number	10	22	28
Singapore	Number	–	1	4
Qatar	Number	–	1	1

Occupational Health and Safety

We did not experience any major work safety-related incidents involving our employees during the Track Record Period.

	Unit	Year ended December 31,		2025
		2023	2024	
Working days lost due to work injury	Days	37	–	65

During the Track Record Period, two of our employees encountered incidents: one was involved in a car accident on the way home, and another fell off a bicycle and was injured after work. Although these accident were not caused by and related to the operational process, they are considered as a work-related injuries according to the labor laws and regulations in China. We had not received any claims relating to these incidents from these employees as of the Latest Practicable Date.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we had not been and were not a party to any legal, arbitral or administrative proceedings that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors. To the best knowledge of our Directors, our business operations had been carried out in compliance with applicable laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

As of the Latest Practicable Date, we had not completed lease registration for nine leased properties in the PRC, primarily because some of the lessors were not cooperative enough to provide documents necessary for the lease registration, which are beyond our control. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered if required by competent authorities, including requiring relevant lessors to cooperate with us to complete the lease registration. The nine unregistered leased properties were used primarily as office and assembly/testing premises. We may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. The actual usage of the leased property by the company is in compliance with its designated use, and thus as advised by our PRC Legal Advisor, there is no violation of applicable local safety requirements. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract. Therefore, failure to complete the lease registration would not result in relocation.

Based on the due diligence conducted by the Sole Sponsor, nothing material has come to the Sole Sponsor's attention that contradicts the advice of our PRC Legal Advisor disclosed above in relation to the local safety requirements.

During the Track Record Period, since a limited number of employees worked in the cities where we have not established subsidiaries, we engaged third-party human resources agencies to handle social insurance premiums and housing provident fund contributions for such employees. However, PRC regulations require employers to make these contributions directly using their own accounts, not through third-party intermediaries. As a result, contributions made via third-party accounts may not be deemed as compliant by government authorities. Consequently, we could be required to make additional payments for any outstanding contributions and may also face late payment penalties or enforcement actions. As of the Latest Practicable Date, we have terminated the engagement with third-party human resources agencies and we have not received any administrative penalties or labor disputes related to this practice.

Based on the above, we consider that these non-compliances would not have a material adverse effect on our business, financial condition, or results of operations. We are of the view that we have in place adequate internal control measures to ensure ongoing compliance with applicable laws and regulations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks in our operations and have established a risk management system with relevant policies and procedures that we believe are appropriate for our business operations, such as financial reporting, compliance, and anti-bribery and kick-back. Such risk management policies are established by our Board based on the current effective laws and regulations of the PRC and our Memorandum and Articles and Association.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Global Offering, we have adopted and will continue to adopt, among other things: (i) establish an audit committee to review and supervise our financial reporting process and internal control system. For details of the qualifications and experience of these committee members, see "Directors and Senior Management;" (ii) adopt various policies to ensure compliance with the Listing Rules, including but not limited to policies and procedures related to internal control and risk management, periodically reviewing their effectiveness and compliance to relevant rules and regulations; and (iii) continue to organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Financial Reporting Risk Management

We have in place a set of accounting policies and implementation procedures in connection with our financial reporting risk management. We also provide regular training to our finance team members to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Compliance Risk Management

In order to effectively manage our 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. Our in-house legal team examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations of business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements. In particular, although we had not encountered any impact from the U.S. chip export restrictions on certain U.S. chips and other foreign direct products and on-going geo-political tensions as of the Latest Practicable Date, we commenced R&D of our next-generation controllers based on both imported and domestically designed chips since June 2023 to manage potential future compliance risks.

Anti-bribery and Kick-back Risk Management

In terms of anti-bribery and kick-back prevention, we have implemented a series of policies and internal control measures against bribery and kick-back, which set forth procedures for implementing relevant anti-bribery procedures and setting out anti-bribery responsibilities for relevant personnel. We will strictly prohibit bribery or other improper payments such as bribes, kickbacks, falsification and alteration of accounting and business documents in any of our business operations according to our anti-bribery and kick-back prevention policies. Moreover, we keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. We provide employees with adequate communication channels, establish whistleblower policy and encourage employees to take the initiative to seek guidance from us regarding the implementation of anti-bribery policies. Our internal audit team is responsible for investigating the reported incidents and taking appropriate measures as necessary in accordance with relevant laws and anti-bribery policies.

IMPACT OF TRADE RESTRICTIONS, TARIFF POLICIES AND INTERNATIONAL SANCTIONS

We have only procured limited U.S.-origin items (U.S. electric linear actuators) in our production process. The procurement proportion of U.S.-origin items was extremely low (RMB497,144 in aggregate) during the Track Record Period and we have already identified alternative domestic suppliers. Furthermore, we have not been involved in any direct or indirect exports to the U.S. during the Track Record Period and up to the Latest Practicable Date. Accordingly, based on the advice of our International Sanctions Legal Advisors, the U.S.-China tariff policies have no material negative impact on our import activities, and our import and export activities are not affected by the additional tariffs imposed by the U.S. on Chinese-origin goods.

In addition, based on the information provided by our legal department, the relevant U.S.-origin items are not controlled under the Export Administration Regulations (“EAR”) with a specific Export Control Classification Number (“ECCN”) and are classified as EAR99. Items designated as EAR99 are generally not controlled items but low-sensitivity items that typically do not require a license for export, reexport, or transfer, except when destined for an embargoed or sanctioned country, an end user of concern, or a prohibited end use. Specifically, certain U.S.-origin electric linear actuators incorporated into our products are subject to the EAR but are classified as EAR99 items. In addition, we procured certain U.S.-branded chips that are not of U.S. origin and are not controlled items under the EAR, as they do not require an export licence for export to China. Accordingly, neither the U.S.-origin electric linear actuators nor the U.S.-branded chips procured by us required any export licence.

BUSINESS

Our products, being autonomous driving solutions, are produced in China that do not incorporate any controlled commodities or technologies or bundled with controlled software under the EAR. Furthermore, the incorporation of EAR99 items into our products would not, by itself, cause such products to become subject to the EAR. During the Track Record Period, we did not sell any items, including commodities, technologies or software, subject to the EAR to any entity included on the BIS Entity list. In addition, two of our customers which procured autonomous vehicle leasing services were designated on the BIS Entity List. As mentioned above, our products are not subject to the EAR, and no items subject to the EAR were ever sold or transferred to such customers. Accordingly, we are of the view that dealings with these BIS-designated entities were not prohibited under applicable U.S. export control regulations. On this basis, and as advised by our International Sanctions Legal Advisors, both the U.S.-origin items and U.S.-branded chips are not controlled items under the EAR and, accordingly our products are not subject to the EAR. Therefore, there is no indication that the our business during the Track Record Period and up to the Latest Practicable Date may trigger any violation of U.S. BIS export control. In addition, with respect to the procurement of U.S.-origin electric linear actuators, we are able to source alternative products at comparable prices should the U.S.-origin items become subject to trade restrictions or otherwise unavailable in the future. In fact, during the Track Record Period, we sought to procure comparable products from a Chinese alternative supplier, which offered a comparable unit price while maintaining similar performance, and the products are of PRC origin. Accordingly, although we have not yet ceased the procurement of the aforementioned U.S.-origin products as they remain available for purchase, alternative products can be sourced if needed.

During the Track Record Period, we sold our products overseas only to customers located in Hong Kong, Singapore, the United Arab Emirates, and Qatar. We sold to one customer that is currently designated on the U.S. Non-SDN Chinese Military-Industrial Complex Companies (“NS-CMIC”) List maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and the Chinese Military Companies (“CMC”) List published and maintained by the U.S. Department of Defense, and one customer that is only designated on the CMC List. During the Track Record Period, we entered into and performed only three contracts with the two customers, generating revenue of RMB0.5 million, RMB0.1 million and RMB3.0 million in 2023, 2024 and 2025, respectively, representing approximately 0.3%, 0.03% and 0.9% of our total revenue for the corresponding years. In addition, during the Track Record Period, we procured from four suppliers that are currently designated as CMC entities. The items procured comprised (i) battery modules totaling nil, RMB0.3 million and nil in 2023, 2024 and 2025, representing approximately nil, 0.2% and nil of our total purchases for the respective years; (ii) LiDAR products totaling RMB4.4 million, RMB8.2 million and RMB16.0 million in 2023, 2024 and 2025, representing approximately 2.9%, 4.5% and 5.1% of our total purchases for the respective years; and (iii) Internet services totaling RMB0.3 million, RMB0.3 million and RMB0.3 million in 2023, 2024 and 2025, representing approximately 0.2%, 0.2% and 0.1% of our total purchases for the respective years. Such suppliers are not our sole sources for the relevant commodities. Instead, we have purchased comparable products at similar price from several alternative suppliers during the Track Record Period. We did not encounter any export licensing requirements in connection with these sales and procurements.

As confirmed by our Company and advised by the International Sanctions Legal Advisors, our Group’s business, especially dealings with our counterparties, including customers and suppliers, during the Track Record Period did not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities, as: (i) we have currently several domestic offices in Chinese Mainland and three overseas subsidiaries in Hong Kong, Singapore and Qatar, respectively. None are located, incorporated, organized, or domiciled in countries or regions subject to comprehensive sanctions; (ii) neither our Company nor any of our subsidiaries is a Sanctioned Target; (iii) none of our shareholders is located in countries or regions subject to comprehensive sanctions or would be deemed as a Sanctioned Target; (iv) our Company is not owned 50% or more or controlled by any nationals of the United States, the United Kingdom, or any member state of the European Union; (v) during the Track Record Period, the aforementioned countries and regions were not subject to comprehensive sanctions, and the Group’s customers in these jurisdictions were not identified as Specially Designated Nationals (“SDN”); (vi) we did not export or transfer any item subject to the EAR to our customers on the BIS entity list, nor did we procure any items subject to the EAR from any suppliers on the BIS entity list, and our transactions with the NS-CMIC and CMC

BUSINESS

entities were limited to ordinary-course sales or procurement activities and did not involve any investment in or ownership interest in such entities; and (vii) the Group has implemented Sanctions and Export Control Compliance Measures designed to systematically monitor and ensure ongoing adherence to the following key principles: (a) timely identification of whether counterparties are designated as Sanctioned Targets by any Relevant Sanctions Authorities; (b) confirmation that relevant transactions do not give rise to international sanctions risks; and (c) verification that items subject to the EAR procured by the Group are not sold to countries, regions, or customers that could trigger international sanctions risks.

Based on the above and as advised by our International Sanctions Legal Advisors, our Directors are of the view that the trade restrictions, tariff policies and international sanctions laws do not have material adverse impact on our business operations and financial performance and the Global Offering. Based on the due diligence conducted by the Sole Sponsor, nothing material has come to the Sole Sponsor's attention that contradicts the Directors' view disclosed above in relation to the trade restrictions, tariff policies and international sanctions laws.

To manage regulatory and policy risks, we have established internal procedures to ensure export control and sanctions compliance. Our Directors and senior management are responsible for formulating and overseeing the implementation and effectiveness of our risk management and internal control systems, which are designed to ensure ongoing compliance with applicable laws and regulations.

Our internal control policies cover, among other things, counter-party due diligence, item classification for potential controls, and related transaction approval processes. We have also formed an export control and management team, comprising our CEO, CFO and legal department, to monitor and mitigate sanctions and export control risks. The management team's duties include, among others, (i) supervising and preventing our Group from sanction- and export control-related risks by implementing certain internal control measures to ensure the compliance of our business operations; (ii) preparing risks control report to the Board for review; (iii) assessing the potential risks of business activities to be conducted by reviewing commercial contracts and information received in business activities and adding specific terms and conditions in our commercial contracts for counterparties' compliance with applicable laws and regulations as appropriate; and (iv) providing training programs relating to sanction laws and trade restrictions to our Directors, senior management and other relevant personnel as and when appropriate.

We believe that our risk management and internal control systems and current procedures are sufficient in terms of comprehensiveness, practicability and effectiveness. Based on above, our International Sanctions Legal Advisors are of the view that these measures will provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to export control and sanction laws. Having taken into account our International Sanctions Legal Advisors' advice above, our Directors are of the view that our measures provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to sanctions laws so as to protect the interests of our Shareholders and us.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The table below sets out the key information of our Directors:

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. Wu Gansha (吳甘沙)	50	February 6, 2016	April 29, 2016 (re-designated as executive Director on May 15, 2025)	Executive Director, Chairman and chief executive officer of our Company	Responsible for the overall strategic planning, business direction and operational management of the Group	None
Mr. Zhou Xin (周鑫)	48	February 22, 2016	September 8, 2017 (re-designated as executive Director on May 15, 2025)	Executive Director, deputy general manager and chief products officer	Responsible for the overall products and development of our Group	None
Mr. Chiang Tsung Che (江宗哲)	42	February 21, 2017	October 31, 2024 (re-designated as executive Director on May 15, 2025)	Executive Director, chief financial officer, secretary of our Board and our joint company secretary	Responsible for financing, corporate governance and company secretarial matters	None
<i>Non-executive Directors</i>						
Mr. Wu Jun (吳軍)	59	November 8, 2017	November 8, 2017 (re-designated as non-executive Director on May 15, 2025)	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Zhou Jun (周軍)	52	April 27, 2020	April 27, 2020 (re-designated as non-executive Director on May 15, 2025)	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Gao Xiaohu (高曉虎)	45	October 31, 2024	October 31, 2024 (re-designated as non-executive Director on May 15, 2025)	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
<i>Independent Non-executive Directors</i>						
Mr. Chow Ming Sang (周明笙)	53	October 31, 2024	October 31, 2024 (re-designated as independent non-executive Director on May 15, 2025)	Independent non-executive Director	Responsible for providing independent advice to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Ms. Bai Rui (白蕊)	37	October 31, 2024	October 31, 2024 (re-designated as independent non-executive Director on May 15, 2025)	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Mr. Du Zide (杜子德)	70	October 31, 2024	October 31, 2024 (re-designated as independent non-executive Director on May 15, 2025)	Independent non-executive Director	Responsible for providing independent advice to our Board	None

Executive Directors

Mr. Wu Gansha (吳甘沙), aged 50, is our Co-founder, Chairman, executive Director and chief executive officer. He also holds various directorships in our Group.

Mr. Wu has over 25 years of experience in the information technology industry. Prior to founding our Group, Mr. Wu worked for INTEL China Research Centre Ltd. (英特爾(中國)研究中心有限公司) (“Intel”), from July 2000 to March 2016, with his last position held as the general manager. He led Intel’s long-term strategic planning in big data technology. Mr. Wu is currently a member of several government and industry committees and organizations, a special advisor to the Beijing Municipal People’s Government, and a member of the Beijing Autonomous Driving Vehicle Road Testing Expert Committee (北京市自動駕駛測試專家委員會). He also serves as a director of the China Electric Vehicle Hundred People’s Association (中國電動汽車百人會), a director of the China Electronics Society (中國電子學會), an executive member of the China Digital Economy Hundred People’s Association (中國數字經濟百人會), and a distinguished member of the China Computer Federation (中國計算機學會). He is also a deputy director of the Intelligent Vehicle Working Committee of the Chinese Automation Society (中國自動化學會智能車工作委員會), a director of the China Artificial Intelligence Society (中國人工智能學會), a member of the Internet of Vehicles Committee of the China Communications Society (中國通信學會車聯網專業委員會), and a vice chairman of the China Chapter of the Association for Computing Machinery Special Interest Group on Artificial Intelligence (ACM SIGAI) (國際計算機學會人工智能特別興趣組).

Mr. Wu graduated from Fudan University (復旦大學) in the PRC with a bachelor’s degree and a master’s degree in computer science and engineering in July 1997 and June 2000, respectively. He has earned a number of industry honors, including AI Golden Goose Award (AI金雁獎) and AI Leader Award (AI領軍人物獎) in 2024.

Mr. Zhou Xin (周鑫), aged 48, is our Co-founder, executive Director, deputy general manager and chief products officer.

Mr. Zhou has over 23 years of experience in the autonomous driving industry. Prior to founding our Group, Mr. Zhou has worked for Intel from July 2002 to February 2016. During his tenure with Intel, he was the director of the Big Data Lab at Intel China Research Institute and the chief architect at the China-Intel Internet of Things Research Institute. Mr. Zhou also served as a senior architect at Intel. He is now dedicated to developing comprehensive solutions for autonomous driving. Additionally, Mr. Zhou serves as a correspondent member of the Big Data Expert Committee of the China Computer Federation (中國計算機學會).

Mr. Zhou graduated from Fudan University (復旦大學) in the PRC with a bachelor’s degree and a master’s degree in computer science and engineering in July 1999 and July 2002, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chiang Tsung Che (江宗哲), aged 42, is our executive Director, deputy general manager, chief financial officer, secretary of our Board and joint company secretary. He joined our Group as the chief financial officer in February 2017.

Mr. Chiang has over 15 years of experience in auditing, corporate governance and financial management. He has gained valuable financial and operational management experience at two publicly listed companies in Taiwan. From September 2009 to September 2012, Mr. Chiang worked in the accounting division of KPMG Taiwan (KPMG安侯建業會計師事務所), an accounting firm in Taiwan. From September 2012 to June 2013, he worked for TSRC Corporation (台橡股份有限公司) (formerly known as Taiwan Synthetic Rubber Corp.), a synthetic rubber manufacturer in Taiwan whose shares are listed on the Taiwan Stock Exchange (TPE: 2103). From October 2013 to July 2016, Mr. Chiang served as the manager of the accounting department of Ri Pei Computer Accessory (Shanghai) Co., Ltd. (日沛電腦配件(上海)有限公司), a subsidiary of Casetek Group, Casetek Holdings Limited (鎧勝控股有限公司), a manufacturer of light metal casing in Taiwan, whose shares were listed on the Taiwan Stock Exchange but were subsequently delisted on January 15, 2021.

Mr. Chiang received a bachelor's degree in accountancy from Cheng Kung University (成功大學) in June 2006 and a master's degree in accountancy from Taiwan University (台灣大學) in June 2008.

Non-executive Directors

Mr. Wu Jun (吳軍), aged 59, was appointed as our Director on November 8, 2017 and re-designated as our non-executive Director on May 15, 2025.

Mr. Wu is a founding partner and serves as an advisor at Amino Capital, a venture firm which primarily engages in the investments in big data and data-driven technologies. He worked at Google as a senior expert. From August 2012 to August 2014, he also served as a vice president at Tencent and as an advisor to the MIIT.

Mr. Wu received his doctoral degree (Ph.D.) in computer science from Johns Hopkins University in the United States in May 2003, where he currently sits on the advisory board of Johns Hopkins Whiting School of Engineering. Dr. Wu was awarded the "2019 Johns Hopkins University Distinguished Alumnus Award". He owns over 10 patents and is the author of more than 10 books, including Silicon Valley, The Road of a University, On Top of Tides, Beauty of Mathematics, Civilization, and Smart Times.

Mr. Zhou Jun (周軍), aged 52, was appointed as our Director on April 27, 2020 and re-designated as our non-executive Director on May 15, 2025.

Mr. Zhou has been serving as the executive general manager and the general manager of Northeast Area at Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) since June 2007. From June 2013 to April 2022, Mr. Zhou was a director of Shanxi Keda Automatic Control Co., Ltd. (山西科達自控股份有限公司), an industrial internet industry solutions provider, whose shares is listed on the Beijing Stock Exchange (stock code: 831832).

Mr. Zhou received his MBA degree from Tsinghua University (清華大學) in July 2006.

Mr. Gao Xiaohu (高曉虎), aged 45, was appointed as our Director on October 31, 2024 and re-designated as our non-executive Director on May 15, 2025. He is primarily responsible for providing guidance for the strategy and business development of our Group.

He is also a supervisor of Hangzhou Meideng Technology Co., Ltd. (杭州美登科技股份有限公司), an e-commerce information technology company, a company listed on the Beijing Stock Exchange (stock code: 838227), since December 2022, where he is responsible for supervising business operations and financial information of the company. Mr. Gao joined Beijing Innovation Works Private Equity Fund Management Co., Ltd. (北京創新工場私募基金管理有限公司) since February 2011 and is currently a supervisor, where he is responsible for investment and asset management. From April 2008 to January 2011, he served as a senior analyst for Alibaba Group.

Mr. Gao received his science and technology English degree from Xi'an Jiaotong University (西安交通大學) in July 2003 and a master's degree in journalism and communication from the Communication University of China (中國傳媒大學) in July 2007.

DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive Directors

Mr. Chow Ming Sang (周明笙), aged 53, was appointed as our Director on October 31, 2024 and re-designated as our independent non-executive Director on May 15, 2025.

Mr. Chow has over 26 years of experience in accounting, corporate financial management and corporate governance. From January 2007 to September 2018, he served as an advisory partner of Ernst & Young (China) Advisory Limited (安永(中國)企業諮詢有限公司), where he was primarily responsible for managing the risk advisory sub-service line's strategic growth and development in various regions of the PRC. From September 2018 to June 2019, he served as the general manager of risk & control department of Tahoe Group Co., Ltd., Beijing Branch (泰禾集團股份有限公司北京分公司), a property developer in the PRC, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000732), where he was primarily responsible for risk management of the company. From July 2019 to February 2024, Mr. Chow served as a director and the general manager of Beijing Xinshi Anye Management Consulting Co., Ltd. (北京信實安業管理諮詢有限公司), a consulting firm in the PRC.

From 2014 to 2016, Mr. Chow was the Committee Member of The Internal Controls General Standards Committee of The Ministry of Finance (PRC) (中國財政部內部控制標準委員會委員).

Mr. Chow obtained his bachelor's degree in accounting from the Hong Kong University of Science and Technology in Hong Kong in November 1995. He has been a Certified Internal Auditor since November 2003 and received the Certification of Fund Practice Qualification from the Asset Management Association of China in April 2019. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Chow is currently or has served as a director of the following listed companies:

Period of service	Name of company	Principal business	Place of listing and stock code	Position
June 21, 2019 – August 30, 2025	Teamway International Group Holdings Limited	Packaging products and structural components, property investment, filtration media and equipment, and rosewood home furniture businesses	Stock Exchange (stock code: 1239)	Independent non-executive director
December 1, 2020 – August 31, 2022	China Rundong Auto Group Limited ¹	Automobile dealer	Stock Exchange (stock code: 1365, delisted on October 26, 2022)	Independent non-executive director
July 1, 2021 – present	China Modern Dairy Holdings Ltd.	Production and sales of milk, trading, production and sales of feeds	Stock Exchange (stock code: 1117)	Independent non-executive director
March 14, 2022 – present	Redco Healthy Living Company Limited	Provision of property management services in the PRC	Stock Exchange (stock code: 2370)	Independent non-executive director
December 21, 2023 – present	Muyuan Foods Co., Ltd. (牧原食品股份有限公司)	Pig farming business	Shenzhen Stock Exchange (stock code: 002714) and the Stock Exchange (stock code: 2714)	Independent director

Note:

- Mr. Chow confirmed that there is no wrongful act on his part leading to the winding-up petition of Rundong Auto and is not aware of any actual or potential claim that has been or will be made against him as a result of the foregoing. His involvement in Rundong Auto was part and parcel of his services as an independent non-executive director of Rundong Auto and he was not aware of any misconduct or misfeasance involved in the winding-up petition of Rundong Auto.

DIRECTORS AND SENIOR MANAGEMENT

Period of service	Name of company	Principal business	Place of listing and stock code	Position
March 1, 2024 – present	China Maple Leaf Educational Systems Limited	International school operator	Stock Exchange (stock code: 1317)	Independent non-executive director
May 28, 2024 – present	XtalPi Holdings Limited	A quantum physics-based, AI-powered, and robotics-driven, R&D platform	Stock Exchange (stock code: 2228)	Independent non-executive director

Ms. Bai Rui (白蕊), aged 37, was appointed as our Director on October 31, 2024 and re-designated as our independent non-executive Director on May 15, 2025.

Prior to joining our Company, Ms. Bai is a joint company secretary of Yidu Tech Inc., a company listed on the Stock Exchange (stock code: 2158), since August 16, 2020. Ms. Bai practiced law with Davis Polk & Wardwell LLP as an associate between May 2018 and May 2020 and with Troutman Sanders LLP as an associate between February 2017 and March 2018.

Ms. Bai received her juris doctor degree from the University of Iowa in August 2015 and her bachelor's degree in economics and finance from the University of Hong Kong in November 2011. Ms. Bai was admitted to the New York State bar in July 2016.

Mr. Du Zide (杜子德), aged 70, was appointed as our Director on October 31, 2024 and re-designated as our independent non-executive Director on May 15, 2025.

Mr. Du has over 40 years of experience in the computer science industry. Mr. Du served as a researcher (level 3) at the Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所), an academic establishment that specializes in comprehensive research on computer science and technology, from February 2006 to September 2015. From July 1984 to his retirement, Mr. Du served as the system software engineer at the Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所), where he was responsible for the R&D of computing system. From September 1996 to February 2021, he worked at the China Computer Federation (中國計算機學會) with his last role as secretary general. Mr. Du served as the advisor to the president of the Chinese University of Hong Kong (Shenzhen) (香港中文大學(深圳)).

Mr. Du received his bachelor's degree of computer application from Beijing Steel and Iron Institute (北京鋼鐵學院, currently known as University of Science and Technology Beijing (北京科技大學)) in January 1981 and a master's degree of computer organization and system architecture from the Institute of Computing Technology, Chinese Academy of Sciences in July 1984.

Each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this prospectus.

Save as disclosed above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained the legal advice on April 8, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our executive Directors and non-executive Directors confirms that as of the Latest Practicable Date, he did not have any interest in a business, apart from the business of

DIRECTORS AND SENIOR MANAGEMENT

our Group, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules. Each of our independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

SENIOR MANAGEMENT

Our senior management includes Mr. Wu, Mr. Zhou, Mr. Chiang and Mr. Peng. For the biography of Mr. Wu, Mr. Zhou and Mr. Chiang, see “— Board of Directors — Executive Directors” above. The table below sets out the key information of Mr. Peng.

Name	Age	Date of joining our Group	Date of appointment as senior management	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Peng Jinzhan (彭進展)	49	February 24, 2016	February 24, 2016	Deputy general manager and head of innovation business division	Responsible for the overseeing the innovation business division of our Group	None

Mr. Peng Jinzhan (彭進展), aged 49, is our Co-founder and was appointed as our deputy general manager and head of innovation business division on February 24, 2016. He is primarily responsible for overseeing the innovation business division of our Group. Mr. Peng served as the lead system architect for the development of Intel’s Edison chip platform, which won four awards at CES 2014. Prior to co-founding the Company, Mr. Peng has also served as a director of the Robotics System Laboratory at Intel China Research Institute.

Mr. Peng received his degree in computer science and technology from Huazhong University of Science and Technology (華中科技大學) in June 1999 and a master’s degree in computer science and technology from Beijing University of Aeronautics and Astronautics (北京航空航天大學) in March 2002.

JOINT COMPANY SECRETARIES

Mr. Chiang Tsung Che (江宗哲) is our executive Director, chief financial officer, secretary of our Board and our joint company secretary. For his biography, see “— Board of Directors — Executive Directors” above.

Ms. Sham Ying Man (岑影文) is a senior manager of company secretarial services of Tricor Services Limited. She has over 25 years of experience in the corporate secretarial field.

Ms. Sham currently holds company secretary or joint company secretary positions in certain Hong Kong listed companies, including Hilong Holding Limited (海隆控股有限公司) (stock code: 1623), Honma Golf Limited (本間高爾夫有限公司) (stock code: 6858) and WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司) (stock code: 2269).

Ms. Sham obtained a bachelor degree of business administration from Lingnan College (now known as Lingnan University). She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, respectively.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic Committee.

Audit Committee

Our Audit Committee was established on April 8, 2025 pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with code provision D.3 of Part 2

DIRECTORS AND SENIOR MANAGEMENT

of the Corporate Governance Code. The Audit Committee consists of three members, namely Mr. Chow Ming Sang, Ms. Bai Rui and Mr. Wu Jun. The chairman of our Audit Committee is Mr. Chow Ming Sang, who is our independent non-executive Director and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee include (i) reviewing and monitoring the external auditors' audit process and giving guidance to our internal audit work; (ii) making recommendations to our Board on the appointment, reappointment and removal of the external auditor; (iii) overseeing the effectiveness of our financial reporting system, risk management and internal control systems; (iv) reviewing and providing advice and comments on our financial reports; (v) coordination among our management team, internal audit department and related departments and external auditors; and (vi) performing our corporate governance functions.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee on April 8, 2025 pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with code provision E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three members, namely Mr. Du Zide, Mr. Chow Ming Sang and Mr. Chiang Tsung Che. Mr. Du Zide is the chairman of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of, and reviewing and approving the specific remuneration package of each Director and senior management; (iii) making recommendations to our Board on the remuneration of non-executive Directors; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee on April 8, 2025 pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with code provision B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three members, namely Mr. Wu Gansha, Mr. Du Zide and Ms. Bai Rui. Mr. Wu Gansha is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and on a regular basis, and assisting the Board in maintaining a board skills matrix; (ii) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensuring the diversity of our Board members; (iii) assessing the independence of our independent non-executive Directors; (iv) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors; and (v) supporting the regular evaluation of our Board's performance.

Strategic Committee

We have established the Strategic Committee on April 8, 2025. The Strategic Committee consists of three members, namely Mr. Wu Gansha, Mr. Zhou Xin and Mr. Du Zide. Mr. Wu Gansha is the chairman of the Strategic Committee.

The primary duties of the Strategic Committee include, but are not limited to, (i) studying and advising on long term strategic development plans of the Company; (ii) studying and advising on major investment financing proposals; (iii) studying and advising on major capital operations and asset management projects; and (iv) studying and advising on any other significant events that affect the development of our Company.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on our Board. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge. We will select potential Board candidates based on merit and against objective criteria, having due regard to the benefits of diversity on our Board and his/her potential contribution to our Board while taking into account our board diversity policy and other factors. We will also take into account our own business model and specific needs from time-to-time.

Our Board has a balanced mix of genders, age, knowledge, skills and experience, including but not limited to information technology, overall management and strategic development, business, computer science, investment, accounting, legal and consulting. Members of our board have obtained professional and academic qualifications including holding doctoral degrees in computer science and engineering as well as business administration. We have three independent non-executive Directors from different industry backgrounds, including accounting, legal and computer science. Furthermore, our Directors are of a wide range of age, from 37 years old to 70 years old.

We will continue to take steps to promote and enhance gender diversity at all levels of our Group. After the Listing, we will strive to achieve gender balance of the Board. One of our Directors is female upon the Listing. To further ensure gender diversity of our Board in the long run, our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board.

Our Nomination Committee is responsible for reviewing the diversity of the Board and assisting the Board in maintaining a board skills matrix. After Listing, our Nomination Committee will continue to monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about its implementation including any measurable objectives set and the progress on achieving these objectives on an annual basis.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. We expect to comply with the Corporate Governance Code and the associated Listing Rules after the Listing save for the deviation as mentioned below.

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wu is currently the chairman and chief executive officer of our Company. In view of the fact that Mr. Wu has been assuming the responsibilities in our overall strategic planning, business direction and operational management since our establishment, our Board believes that it is in our best interest to have Mr. Wu taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors offering independent perspective, there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

As Mr. Wu, the chairman of the Board, is not an independent non-executive Director, pursuant to paragraph C.1.8 of Part 2 of the Corporate Governance Code, our Company has

DIRECTORS AND SENIOR MANAGEMENT

designated Mr. Chow Ming Sang as the lead independent non-executive Director, who will (a) serve as an intermediary for the other Directors and Shareholders; and (b) be available to other Directors and Shareholders where normal communication channels with the chairman or management are inadequate.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company (a) before the publication of any regulatory announcement, circular and financial report; (b) where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues, sales or transfers of treasury shares and share repurchases; (c) where our Company proposes to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and (d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

KEY TERMS OF EMPLOYMENT CONTRACTS

Below sets forth the key terms of the employment contracts and/or confidentiality, non-competition and IP protection agreements we enter into with our senior management and other key personnel.

Confidentiality

The employee shall, during the course of employment with the Group and thereafter, keep in confidence all technical, operational information or trade secrets belonging to our Company or other third parties to whom the Group owes confidentiality obligations. Without the Group's prior consent, the employee shall not leak, disclose, publish or otherwise make available to any third party (including employees who are not privy to such trade secrets) any such trade secrets in any manner and shall not utilize such trade secret beyond his or her scope of work.

Ownership of intellectual work products

The employee acknowledges and agrees that the Group shall own all intellectual work products he or she (i) produces during the course of employment with the Group for the purposes of undertaking their duties and responsibilities and (ii) produces using the Group's resources.

Non-competition

During the term of his/her employment with our Company, unless with the Group's prior consent, the employee shall not engage in any business that competes with or is similar to that of the Group's business. We may also require the employee to undertake before termination of employment relationship that he/she shall not serve in any capacity at any company engaged in a business that competes with or is similar to that of the Group's business for a certain period after termination of the employment relationship.

Compensation for breach of covenants

If the employee breaches the obligations under the confidentiality, IP and non-competition agreement, our Group shall be entitled to recover from the employee any losses incurred and any profits earned by the employee as a result of the breaches.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was owned as to 16.44% by Mr. Wu, 4.77% by Mr. Jiang, 2.38% by Mr. Zhou and 2.38% by Mr. Peng. In addition, Mr. Wu is the general partner of Beijing Simaju, which is owned as to (i) 18.53% by Mr. Wu beneficially; and (ii) 61.47% by Mr. Wu and 20% by Mr. Zhou for the benefit of the option grantees under the Pre-IPO Incentive Schemes.

Mr. Wu is our Chairman, executive Director and chief executive officer. Mr. Zhou is our executive Director, deputy general manager and chief products officer. Mr. Peng is our deputy general manager and head of innovation business division. Mr. Jiang is one of our Co-founders and is our scientific advisor who has provided us guidance and insights on our R&D developments from time to time. For further background of Mr. Wu, Mr. Zhou and Mr. Peng, see “Directors and Senior Management.”

Pursuant to the Acting-in-Concert Arrangement, each of Mr. Jiang, Mr. Zhou and Mr. Peng agreed to exercise his voting rights in a consistent manner with Mr. Wu. Under the Voting Proxies Arrangement, Mr. Wu is also entitled to exercise the voting rights attached to the 4.28% equity interest of our Company held by Xinding Huaqi, Keyuan Shenneng and Jiaying Jiayao up until completion of the Global Offering. See “History, Development and Corporate Structure — Acting-in-Concert and Voting Proxies Arrangements” for details.

Immediately upon completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be directly interested in an aggregate of 32.35% of the total share capital of our Company. Accordingly, Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng and Beijing Simaju will be a group of Controlling Shareholders under the Listing Rules.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES IN OTHER BUSINESS

As of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than our Group) after the Listing.

Management Independence

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. None of our Directors or members of our senior management team (other than members of our Controlling Shareholders themselves) holds any position in the businesses of our Controlling Shareholders or their respective close associates.

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.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Each of our Directors 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 best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is any potential conflict of interest arising out of any contract or arrangement or any other proposal in which our Directors or any of his/her close associates has any material interest, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions and shall abstain from voting on (nor shall be counted in the quorum in relation to) any resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates is materially interested in.

We have appointed three independent non-executive Directors with extensive experience in their respective areas of expertise to ensure that the decision 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. Matters including connected transactions are required to be referred to our independent non-executive Directors for review and approval. In addition, we have adopted a series of corporate governance measures to manage conflicts of interests, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures.”

Based on the reasons above, our Directors are of the view that our Board as a whole and our senior management members are capable of managing our business independently from our Controlling Shareholders following the completion of the Global Offering.

Operational Independence

We have full rights to make all decisions on and to carry out our own business operations independently. Our Group holds the relevant licenses, approvals and permits from the relevant regulatory authorities that are material to our operations. We have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their respective close associates. We also have independent access to our customers and suppliers and an independent management team to operate our business.

Based on the above, our Directors are of the view that our Group is capable to operate independently from our Controlling Shareholders and their respective close associates following the completion of the Global Offering.

Financial Independence

We have our own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third party financing. As of the Latest Practicable Date, none of our bank borrowings were secured by security or guarantee provided by our Controlling Shareholders or their respective close associates, and our Group did not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that our Group is capable to maintain financial independence from our Controlling Shareholders and their respective close associates following the completion of the Global Offering.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it/he has fully comprehended its/his obligations to act in our Shareholders' best interests as a whole. Our Directors recognize the importance of good corporate governance in protecting 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 our Controlling Shareholders:

- (a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see the section headed "Directors and Senior Management — Board of Directors — Independent non-executive Directors" in this prospectus;
- (c) we have established internal control mechanisms to identify connected transactions. Upon and after the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (d) we have appointed Somerley Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance; and
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the Global Offering and conversion of Unlisted Shares into H Shares (without taking into account any H shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), have interests or short positions in our Shares or underlying Shares, which would be required to be disclosed to us under 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 nominal value of any types of our issued voting shares of our Company:

LONG POSITIONS IN SHARES OF OUR COMPANY¹

Shareholder	Nature of interest	Number of Shares	Percentage in relevant type of Shares	Percentage in total issued share capital
Mr. Wu	Beneficial owner	8,113,910 H Shares	6.40%	4.99%
		16,227,830 Unlisted Shares	45.38%	9.99%
	Interest in controlled corporation ²	14,111,120 H Shares	11.14%	8.68%
Beijing Simaju	Beneficial owner ²	14,111,120 H Shares	11.14%	8.68%
Deep Glint	Beneficial owner	11,677,930 H Shares	9.22%	7.19%
CAS Star Technology Investment Co., Ltd. (中科创星科技投资有限公司) (“CAS Star Investment”), Xi’an Huike Enterprise Management Consultancy Co., Ltd. (西安慧科企业管理咨询股份有限公司) and Mr. Mi Lei (米磊)	Interest in controlled corporation ³	7,060,760 H Shares	5.57%	4.35%
Shanghai SOE Reform Fund	Beneficial owner	3,249,840 Unlisted Shares	9.09%	2.00%
Taizhou Shengsheng	Beneficial owner	2,015,460 Unlisted Shares	5.64%	1.24%
Xiamen Wolun Jingrong Equity Investment Partnership (Limited Partnership) (廈門沃侖景榮股權投資合夥企業(有限合夥)) and Taizhou State-owned Assets Investment Group Co., Ltd. (台州市國有資產投資集團有限公司)	Interest in controlled corporation ⁵	2,015,460 Unlisted Shares	5.64%	1.24%

SUBSTANTIAL SHAREHOLDERS

Shareholder	Nature of interest	Number of Shares	Percentage in relevant type of Shares	Percentage in total issued share capital
Shanghai Guosheng Capital Management Co., Ltd. (上海國盛資本管理有限公司) and Shanghai Guosheng (Group) Co., Ltd. (上海國盛(集團)有限公司)	Interest in controlled corporation ⁴	5,265,300 Unlisted Shares	14.72%	3.24%
CDBC Manufacturing Fund	Beneficial owner	3,120,600 Unlisted Shares	8.73%	1.92%
CDBC Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司), China Development Bank Capital Co., Ltd (國開金融有限責任公司) and National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司)	Interest in controlled corporation ⁶	3,120,600 Unlisted Shares	8.73%	1.92%
SCGC	Beneficial owner	1,950,380 Unlisted Shares	5.45%	1.20%
Mr. Zhou	Beneficial owner	2,527,780 Unlisted Shares	7.07%	1.56%
Mr. Peng	Beneficial owner	2,527,780 Unlisted Shares	7.07%	1.56%

Notes:

1. All interests stated are long positions. The percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals in the table may not be an arithmetic aggregation of the figures preceding them.
2. Beijing Simaju is owned as to 80% by Mr. Wu as its general partner. By virtue of the SFO, Mr. Wu is deemed to be interested in the H Shares in which Beijing Simaju is interested.
3. Xike Angel III Fund is a limited partnership established in the PRC with Shaanxi Xike Angel Investment Co., Ltd. (陝西西科天使投資管理有限公司) as its general partner. Beijing Hard Tech II Fund is a limited partnership established in the PRC with Beijing CAS Star Technology Co., Ltd. (北京中科創星科技有限公司) as its general partner. Shaanxi Xike Angel Investment Co., Ltd. and Beijing CAS Star Technology Co., Ltd. are subsidiaries of CAS Star Investment.

CAS Star Investment is owned as to 49.93% by Xi'an Huike Enterprise Management Consultancy Co., Ltd., which in turn is owned as to 47.99% by Mr. Mi Lei. By virtue of the SFO, each of Mr. Mi Lei, Xi'an Huike Enterprise Management Consultancy Co., Ltd. and CAS Star Investment is deemed to be interested in the H Shares in which Xike Angel III Fund and Beijing Hard Tech II Fund are interested.

SUBSTANTIAL SHAREHOLDERS

4. Shanghai Guosheng Capital Management Co., Ltd. is the general partner of Shanghai SOE Reform Fund and Taizhou Shengsheng. By virtue of the SFO, Shanghai Guosheng Capital Management Co., Ltd. is deemed to be interested in the Unlisted Shares in which Shanghai SOE Reform Fund and Taizhou Shengsheng are interested.

Shanghai Guosheng Capital Management Co., Ltd. is controlled by Shanghai Guosheng (Group) Co., Ltd. By virtue of the SFO, Shanghai Guosheng (Group) Co., Ltd. is deemed to be interested in the Unlisted Shares in which Shanghai SOE Reform Fund and Taizhou Shengsheng are interested.

5. Taizhou Shengsheng is owned as to 40% by Xiamen Wolun Jingrong Equity Investment Partnership (Limited Partnership) and 38.71% by Taizhou State-owned Assets Investment Group Co., Ltd. By virtue of the SFO, each of Xiamen Wolun Jingrong Equity Investment Partnership (Limited Partnership) and Taizhou State-owned Assets Investment Group Co., Ltd. is deemed to be interested in the Unlisted Shares in which Taizhou Shengsheng is interested.

6. CDBC Investment Fund Management Co., Ltd. is the general partner of CDBC Manufacturing Fund and is wholly owned by China Development Bank Capital Co., Ltd. In addition, CDBC Manufacturing Fund is owned as to 99.8% by National Manufacturing Transformation and Upgrade Fund Co., Ltd. By virtue of the SFO, each of CDBC Investment Fund Management Co., Ltd., China Development Bank Capital Co., Ltd. and National Manufacturing Transformation and Upgrade Fund Co., Ltd. is deemed to be interested in the Unlisted Shares in which CDBC Manufacturing Fund is interested.

Except as disclosed above, our Directors are not aware of any person who will, immediately prior to and following the completion of the Global Offering and conversion of Unlisted Shares into H Shares (without taking into account any H shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), have interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us under 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 types of our issued voting shares 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.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the “**Cornerstone Investment Agreements**”) with the cornerstone investors (the “**Cornerstone Investors**”), namely (i) Xiongan Autonomous Driving Limited (雄安自動駕駛有限公司) (“**Xiongan Auto Driving**”), (ii) CYGG Holding Limited (“**CYGG**”) and (iii) Starwin International A LPF (“**Starwin International**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 Shares) that may be subscribed for with an aggregate amount of approximately HK\$261.2 million (exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$60.30 per H Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 4,332,200 Offer Shares, representing approximately 29.96% of the Offer Shares pursuant to the Global Offering (assuming the Offer Size Adjustment Option is not exercised) and approximately 26.05% of the Offer Shares pursuant to the Global Offering (assuming the Offer Size Adjustment Option is fully exercised).

Our Company is of the view that, (i) the Cornerstone Placing will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) by leveraging on the Cornerstone Investors’ industry reputation and investment experience, the Cornerstone Placing will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue following the Global Offering and will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial Shareholder of our Company. The subscription of the Offer Shares by the Cornerstone Investors will not result in more than 50% of the H Shares in public hands at the time of Listing being beneficially owned by the three largest public Shareholders for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Listing Guide.

To the best knowledge of our Company after making reasonable enquiries, (i) each of the Cornerstone Investors and their respective ultimate beneficial owners are independent of the other Cornerstone Investors, our Group, our connected persons and their respective associates, and is not an existing Shareholder or a close associate of our Group; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive of our Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting, or other disposition of Shares registered in its name or otherwise held by it; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed directly or indirectly by our Company, our Directors, chief executive of our Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates.

CORNERSTONE INVESTORS

As confirmed by each of the Cornerstone Investors, their subscription under the Cornerstone Placing would be financed by their own internal resources. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment. All of the Cornerstone Investors have confirmed that they have sufficient funds to settle the investment amounts and they will pay and settle in full for the relevant Offer Shares that they have subscribed before dealings in the Offer Shares commence on the Stock Exchange.

There will be no delayed delivery of, or deferred settlement of the consideration for, the Offer Shares to be subscribed by the Cornerstone Investors.

Pursuant to Rule 18C.09 of the Listing Rules and Chapter 4.14 of the Listing Guide, in the event of over-subscription under the Hong Kong Public Offering, the number of Offer Shares to be allocated to the Cornerstone Investors may be affected by the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for Offer Shares in the Hong Kong Public Offering falls within the circumstance as set out in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback,” the number of Offer Shares to be allocated to the Cornerstone Investors may be deducted on a *pro rata* basis to satisfy the public demands under the Hong Kong Public Offering. In addition, our Company and the Overall Coordinators have the right to adjust the number of Offer Shares to be allocated to the Cornerstone Investors in their sole and absolute discretion to ensure compliance with (i) the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules or as otherwise approved by the Stock Exchange; (ii) Rule 8.08(3) of the Listing Rules, which stipulates that no more than 50% of the Shares in public hands can be beneficially owned by the three largest public Shareholders on the Listing Date; (iii) Rule 18C.08 of the Listing Rules, which stipulates that at least 50% of the total number of Offer Shares (excluding any Offer Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) must be taken up by independent price setting investors in the International Offering (whether as cornerstone investors or otherwise); and (iv) the free float requirement under Rule 19A.13C(1) of the Listing Rules. Further, the Overall Coordinators and our Company can adjust the number of Offer Shares to be allocated to the Cornerstone Investors in their sole and absolute discretion for the purpose of the compliance with Appendix F1 (Placing Guidelines for Equity Securities) to the Listing Rules.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around May 19, 2026.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Xiongan Auto Driving

Xiongan Auto Driving is a limited company incorporated under the laws of Hong Kong and principally engaged in investment. It is wholly owned by Hebei Xiongan Xiongyu Future Autonomous Driving Industry Investment Partnership Enterprise (Limited Partnership) (河北雄安雄駟未來自動駕駛產業投資合夥企業(有限合夥)) (“**Xiongan Xiongyu**”), the general partner of which is China Xiongan Group Fund Management Co., Ltd. (中國雄安集團基金管理有限公司) (“**Xiongan Fund Management**”), which holds approximately 0.50% partnership interest and is ultimately controlled by Hebei Xiongan New Area Administrative Committee (河北雄安新區管理委員會) (“**Xiongan Administrative Committee**”), a PRC Governmental Body and a dispatched agency of the Hebei Provincial People’s Government (河北省人民政府). The limited partners of Xiongan Xiongyu include (i) Xiongan Technology Innovation Growth Equity Investment Fund (Limited Partnership) (雄安科技創新成長股權投資基金(有限合夥)) (“**Xiongan Technology Fund**”), holding approximately 24.9% partnership interest, which is ultimately controlled by Xiongan Administrative Committee; (ii) Hebei Xiongan Zhongguancun Science Park Equity Investment Fund Phase I Partnership Enterprise (Limited Partnership) (河北雄安中關村科技園股權投資基金一期合夥企業(有限合夥)) (“**Xiongan Zhongguancun Fund**”), holding approximately 14.9% partnership interest, which is ultimately controlled by Xiongan Administrative Committee; (iii) Hebei Jiaotou New

CORNERSTONE INVESTORS

Generation Information Technology Industry Equity Investment Fund Partnership (Limited Partnership) (河北交投新一代信息技術產業股權投資基金合夥企業(有限合夥)) (“**Hebei Jiaotou Fund**”), holding approximately 29.9% partnership interest, which is ultimately controlled by Hebei Provincial People’s Government State-owned Assets Supervision and Administration Commission (河北省人民政府國有資產監督管理委員會) (“**Hebei SASAC**”), a PRC Governmental Body; (iv) Hebei Logistics Industry Investment Co., Ltd. (河北物流產業投資有限公司) (“**Hebei Logistics**”), holding approximately 14.9% partnership interest, which is ultimately controlled by Hebei SASAC; and (v) Guangda Hengan (Shenzhen) Equity Investment Management Co., Ltd. (廣大恒安(深圳)股權投資管理有限公司) (“**Guangda Hengan**”), holding approximately 14.9% partnership interest, which is ultimately controlled by Hebei SASAC. To the best knowledge and information of our Company, all these above-mentioned entities are Independent Third Parties.

We became acquainted with Xiongan Auto Driving through the introduction by the Underwriters.

CYGG

CYGG Holding Limited is incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. Its investment portfolio includes investments in the financing, technology and other sectors. It is a wholly-owned subsidiary of 58.com Inc. (“**58.com**”, together with its subsidiaries, the “**58 Group**”) (a company previously listed on the New York Stock Exchange and delisted in September 2020 as subsequently privatized by Quantum Bloom Group Ltd in September 2020). 58.com is wholly owned by Quantum Bloom Group Ltd, an investment holding company. Mr. Yao Jinbo (姚勁波), an Independent Third Party and a private investor, was the founder, chairman and chief executive officer of 58.com. Mr. Yao was also a co-founder of Xueda Education Technology (Beijing) Co., Ltd. (“**XueDa**”, 學大教育科技(北京)有限公司) and worked at XueDa from September 2001 to November 2005. Mr. Yao founded Beijing 58 Information Technology Co., Ltd. (北京五八信息技術有限公司) in December 2005 and has been its chief executive officer.

58 Group employs a “4+N” investment strategy, focusing on its core businesses of recruitment, real estate, automobiles and local life services. Through internal incubation and investment, 58 Group expands into “N” innovative niche businesses, covering sectors such as artificial intelligence (AI), embodied AI, new consumption and new services, as well as new energy and ESG. 58 Group has invested in over 100 innovative companies.

We became acquainted with CYGG through the introduction by the Underwriters.

Starwin International

Starwin International is a limited partnership fund established in Hong Kong in December 2025, and is primarily engaged in investment. Its general partner is Starwin Wealth Management Limited, and its non-discretionary investment manager is Hong Tai Securities Limited (“**Hong Tai Securities**”), an entity licensed with the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, both of which are ultimately controlled by Ms. Shen Yanjie (沈燕婕). Ms. Shen Yanjie is the general manager and executive director of Hong Tai Securities and is responsible for the overall management and supervision of securities business. Hong Tai Securities has approximately HK\$4.3 million of AUM, with an investment strategy which primarily aims to achieve medium-term capital growth through direct or indirect investments in the Hong Kong stock market. Hong Tai Securities was also the investment manager of a cornerstone investor for Zhongmiao Holdings (Qingdao) Co., Ltd. (a company listed on the Stock Exchange with the stock code of 1471). Ms. Shen Yanjie has over 20 years of experience in the financial industry, including senior management positions at China Huadian Capital (中國華電資本) and Huatai United Securities (華泰聯合證券), possessing extensive experience in financial work and asset management. Based on the information provided, Starwin International has nine limited partners, of which Ms. Zhu Jianhua (朱建華) holds approximately 53.33% partnership interest and none of the others holds 30% or more. To the best knowledge and information of our Company, all these above-mentioned entities and individuals are Independent Third Parties. The Shares to be allocated to Starwin International under the Cornerstone Placing will be held by Starwin International on a non-discretionary basis.

CORNERSTONE INVESTORS

As Hong Tai Securities is one of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters, Starwin International is therefore a “connected client” of Hong Tai Securities. Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit Starwin International to participate in the Global Offering as a cornerstone investor subject to certain conditions. See “Waivers from Strict Compliance with the Listing Rules” for details.

We became acquainted with Starwin International through the introduction by the Underwriters.

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Total investment amount ⁽¹⁾	Number of Offer Shares to be subscribed ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised		Assuming the Offer Size Adjustment Option is exercised in full	
			% of Offer Shares	% of Shares in issue upon completion of the Global Offering	% of Offer Shares	% of Shares in issue upon completion of the Global Offering
Xiongan Auto Driving	HK\$223,713,000	3,710,000	25.65%	2.28%	22.31%	2.25%
CYGG	HK\$7,820,910	129,700	0.90%	0.08%	0.78%	0.08%
Starwin International	HK\$29,697,750	492,500	3.41%	0.30%	2.96%	0.30%
Total	HK\$261,231,660	4,332,200	29.96%	2.67%	26.05%	2.63%

Notes:

- (1) The investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee.
- (2) Subject to rounding down to the nearest whole board lot of 50 Shares.

CLOSING CONDITIONS

The obligation of the Cornerstone Investors to acquire the Offer Shares under the Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither the Underwriting Agreements having been terminated;
- (b) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and those in connection with the subscription of the H Shares under the Cornerstone Placing and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (d) the CSRC having accepted our filings made under the Overseas Listing Trial Measures for the Global Offering and published the filing results in respect of the filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

CORNERSTONE INVESTORS

- (e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (f) the respective representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under their respective Cornerstone Investment Agreements are and will be accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreements on the part of the Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of each of the Company, the Sole Sponsor and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period commencing from (and inclusive of) the Listing Date and ending on (and inclusive of) the date falling six months after the Listing Date (the “**Lock-up Period**”), (i) dispose of, in any way, any of the Offer Shares it has subscribed for or any interest in any company or entity holding any of such Offer Shares pursuant to the relevant Cornerstone Investment Agreements; (ii) agree, enter into an agreement or publicly announce an intention to enter into such transaction described above; (iii) allow itself to undergo a change of control (as defined in the Takeovers Code) at the level of its ultimate beneficial owner; or (iv) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

SHARE CAPITAL

As of the Latest Practicable Date, the registered share capital of our Company was RMB14,802,382, divided into 148,023,820 Unlisted Shares, with a nominal value of RMB0.10 each.

The share capital of our Company immediately after the completion of the Global Offering and conversion of Unlisted Shares into H Shares will be as follows:

Assuming the Offer Size Adjustment Option is not exercised:

Number of Shares	Description of Shares	Percentage to total share capital
35,759,570	Unlisted Shares	22.01%
112,264,250	H Shares converted from Unlisted Shares ¹	69.09%
14,461,200	H Shares to be issued under the Global Offering	8.90%
<u>162,485,020</u>	Total	<u>100.00%</u>

Assuming the Offer Size Adjustment Option is exercised in full:

Number of Shares	Description of Shares	Percentage to total share capital
35,759,570	Unlisted Shares	21.72%
112,264,250	H Shares converted from Unlisted Shares	68.18%
16,630,350	H Shares to be issued under the Global Offering	10.10%
<u>164,654,170</u>	Total	<u>100.00%</u>

Note:

- See “Public Float” in “History, Development and Corporate Structure” for details of the identities of the shareholders whose Shares will be converted into H Shares upon Listing.

RANKING

Upon the completion of the Global Offering and conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

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 Unlisted Shares held by whom will be converted into H Shares according to the filing with the CSRC), H Shares generally cannot be subscribed by or traded between legal or natural PRC persons.

Unlisted Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividend for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company will have only one class of Shares upon completion of the Global Offering, namely ordinary shares, and each carries the same rights as with the other Shares.

For details of circumstances under which our Shareholders' general meetings are required, see "Appendix V — Summary of Articles of Association" to this prospectus.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the holders of Unlisted Shares may, at their own discretion, authorize the Company to file with the CSRC for conversion of their Unlisted Shares into overseas-listed Shares. Such converted Shares could be listed or traded as H Shares on the Stock Exchange, provided that prior to the conversion and trading of such H Shares, any requisite internal approval process has been duly completed and all the filing procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion and trading of such converted Shares, have been consummated. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the Stock Exchange.

Filing with the CSRC and Full Circulation Application

In accordance with the Overseas Listing Trial Measures and related guidelines announced by the CSRC, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share listed company may apply for a "Full Circulation" separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for "Full Circulation" when applying for an overseas initial public offering.

We have filed with the CSRC for the conversion of Unlisted Shares into H Shares in respect of the registration of the overseas listing and "Full Circulation", pursuant to which (i) our Company is supposed to issue no more than 18,914,150 H Shares, which are all ordinary Shares, and upon such issuance our Company may be listed on the Main Board of the Stock Exchange; (ii) a total of 112,264,250 Unlisted Shares held by certain Shareholders (the "**Participating Shareholders**") are supposed to be converted into H Shares on a one-for-one basis after the Global Offering, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion.

Listing Approval by the Stock Exchange

We have applied to the Stock Exchange for the approval for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering and the H Shares to be converted from 112,264,250 Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (a) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (b) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Global Offering shall be subject to such statutory restriction and not be transferred within a period of one year from the Listing Date.

SHARE CAPITAL

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. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the Listing Date, nor within half a year after they leave their positions as Directors or members of the senior management in our Company.

For details of the lock-up undertaking given by our Controlling Shareholders to the Stock Exchange, see “Underwriting — Underwriting Arrangements and Expenses — Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement — Undertakings by the Controlling Shareholders” in this prospectus.

INCREASE IN SHARE CAPITAL

Pursuant to the Articles of Association and subject to the requirements of relevant PRC laws and regulations, our Company, upon the Listing of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new Unlisted Shares on the condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than the two thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favor of the resolution. See “— Ranking” in this section.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to 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》) announced by the CSRC, the domestic shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the Unlisted Shares involved in the application is completed.

SHAREHOLDERS’ APPROVAL FOR THE GLOBAL OFFERING

Approval from holders of the Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders’ general meeting held on May 15, 2025.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements together with the accompanying notes as set forth in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial statements have been prepared in accordance with IFRS, which may differ in certain aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contains 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 prospectus, including the sections headed "Risk Factors" and "Business."

For purposes of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our fiscal years ended December 31 of such years.

OVERVIEW

We are a provider of autonomous driving solutions specializing in driverless L4 technology in Greater China. We are currently focused on commercial vehicles in closed scenarios especially at airports and factories, while our solutions are all-scenario, having been applied to both open and closed scenarios featuring logistics, operation and mobility vehicles, and encompassing autonomous driving levels from L2 to L4. In particular, our market share among the L4 autonomous driving solutions market for commercial vehicles in closed scenarios in terms of revenue in 2025 in Greater China is 3.1% according to Frost & Sullivan. In 2023, 2024 and 2025, 99.6%, 98.6% and 99.0% of our revenue was generated from the Chinese Mainland and Hong Kong. Our market position is underpinned by:

- ranking as No.1 L4 autonomous driving solutions provider for commercial vehicles in both airport scenario and factory scenario in Greater China in terms of revenue in 2025 with the respective market share of 90.5% and 31.7%, dedicated to advancing our research and application across a wide range of closed and open scenarios;
- being the only provider worldwide to have created L4 autonomous driving solutions for airports in large-scale commercial operations, meeting the highest international safety standards;
- offering cost-effective expansion across diverse application scenarios through coverage of both passenger and commercial vehicles, leveraging our technology foundation, industry data, know-how and a wide range of standardized autonomous driving vehicles and kits covering a variety of application scenarios we have developed;
- serving a blue-chip customer base, including 35 Fortune China and Global 500 companies, as a testament to the high recognition of our autonomous driving solutions among leading and reputable enterprises across industries.

We experienced rapid growth during the Track Record Period. In 2023, 2024 and 2025, we generated revenue from the provision of autonomous driving solutions and services of RMB161.4 million, RMB265.5 million and RMB328.3 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

Our Ability to Innovate Our Autonomous Driving Technologies

The increases in our revenue in the Track Record Period demonstrated our ability to expand into new application scenarios and acquire new customers in different fields. Our financial performance is significantly dependent on our ability to maintain our leading position which is further dependent on our continuous investments in research and development. We invest significantly in the R&D of autonomous driving technology. We may incur substantial, and potentially increasing, R&D expenses as part of our efforts to design, develop, manufacture and optimize new solutions and services and enhance existing solutions and services. We are focusing our R&D efforts across several key technologies, including AI, cloud computing, and automation technologies.

We believe it is essential that we continue to upgrade and optimize our autonomous driving solutions and services as we successfully implement our R&D roadmap. For details of our core technologies, see “Business — Research and Development — Our Core Technologies.” We may continue to invest in developing and upgrading our technology, and in attracting and retaining key talent to strengthen our technological advantages and to support our business growth and drive our overall long-term growth. If we fail to continue our innovation, our market position and results of operations may be adversely affected.

Our Ability to Expand and Successfully Optimize the Portfolio of Our Solutions and Services

Our revenue grew significantly during the Track Record Period, primarily due to the expansion of our solutions and services. Capitalizing on our self-developed multiple-scenario autonomous driving operating platform, we generate revenue from the provision of: (i) autonomous driving vehicle solutions; (ii) autonomous driving kit solutions; (iii) autonomous driving software solutions; and (iv) autonomous driving vehicle leasing services. We price our solutions and services considering a variety of factors, such as our cost of sales, the value of our solutions and services to the customer, the scarcity of our solutions and services in the market, the urgency and certainty of the delivery of our solutions and services, our delivery capacity, competition in the market, the market’s willingness to pay, the overall market condition, and competitors’ pricing strategies. Our solutions or services differ in pricing, raw materials and cost structure, resulting in varying gross margins. As a result, the composition of our solutions and services mix will affect our overall gross profit margin. As we expand the sales of our various solutions and services and enhance our brand recognition, we are able to develop and offer solutions and services 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 our operations, reducing costs and increasing adoption of our solutions and services.

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 Effectively Manage Our Costs and Expenses and Enhance Operating 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 solutions and services and utilize more standardized solutions in a wide variety of scenarios, 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 collaborate with contract manufacturers in order to meet mass production needs while controlling costs and capital expenditure. Our operating expenses, consisting of R&D expenses, selling and marketing expenses and administrative expenses, decreased as a percentage of revenue from 192.5% in 2023 to 126.5% in 2024 and further to 116.8% in 2025. We are constantly improving our operating efficiency in various areas. For instance, we have

FINANCIAL INFORMATION

streamlined the project management process to enhance our R&D efficiency and reduce the time-to-market of solutions and services. Our sales and marketing team are well prepared to identify and capture business opportunities based on customer demands, and are able to offer precise suggestions for design and delivery of solutions and services, minimizing subsequent changes.

Our Ability to Retain Our Existing Customers and Expand Our Customer Base

Our ability to retain existing customers, attract new customers, as well as increase the spending by our customers depend on a number of factors, including our ability to offer more autonomous driving solutions and services that address the needs of our customers at competitive prices, the strength of our technologies and the effectiveness of our sales and marketing efforts. Driven by the market growth and our competitive edge in the industry, the number of our customers increased from 88 in 2023 to 100 in 2024 and further to 110 in 2025, with many of whom we have well-established, long-term, mutually beneficial relationships. In each of 2023, 2024 and 2025, our retention rate of key customers, being customers that have a cumulative contribution to our revenue of more than RMB10 million in the Track Record Period, was 75.0%, 75.0% and 66.7%, respectively. Such retention rate of key customers is calculated by dividing the number of key customers contributing to our revenue in both the current year and the previous year by the number of key customers contributing to our revenue in the previous year. The key customer retention rate declined in 2025, primarily because a customer that purchased autonomous driving kit solution in 2024 did not place new orders in 2025 as they were developing new vehicle chassis which would require re-adaptation, while two other customers that purchased autonomous driving software solutions maintain stable operations and had no new customized service requirements in 2025. We have been serving and collaborating with many high-profile customers, including HKIA, Singapore Changi Airport, GAA Logistics, Tongwei, and a number of China leading new energy vehicles companies, as well as a number of valued customers which are multinational or China leading chemical companies and telecom companies. Furthermore, as we have been actively tapping into overseas markets and generate revenue denominated in Hong Kong dollars and U.S. dollars, fluctuations in foreign currency exchange rates may affect our financial performance.

We have formed a dedicated sales and marketing team that leads the formulation and coordination of our marketing activities and promotion campaigns. Our sales and marketing team members are equipped with knowledge and expertise about our solutions, services and technologies, and are able to identify opportunities to collaborate with our existing and new customers. As part of our efforts to attract new customers, we may lease our autonomous vehicles to our potential customers to use for a period of time as a try-before-you-buy option. In addition, we have a sales team that actively visits potential customers. We use a mix of on-line channels for marketing and branding, including social media for customer engagement and brand building, search engine optimization to increase visibility of our official website, and an easy-to-use official website to drive inquiries. We also work with media companies to promote our brand through advertising and press coverage, and actively participate in industry events and exhibitions.

Based on our premium customer base and our sales and marketing initiatives, we believe we are able to strengthen our brand and reputation and further expand our customer base.

General Conditions Affecting the Industries in which We Operate

Our business and operating results are also affected by general factors affecting the autonomous driving industry, which include: (i) market demand for autonomous driving solutions, vehicles, kits and services; (ii) the evolution and market acceptance of autonomous driving technologies; (iii) the competitive landscape; and (iv) relevant laws and regulations, and governmental policies and initiatives. Any change in any of these general industry conditions may have a material impact on the demand for our solutions and services, and materially affect our results of operations.

FINANCIAL INFORMATION

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period.

Our historical financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“FVTPL”) and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

For ordinary shares issued to pre-IPO investors, pursuant to the termination agreement entered into between our Company and the pre-IPO Investors in relation to the termination of certain of special rights granted by our Company, including redemption rights, liquidation preferences and anti-dilution rights which had been immediately terminated and shall be *void ab initio* as described in note 30 to this report, having taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the supplementary agreements, the Directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Track Record Period. For the details of financial impacts, see note 30 to the Accountants’ Report set out in Appendix I to this prospectus.

MATERIAL ACCOUNTING POLICIES INFORMATION

We have identified various accounting policies that are material to the preparation of our financial information, and the understanding of our financial condition and results of operations. See Note 2.3 to the Accountants’ Report in Appendix I to this prospectus for details regarding our accounting policies.

The preparation of our historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires our 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 3 to the Accountants’ Report in Appendix I to this prospectus.

The following paragraphs discuss, among others, our critical accounting policies, estimates and judgments applied in preparing our financial information:

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

In determining whether our revenue 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 our Group controls the specified goods or services before they are transferred to the customer, the indicators of which include 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.

FINANCIAL INFORMATION

At the inception of the contract, we assess the goods or services 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.

We engage in provision of autonomous driving relevant solutions and services, including autonomous driving vehicle solutions, autonomous driving kit solutions, and autonomous driving software solutions.

Autonomous driving vehicle solutions

Revenue generated from the provision of autonomous driving vehicle solutions primarily includes the provision of autonomous driving vehicle solutions, 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 solutions has been transferred to the customer, generally upon the acceptance of the solutions.

Meanwhile, some contracts of standardized vehicles generate following maintenance services according to the demand of customers. For this maintenance services, it is transferred over time and revenue is recognized over services period.

Autonomous driving kit solutions

Revenue generated from the sale of autonomous driving kit solutions, primarily including the products of autonomous driving domain controllers and intelligent front cameras, etc, 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 product has been transferred to the customer, generally upon acceptance of the products.

Autonomous driving software solutions

We provides autonomous driving software solutions to its customers. Revenue is recognised when control over the customised software has been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from us as well as control the customised software until the software is delivered to the customer.

An enforceable right to payment does not arise until the customised software is transferred to the customer. Therefore, revenue is recognised at the point in time when the customised software is passed to the customer and the verification from both parties has been obtained.

Revenue from other sources

Autonomous driving vehicle leasing services is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's ("CGU") value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash

FINANCIAL INFORMATION

inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statements of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting periods as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statements of profit or loss in the period in which it arises.

The carrying amount of non-financial assets (including property, plant and equipment, right-of-use assets and intangible assets) as of December 31, 2023, 2024 and 2025 is RMB70.1 million, RMB67.7 million and RMB58.8 million, respectively.

Property, plant and equipment primarily consist of machine equipment, electronic equipment and leasehold improvements. The right-of-use assets mainly consist of office buildings rental. Intangible assets primarily consist of office software. All of the long-term assets mentioned above are used in the Group's operation.

During the Track Record Period, management was of the view that although the Group incurred losses throughout the Track Record Period, there was no impairment indicators related to the non-financial assets (e.g. property, plant and equipment, right-of-use assets and intangible assets). This view was based on the following considerations:

- a) There was no observable indications that the assets' value have declined during the period significantly more than expected as a result of the passage of time or normal use;
- b) There were no significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the existing technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated;
- c) There was no material deterioration in the operating environment of the industry and although the Group was in loss during the Track Record Period, the loss amount were decreased each year gradually; in addition, continuous losses are mainly due to high R&D expenses, which are substantial because the technology is still in the iteration and injection, excluding the R&D expenses, the Group had net loss of RMB28.7 million and RMB15.1 million in 2023 and 2024, and net profit of RMB3.5 million in 2025;
- d) The market value for the Group is RMB7,300 million with refer to the latest financing during the Track Record Period, which is much higher than the net assets of the Group of the Track Record Period, i.e., RMB631.7 million, RMB450.3 million and RMB267.6 million.

Based on the above analysis, no impairment testing has been performed and no impairment has been made for the long-term assets during the Track Record Period.

FINANCIAL INFORMATION

Judgements

In the process of applying our Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the historical financial information:

Research and development costs

Development expenses incurred on our Group's products and services are capitalised and deferred only when our Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our Group's intention to complete and our Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Track Record Period, all expenses incurred for research and development activities were expensed when incurred.

We did not capitalize any research and development costs during the Track Record Period. Due to the rapid technical updates in autonomous driving industry, the criteria set out in IAS38.57(d), i.e., "how the asset will generate future economic benefits" as mentioned above, is not immediately apparent because there are significant uncertainties in relation to the successful completion of the project, estimated costs and future market conditions that may call into question whether the expected future economic benefits can be deemed to be probable. As autonomous driving technology is an emerging technology and has potential to be applied in a wide range of different scenarios, the Group faces significant challenges and uncertainty as to whether it can successfully develop and, more importantly, commercialize its autonomous driving technology platform and autonomous driving vehicles, due to expectations for better-than-human driving performance, considerable capital requirements, long lead time in development, specialized skills and expertise requirements of personnel, inconsistent and evolving regulatory frameworks, a need to build public trust and brand image and real-world operation of an entirely new technology. While certain autonomous driving scenarios are already in the early stages of commercialization and the Group started to generate revenue since 2018, as the Group's development activities moved on to cater for more challenging and more complex scenarios, the level of uncertainties from the above sources would remain high. As such, the Group cannot demonstrate these activities would generate probable future economic benefits.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Track Record Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

Our Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on our Group's historical observed default rates. our Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each of the Track Record Period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

FINANCIAL INFORMATION

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on our Group's trade receivables is disclosed in note 20 to Accountants' Report in Appendix I to this prospectus.

Share-based payments

Our Group has set up a share compensation plan for the Company's directors and consultants, and our Group's employees. Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the risk-free interest rate, the volatility and exercise multiple and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, our Group uses a binomial model. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in note 32 to Accountants' Report in Appendix I to this prospectus.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the market approach and asset-based approach. The valuation requires our Group to determine the comparable public companies (peers) and select the price multiple. In addition, our Group makes estimates about the discount for illiquidity and size differences. our Group classifies the fair value of these investments as Level 3. Further details are included in note 38 to Accountants' Report in Appendix I to this prospectus.

DESCRIPTION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss, with line items in absolute amounts and as a percentage of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
REVENUE	161,363	100.0	265,496	100.0	328,257	100.0
Cost of sales	(82,546)	(51.2)	(149,489)	(56.3)	(160,380)	(48.9)
Gross profit	78,817	48.8	116,007	43.7	167,877	51.1
Other income and gains	22,553	14.0	20,748	7.8	7,308	2.2
Selling and marketing expenses	(68,721)	(42.6)	(76,110)	(28.7)	(83,349)	(25.4)
Administrative expenses	(57,440)	(35.6)	(63,254)	(23.8)	(66,415)	(20.0)
Research and development expenses	(184,396)	(114.3)	(196,447)	(74.0)	(233,690)	(71.2)
Impairment loss of trade receivables and contract assets, net	(572)	(0.4)	(7,550)	(2.8)	(16,966)	(5.2)
Other expenses and losses	(140)	(0.1)	(1,516)	(0.6)	(566)	(0.2)
Finance costs	(2,980)	(1.8)	(3,076)	(1.2)	(3,158)	(1.0)
Share of loss of a joint venture	(247)	(0.1)	(381)	(0.1)	(1,211)	(0.4)
Loss before tax	(213,126)	(132.1)	(211,579)	(79.7)	(230,170)	(70.1)
LOSS FOR THE YEAR	(213,126)	(132.1)	(211,579)	(79.7)	(230,170)	(70.1)

FINANCIAL INFORMATION

For details on the accounting treatment of redemption rights and liquidation preference rights of Pre-IPO Investments, see “— Share Capital and Total Equity” below and note 30 to the Accountants’ Report set out in Appendix I to this prospectus.

NON-IFRS MEASURE

In evaluating our business, we consider and use adjusted net loss, a non-IFRS financial measure, to supplement the review and assessment of our operating performance. We believe such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating the potential impact of certain items. We believe that the measure provides useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for analysis of, or superior to, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss (non-IFRS measure) as net loss adjusted by adding back share-based compensation expenses and listing expenses. Share-based compensation expenses mainly represent expenses incurred in connection with our Pre-IPO Incentive Schemes, which is a non-cash item. Listing expenses are expenses related to the Global Offering. The following table sets forth our adjusted net loss (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB'000)</i>		
Net loss for the year	(213,126)	(211,579)	(230,170)
Add:			
Share-based compensation expenses	32,566	41,707	49,945
Listing expenses	—	8,980	11,328
	(180,560)	(160,892)	(168,897)
Adjusted net loss (non-IFRS measure)	(180,560)	(160,892)	(168,897)

Our net loss and adjusted net loss (non-IFRS measure) narrowed from RMB180.6 million in 2023 to RMB160.9 million in 2024, primarily attributable to the higher gross profits of (i) autonomous driving software solutions, primarily attributable to an increase in the revenue from autonomous driving software solutions resulting from an increase in average contract value of our autonomous driving software solutions; and (ii) our autonomous driving kit solutions, primarily attributable to an increase in the revenue from autonomous driving kit solutions in relation to an increase in the number of customers and average contract value.

Our net loss and adjusted net loss (non-IFRS measure) increased from RMB160.9 million in 2024 to RMB168.9 million in 2025, primarily due to the increase in our R&D expenses.

FINANCIAL INFORMATION

Revenue

Revenue by Business Lines

During the Track Record Period, we generated revenue from providing autonomous driving solutions and services, which consisted of (i) autonomous driving vehicle solutions, (ii) autonomous driving kit solutions, (iii) autonomous driving software solutions, and (iv) autonomous driving vehicle leasing services. The table below sets forth a breakdown of our revenue by business lines in absolute amounts and as a percentage of our revenue for the years indicated:

	2023		Year ended December 31, 2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Autonomous driving vehicle solutions	96,301	59.7	146,623	55.2	195,171	59.5
Autonomous driving kit solutions	27,383	17.0	48,738	18.4	10,497	3.2
Autonomous driving software solutions	34,428	21.3	67,462	25.4	121,318	37.0
Autonomous driving vehicle leasing services	3,251	2.0	2,673	1.0	1,271	0.3
Total	161,363	100.0	265,496	100.0	328,257	100.0

Revenue by Geographical Locations

The following table sets forth a breakdown of our revenue by geographical location of our customers in absolute amounts and as a percentage of our revenue for the years indicated:

	2023		Year ended December 31, 2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
The Chinese Mainland	92,086	57.1	208,856	78.7	310,148	94.5
Hong Kong	68,626	42.5	52,774	19.9	14,704	4.5
Others ⁽¹⁾	651	0.4	3,866	1.4	3,405	1.0
Total	161,363	100.0	265,496	100.0	328,257	100.0

Note:

(1) Others mainly include the United Arab Emirates, Singapore and Qatar.

In 2023, 2024 and 2025, a majority of our revenue was generated from the Chinese Mainland and Hong Kong, accounting for 99.6%, 98.6% and 99.0% of our total revenue, respectively, as a result of an increase in customer acceptance attributable to customers' deepened understanding of our autonomous driving solutions and services, along with the enhanced maturity of our autonomous driving solutions and services and the evolving autonomous driving industry in such region. We are making efforts to expand into new overseas markets such as Singapore, and are in the testing process with airports in the Middle East region such as Qatar. We recorded revenue generated from other regions of RMB0.7 million in 2023, RMB3.9 million in 2024 and RMB3.4 million in 2025, reflecting our efforts to tap into new overseas markets, such as the Middle East region where we generated revenue from autonomous driving vehicle solutions in 2023, and Singapore where we generated revenue from providing Singapore Changi Airport with our autonomous driving vehicle solutions in 2024 and 2025.

FINANCIAL INFORMATION

L4 autonomous driving technology has been our business focus, and substantially all of our total revenue during the Track Record Period was generated from solutions utilizing L4 technologies. We also provided certain L2 and L2+ autonomous driving kit and software solutions to passenger car manufacturers for strategic reasons, that the testing data are valuable for us to enhance our algorithms.

In terms of application scenarios, we have been focused on commercial vehicles in closed scenarios especially at airports and factories. Such focus has been demonstrated by the revenue contribution from solutions applied in such scenarios during the Track Record Period. See “Business — Our Business and Revenue Models — Revenue.”

Cost of Sales

Our cost of sales primarily comprises (i) raw materials and consumables used, (ii) employee benefit expenses, (iii) deployment expenses and (iv) warranty expenses. The following table sets forth a breakdown by business lines in absolute amounts and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Autonomous driving vehicle solutions	62,872	76.1	114,856	76.9	134,954	84.2
Autonomous driving kit solutions	11,059	13.4	16,762	11.2	9,673	6.0
Autonomous driving software solutions	5,431	6.6	15,458	10.3	14,903	9.3
Autonomous driving vehicle leasing services	3,184	3.9	2,413	1.6	850	0.5
Total	82,546	100.0	149,489	100.0	160,380	100.0

The following table sets forth a breakdown by nature in absolute amounts and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Raw materials and consumables used	49,066	59.4	106,267	71.1	120,311	75.1
Employee benefit expenses	22,887	27.7	20,656	13.8	21,524	13.4
Deployment expenses	9,997	12.1	14,272	9.5	14,446	9.0
Warranty expenses	255	0.3	8,059	5.4	3,864	2.4
Others	341	0.5	235	0.2	235	0.1
Total	82,546	100.0	149,489	100.0	160,380	100.0

Raw material and consumables used primarily consisted of (i) raw material and consumables used for provision of our solutions and services, such as AI and other chips, LiDAR, modules, GPU servers, and cameras, as well as customized vehicle bodies procured from third-party vehicle manufacturers and (ii) inventory impairment. Employee benefit expenses primarily consisted of wages, salaries and bonuses and pensions costs and housing benefits. Deployment expenses primarily consisted of travel expenses, courier fees and insurance fees. Warranty expenses primarily consisted of provisions for warranties primarily relating to our autonomous driving vehicle solutions and autonomous driving kit solutions. Our warranty expenses decreased from RMB8.1 million in 2024 to RMB3.9 million in 2025, primarily because the actual utilization of warranty in 2025 was lower than the provision of warranties as of December 31, 2024 resulting in the reversal of such difference in 2025. Others primarily consisted of tax fees incurred.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. Our gross profits and gross profit margins largely depend on the mix of our solutions and services. The table below sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Autonomous driving vehicle solutions	33,429	34.7	31,767	21.7	60,217	30.9
Autonomous driving kit solutions	16,324	59.6	31,976	65.6	825	7.9
Autonomous driving software solutions	28,997	84.2	52,004	77.1	106,415	87.7
Autonomous driving vehicle leasing services	67	2.1	260	9.7	420	33.0
Total	78,817	48.8	116,007	43.7	167,877	51.1

Other Income and Gains

Our other income consisted of interest income and government grants. Our other gains primarily consisted of (i) foreign exchange differences, net, (ii) fair value gains on financial assets at FVTPL, and (iii) gain on disposal of property, plant and equipment.

The following table sets forth a breakdown in absolute amounts and as a percentage of our total other income and gains for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Other income						
Interest income	13,571	60.2	9,993	48.2	4,193	57.5
Government grants	5,075	22.5	4,192	20.2	2,809	38.3
	<u>18,646</u>	<u>82.7</u>	<u>14,185</u>	<u>68.4</u>	<u>7,002</u>	<u>95.8</u>
Gains						
Foreign exchange differences, net	136	0.6	1,336	6.4	–	–
Fair value gains on financial assets at FVTPL	2,831	12.5	1,700	8.2	224	3.1
Gain on disposal of property, plant and equipment	860	3.8	3,386	16.3	16	0.2
Others	80	0.4	141	0.7	66	0.9
	<u>3,907</u>	<u>17.3</u>	<u>6,563</u>	<u>31.6</u>	<u>306</u>	<u>4.2</u>
Total	22,553	100.0	20,748	100.0	7,308	100.0

FINANCIAL INFORMATION

Our interest income represent interest income from bank deposits. Our interest income decreased in 2024 as compared with 2023 due to the interest rate reduction policy implemented by the state-owned banks. It further decreased in 2025 mainly driven by the decrease in the amount of our deposits and the decline in deposit interest rates.

Government grants mainly represent incentives received from local governments for the purpose of compensation of research and development expenses, and local economic contribution, and additional input value-added tax credit etc., which are subject to the discretion of the relevant government authorities and non-recurring in nature. The government grants decreased in the Track Record Period primarily due to the decrease of number of incentive programs we applied for in 2024 and 2025. There are no unfulfilled conditions or contingencies relating to these government grants.

We recorded foreign exchange differences, net of RMB0.1 million, RMB1.3 million and nil in 2023, 2024 and 2025, respectively, primarily due to the volatility of the exchange rates, when there were commercial transactions denominated in a currency that is not the functional currency of the respective entity of our Group, primarily with respect to RMB vis-à-vis USD, RMB vis-à-vis HKD, and RMB vis-à-vis SGD.

We recorded fair value gains on financial assets at FVTPL, representing the fair value measurement of wealth management products we purchased from commercial banks in the Chinese Mainland.

We recorded gains on disposal of property, plant and equipment, primarily in connection with our disposal of our self-owned vehicles for testing purpose.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee benefit expenses, (ii) advertising expenses, (iii) marketing services and travelling expenses for the business development and marketing department, and (iv) depreciation and amortization. The table below sets forth a breakdown of our selling and marketing expenses, both in absolute amounts and as a percentage of our selling and marketing expenses for the years indicated:

	2023		Year ended December 31,			
	RMB'000	%	2024		2025	
			RMB'000	%	RMB'000	%
Employee benefit expenses	45,063	65.6	55,880	73.4	62,143	74.6
Advertising expenses	3,699	5.4	2,055	2.7	2,525	3.0
Marketing services and travelling expenses	13,515	19.7	10,717	14.1	10,342	12.4
Depreciation and amortization	2,099	3.1	2,390	3.1	3,175	3.8
Others ⁽¹⁾	4,345	6.2	5,068	6.7	5,164	6.2
Total	68,721	100.0	76,110	100.0	83,349	100.0

Note:

- (1) Others mainly include office rental fees, office consumables and training fees incurred for selling and marketing staff and their activities.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses of our management and administrative personnel, (ii) office and travelling expenses, (iii) depreciation and amortization expenses, and (iv) professional service fees.

FINANCIAL INFORMATION

The table below sets out a breakdown of our administrative expenses, both in absolute amounts and as a percentage of our administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Employee benefit expenses	30,882	53.8	35,251	55.7	33,989	51.2
Office and travelling expenses	6,661	11.6	6,463	10.2	10,718	16.1
Depreciation and amortization expenses	6,117	10.6	7,585	12.0	6,211	9.4
Professional service fees ⁽¹⁾	11,512	20.0	12,241	19.4	15,287	23.0
Others ⁽²⁾	2,268	4.0	1,714	2.7	210	0.3
Total	57,440	100.0	63,254	100.0	66,415	100.0

Notes:

- (1) Professional service fees mainly include fees paid to third-party legal, consulting and other professional service providers, including those relating to a pre-IPO investment incurred in 2023, listing expenses relating to the Global Offering incurred in 2024 and 2025.
- (2) Others mainly include courier fees, office consumables and training fees incurred for administrative staff and their activities.

R&D Expenses

During the Track Record Period, our R&D expenses were incurred for our R&D activities primarily in China in connection with our autonomous driving solutions and services. R&D expenses primarily consisted of (i) employee benefit expenses of R&D staff, (ii) office and travelling expenses of R&D staff, (iii) depreciation and amortization expenses, (iv) network and IT expenses, and (v) professional service fees, comprising of technology and data annotation service fee and patent fee. Our R&D expenses increased during the Track Record Period, reflecting our significant investments in and commitment to R&D efforts to remain on the forefront of technological development and continuing technological changes in the autonomous driving industry. We did not capitalize R&D expenses during the Track Record Period.

The table below sets forth a breakdown of R&D expenses, in absolute amounts and as a percentage of our total R&D expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Employee benefit expenses	150,424	81.6	140,566	71.6	123,237	52.7
Office and travelling expenses	4,386	2.4	4,297	2.2	4,608	2.0
Depreciation and amortization expenses	14,335	7.8	13,737	7.0	10,970	4.7
Network and IT expenses	3,679	2.0	2,379	1.2	698	0.3
Professional service fees	11,165	6.1	34,453	17.5	92,904	39.8
Technology service fee ⁽¹⁾	8,905	4.9	32,901	16.7	91,606	39.2
Patent fee ⁽²⁾	2,260	1.2	1,552	0.8	1,298	0.6
Others	407	0.1	1,015	0.5	1,273	0.5
Total	184,396	100.0	196,447	100.0	233,690	100.0

Notes:

- (1) Our technology service fees primarily consisted of computing power rental, data annotation and surveying and mapping services.

FINANCIAL INFORMATION

- (2) We engaged third party agents to handle patent application procedures and hence incurred patent fees in the Track Record Period. We consider it is more cost efficient to engage professional agents to handle logistics in patent application procedures as the services can be flexibly purchased on demand and the professional services can enhance application efficiency.

The employee benefit expenses under R&D expenses decreased in 2024 as compared with 2023, primarily due to the temporary decrease of R&D staff as we streamlined the organizational structure of our R&D department. The employee benefit expenses under R&D expenses decreased in 2025 as compared with 2024, mainly owing to the decrease of our R&D personnel subsequent to our disposal of Yuxing Zhejiang at the end of 2024.

The professional service fees under R&D expenses increased in 2024 as compared with 2023 primarily due to the increase of technology service fees as our demand for the relevant services increased. The professional service fees under R&D expenses increased significantly in 2025, primarily due to increase in purchase of computing power rental services for iterations of technology platforms, and to a lesser extent, as we continued purchase of surveying and mapping services from Yuxing Zhejiang which was no longer an intra-group transaction after we lost control of this entity, while our demand for technology services also increased.

Impairment Losses of Trade Receivables and Contract Assets, Net

Our impairment of trade receivables and contract assets, net, primarily consisted of impairment losses on trade receivables, the fluctuation of which during the Track Record Period was attributable to the changes in the balance of and the time to collect our trade receivables. It increased in the Track Record Period primarily due to (i) the increase of the balance of our trade receivables as a result of our business growth, and (ii) certain cities scenario customers delayed settlement of outstanding payment in 2025. We are closely communicating with these customers for the settlement.

Finance Costs

Our finance costs primarily consisted of interest expenses on bank loans and lease payments. The following table sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Interest on bank loans	1,771	59.4	2,006	65.2	2,293	72.6
Interest on lease liabilities	1,209	40.6	1,070	34.8	865	27.4
Total	2,980	100.0	3,076	100.0	3,158	100.0

Share of Loss of a Joint Venture

Share of loss of a joint venture relates to our investment in a joint venture in which we hold a 39% interest. We incorporated this joint venture in Hainan, namely Huneng UISEE (Hainan) Intelligent Service Co., Ltd., with Hainan Huneng New Energy Vehicle Sales Co., Ltd. (海南滬能新能源汽車銷售有限公司), a major customer of us in 2024 which holds the remaining 61% interest in the joint venture, to leverage the mature sales channels of our partner. We sold our autonomous vehicle solutions to the joint venture, which subsequently supplied such solutions to local customers during the Track Record Period. See Note 36 to the Accountants' Report in Appendix I to this prospectus for details of such related party transactions. The fluctuation in share of loss of a joint venture were primarily due to the changing operating and financial results of our joint venture.

FINANCIAL INFORMATION

Income Tax Expense

We did not record any income tax expense during the Track Record Period. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. Our principal applicable taxes and tax rates are as follows:

Hong Kong

Our subsidiary in Hong Kong, i.e. UISEE Hong Kong, is subject to Hong Kong profits tax of which the tax rate was 16.5% since its set up in June 7, 2022 and when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on 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.

Singapore

Our subsidiary in Singapore is subject to Singapore profits tax of which the tax rate was 17%. No provision for Singapore profits tax has been made as we did not have any assessable profits arising in Singapore during the Track Record Period.

PRC

Pursuant to the Corporate Income Tax Law of the PRC (the “CIT Law”) and the respective regulations which our PRC subsidiaries are subject to, the applicable tax rate is 25%. We, as well as another two major subsidiaries of ours, were approved as a “High and New Technology Enterprise” and entitled to a preferential income tax rate of 15% during the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC every three years. Certain subsidiaries were qualified as “small-scaled minimal profit enterprises” and entitled to a preferential income tax rate of 5% during the Track Record Period.

Based on Public Notice 2022 No. 28 issued by the State Tax Bureau of the PRC on September 22, 2022, the enterprises originally eligible for an additional 75% deduction of eligible R&D expenses can further enjoy an increased super deduction ratio of 100% from October 1, 2022 to December 31, 2022 (i.e. the fourth quarter of 2022). Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on March 26, 2023, the enterprises were eligible for a 100% deduction of eligible R&D expenses from January 1, 2023 to December 31, 2023. We have claimed such additional super deduction during the Track Record Period.

No provision for PRC income tax has been made, as our PRC entities were all in loss position and did not generate any estimated assessable profits during the Track Record Period.

DISCUSSION OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 23.6% from RMB265.5 million in 2024 to RMB328.3 million in 2025 attributable to the significant growth in revenue of our autonomous driving vehicle solutions and autonomous driving software solutions, which was partially offset by a decline in revenue of our autonomous driving kit solutions.

Autonomous driving vehicle solutions: Revenue from the autonomous driving vehicle solutions increased by 33.1% from RMB146.6 million in 2024 to RMB195.2 million in 2025, primarily because (i) we delivered solutions amounting to approximately RMB58.8 million to two new customers in the second half of 2025, and (ii) our customer base expanded.

Autonomous driving kit solutions: Revenue from the autonomous driving kit solutions decreased significantly by 78.5% from RMB48.7 million in 2024 to RMB10.5 million in 2025,

FINANCIAL INFORMATION

mainly because of the relatively low transaction value of the orders delivered in 2025. We secured new orders for 30,000 autonomous driving kits in the second half of 2025, among which approximately 7,800 kits were delivered within 2025. The number of kits we secured and delivered in the second half of 2025 is significantly higher than that in 2023 and 2024, because the customers in 2023 and 2024 are commercial vehicle manufacturers while we received such new orders from a passenger car manufacturer which is believed to have larger demand on the autonomous driving kits in view of its target customers.

Autonomous driving software solutions: Revenue from the autonomous driving software solutions grew significantly by 79.8% from RMB67.5 million in 2024 to RMB121.3 million in 2025, primarily because customers ordered more complex software solutions resulting in higher transaction value in 2025.

Autonomous driving vehicle leasing solutions: Revenue from the autonomous driving software solutions decreased by 52.5% from RMB2.7 million in 2024 to RMB1.3 million 2025, primarily because one major leasing customer decided to purchase our autonomous driving vehicle solutions after leasing our vehicles with various L4 autonomous driving functions.

Cost of Sales

Our cost of sales increased by 7.3% from RMB149.5 million in 2024 to RMB160.4 million in 2025, primarily due to the increase in the cost of sales of our autonomous driving vehicle solutions.

Gross Profit and Gross Profit Margin

Our gross profit increased significantly by 44.7% from RMB116.0 million in 2024 to RMB167.9 million in 2025. Our gross profit margin increased from 43.7% in 2024 to 51.1% in 2025.

Autonomous driving vehicle solutions: The gross profit of our autonomous driving vehicle solutions increased by 89.6% from RMB31.8 million in 2024 to RMB60.2 million in 2025, primarily attributable to an increase in the sales volume of our solutions and improved gross profit margin. The gross profit margin increased from 21.7% in 2024 to 30.9% in 2025, primarily because we incurred higher costs on certain projects of higher complexity but did not raise our price for purpose of maintaining a good relationship with such key repeating customer in airport sector in 2024, which did not happen in 2025.

Autonomous driving kit solutions: The gross profit of our autonomous driving kit solutions decreased significantly from RMB32.0 million in 2024 to RMB825 thousand in 2025, primarily because we delivered a large number of kits for passenger cars with lower gross profit margin in the second half of 2025. We have offered a relatively low price to such customer as it is a new customer and has placed bulk orders for 30,000 kits, approximately 7,800 of which were delivered in 2025. For the same reason, the gross profit margin of our sales of autonomous driving kit solutions decreased from 65.6% in 2024 to 7.9% in 2025.

Autonomous driving software solutions: The gross profit of our autonomous driving software solutions increased by 104.6% from RMB52.0 million in 2024 to RMB106.4 million in 2025, primarily attributable to an increase in the transaction value of our software solutions as the solutions ordered are more complex. The gross profit margin of our sales of autonomous driving software solutions increased from 77.1% in 2024 to 87.7% in 2025, primarily due to an increase in the transaction value of our autonomous driving software solutions which are more complex while we did not incur material development costs for such software solutions benefiting from our scalable technologies.

Autonomous driving vehicle leasing solutions: The gross profit of our autonomous driving vehicle leasing solutions increased from RMB0.3 million in 2024 to RMB0.4 million in 2025, primarily attributable to an increase in the gross profit generating from new leasing contracts in 2025. The gross profit margin of our sales of autonomous driving vehicle leasing solutions increased significantly from 9.7% in 2024 to 33.0% in 2025, primarily due to increased leasing price under certain new short-term contracts entered into with our new customers, as we typically charge a higher leasing price for short-term leases.

FINANCIAL INFORMATION

Other Income and Gains

We recorded other income and gains of RMB20.7 million and RMB7.3 million in 2024 and 2025, respectively, primarily due to (i) a decrease of RMB5.8 million in interest income and (ii) a decrease of RMB3.4 million in gains on disposal of property, plant and equipment in relation to the disposal of vehicles previously used for testing purposes.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 9.5% from RMB76.1 million in 2024 to RMB83.3 million in 2025, primarily attributable to the increase of share-based payments.

Administrative Expenses

Our administrative expenses increased by 5.0% from RMB63.3 million in 2024 to RMB66.4 million in 2025, mainly driven by the listing expenses incurred and an increase of share-based payments.

Research and Development Expenses

Our research and development expenses increased by 19.0% from RMB196.4 million in 2024 to RMB233.7 million in 2025, primarily due to the increase of technology service fees and share-based payments.

Impairment Losses of Trade Receivables and Contract Assets, Net

We recorded an increased impairment losses of trade receivables and contract assets, net, in 2025 as compared with 2024, primarily as a result of the increased balance of trade receivables in 2025 as a result of our business growth and the delayed settlement by certain cities scenario customers.

Finance Costs

Our finance costs increased by 2.7% from RMB3.1 million in 2024 to RMB3.2 million in 2025, primarily reflecting the normal fluctuations in interest on borrowing and lease liabilities.

Share of Loss of a Joint Venture

Our share of loss of a joint venture increased significantly by 217.8% from RMB0.4 million in 2024 to RMB1.2 million in 2025, mainly as a result of the loss incurred by our joint venture with respect to its investments in several unprofitable new projects.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of RMB211.6 million and RMB230.2 million in 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 64.5% from RMB161.4 million in 2023 to RMB265.5 million in 2024.

Autonomous driving vehicle solutions. Our revenue generated from the autonomous driving vehicle solutions increased by 52.3% from RMB96.3 million in 2023 to RMB146.6 million in 2024, primarily due to our business growth of autonomous driving vehicle solutions in airport scenarios, especially revenue of RMB29.0 million derived from an airport in Northwestern China, and our tapping into new application scenarios, especially revenue of RMB15.3 million derived from two ports in China.

FINANCIAL INFORMATION

Autonomous driving kit solutions. Our revenue generated from the autonomous driving kit solutions increased by 78.0% from RMB27.4 million in 2023 to RMB48.7 million in 2024, primarily due to the increase in the number of our autonomous driving kit solutions customers from 22 in 2023 to 27 in 2024 as our business expanded into new application scenarios, in particular, into mining logistics markets. In addition, some of our customers purchased more solutions in 2024 as compared with 2023.

Autonomous driving software solutions. Our revenue generated from autonomous driving software solutions significantly increased by 96.0% from RMB34.4 million in 2023 to RMB67.5 million in 2024, primarily due to an increase in average contract value of our autonomous driving software solutions.

Autonomous driving vehicle leasing services. Our revenue generated from autonomous driving vehicle leasing services decreased by 17.8% from RMB3.3 million in 2023 to RMB2.7 million in 2024, primarily because some of our customers decided to purchase our autonomous driving vehicle solutions after leasing our vehicles with various L4 autonomous driving functions. The number of customers for our autonomous driving vehicle leasing services decreased from nine in 2023 to seven in 2024.

Cost of Sales

Our cost of sales increased by 81.1% from RMB82.5 million in 2023 to RMB149.5 million in 2024 as our business expanded. The increase in cost of sales of our different solutions and services may not be in line with the corresponding revenue growth, which resulted in changes in gross profit and gross profit margin relating to a specific type of solutions or services. See “— Discussion of Results of Operations — Year Ended December 31, 2024 Compared to Year Ended December 31, 2023 — Gross Profit and Gross Profit Margin.”

Gross Profit and Gross Profit Margin

Our gross profit increased by 47.2% from RMB78.8 million in 2023 to RMB116.0 million in 2024. Our gross profit margin decreased from 48.8% in 2023 to 43.7% in 2024.

Autonomous driving vehicle solutions. The gross profit of our autonomous driving vehicle solutions decreased from RMB33.4 million in 2023 to RMB31.8 million in 2024. The gross profit margin of our sales of autonomous driving vehicle solutions decreased from 34.7% in 2023 to 21.7% in 2024. Such decrease in gross profit and gross profit margin was primarily due to (i) extra costs relating to the specific requirements raised by certain important customers to whom we intended to offer a relatively low price, including an airport project in Northwestern China, as we believe they may significantly increase their procurement volumes after we demonstrated robust solution delivery capabilities, and (ii) the cost of raw materials relating to our solutions provided to two ports in China were relatively higher.

Autonomous driving kit solutions. The gross profit of our autonomous driving kit solutions increased from RMB16.3 million in 2023 to RMB32.0 million in 2024, primarily due to an increase in the revenue from autonomous driving kit solutions in relation to an increase in the number of customers and average contract value. The gross profit margin of our sales of autonomous driving kits increased from 59.6% in 2023 to 65.6% in 2024, primarily due to our increased sales volume to existing customers, as well as offering of solutions in the mining logistics industry which contributed to a relatively higher gross profit margin.

Autonomous driving software solutions. The gross profit of our autonomous driving software solutions increased from RMB29.0 million in 2023 to RMB52.0 million in 2024, primarily due to an increase in the revenue from autonomous driving software solutions. The gross profit margin of our autonomous driving software solutions decreased from 84.2% in 2023 to 77.1% in 2024, primarily due to the specific requirements, such as the development of new functions, raised by certain customers to whom we intended to offer a relatively low price, considering the possibility of repeating purchase from such customers.

FINANCIAL INFORMATION

Autonomous driving vehicle leasing services. The gross profit of our autonomous driving vehicle leasing services slightly increased from RMB67 thousand in 2023 to RMB0.3 million in 2024, and the gross profit margin of our autonomous driving vehicle leasing services increased from 2.1% in 2023 to 9.7% in 2024, primarily because one customer contributing to low gross profit margin in 2023, being a renowned electric car manufacturer in China, started to purchase our autonomous driving vehicle solutions instead of autonomous driving vehicle leasing services.

Other Income and Gains

We recorded other income and gains of RMB22.6 million in 2023, as compared to other income and gains of RMB20.7 million in 2024, primarily due to a decrease in the interest income, partially offset by an increase in gains on disposal of property, plant and equipment, in relation to gains on disposal of vehicles previously used for testing purposes.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 10.8% from RMB68.7 million in 2023 to RMB76.1 million in 2024, primarily due to an increase of RMB10.8 million in employee benefit expenses attributable to the increase in labor resources allocated to increased selling and marketing activities. Our revenue growth in 2024, being 64.5%, significantly outpaced the increase in our selling and marketing expenses, demonstrating the efficiency of our customer retention and acquisition strategies.

Administrative Expenses

Our administrative expenses increased by 10.3% from RMB57.4 million in 2023 to RMB63.3 million in 2024, primarily due to an increase in the number of our administrative staff.

R&D Expenses

Our R&D expenses increased slightly from RMB184.4 million in 2023 to RMB196.4 million in 2024 due to fees paid to third-party service providers in connection with our increased patent applications and computing power rental.

Impairment of Trade Receivables and Contract Assets, Net

Our impairment of trade receivables and contract assets, net increased from RMB0.6 million in 2023 to RMB7.6 million in 2024, primarily attributable to our increased trade receivables driven by our revenue increase in 2024.

Finance Costs

Our finance costs remained relatively stable at RMB3.0 million in 2023 and RMB3.1 million in 2024.

Share of Loss of a Joint Venture

Our share of loss of a joint venture increased by 100.0% from RMB0.2 million in 2023 to RMB0.4 million in 2024, primarily due to the loss incurred by our joint venture in connection with its investment in new projects that hadn't become profitable at the early stage.

Loss for the Year

As the result of the abovementioned factors, our net loss decreased from RMB213.1 million in 2023 to RMB211.6 million in 2024.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Net cash flows used in operating activities	(119,948)	(208,503)	(173,867)
Net cash flows from/(used in) investing activities	(57,363)	24,264	17,417
Net cash flows from/(used in) financing activities	326,772	(8,302)	46,804
Net (decrease)/increase in cash and cash equivalents	149,461	(192,541)	(109,646)
Cash and cash equivalents at beginning of year	263,423	412,968	221,733
Effect of foreign exchange rate changes, net	84	1,306	1,262
Cash and cash equivalents at end of year	412,968	221,733	113,349

Net cash flows used in operating activities

Our net cash flows used in operating activities was RMB173.9 million in 2025, which was primarily attributable to our loss before tax of RMB230.2 million, as adjusted by (i) non-cash and non-operating items, which comprised primarily of share-based payment expense of RMB49.9 million, impairment of trade receivables of RMB16.9 million and depreciation of property, plant and equipment of RMB13.4 million, and (ii) changes in working capital, which comprised primarily of (a) an increase in trade and bills receivables of RMB90.7 million; (b) an increase in trade and bills payables of RMB62.3 million; (c) an increase in other payables and accruals of RMB28.2 million.

Our net cash flows used in operating activities was RMB208.5 million in 2024, which was primarily attributable to our loss before tax of RMB211.6 million, as adjusted by (i) non-cash and non-operating items, which primarily comprised share-based payment expense of RMB41.7 million, depreciation of property, plant and equipment of RMB19.6 million, and interest income of RMB10.0 million, and (ii) changes in working capital, which primarily comprised (a) an increase in trade and bills receivables of RMB110.8 million, in line with our business growth, (b) a decrease in inventories of RMB22.7 million, primarily due to our improved inventory management, (c) an increase in other payables and accruals of RMB15.7 million, due to the increase in our provision of warranties in line with our business growth, and (d) an increase in trade and bills payables of RMB8.2 million, in line with our business growth.

Our net cash flows used in operating activities was RMB119.9 million in 2023, which was primarily attributable to our loss before tax of RMB213.1 million, as adjusted by (i) non-cash and non-operating items, which primarily comprised share-based payment expense of RMB32.6 million, depreciation of property, plant and equipment of RMB17.0 million, and interest income of RMB13.6 million, and (ii) changes in working capital, which primarily comprised (a) an increase in trade and bills payables of RMB35.7 million due to our business growth, (b) an increase in other payables and accruals of RMB11.7 million due to increases in other tax payables and other payables in line with our business growth, (c) an increase in trade and bills receivables of RMB20.0 million, in line with our overall revenue growth in all business lines, and (d) a decrease in prepayments, other receivables and other assets of RMB9.4 million due to our improved bargaining power with suppliers.

FINANCIAL INFORMATION

We plan to improve our net operating cash outflow position primarily by taking measures to further drive revenue growth. For example, we will actively conduct marketing and business development activities in China and overseas, to engage new customers based on our existing premium customer base. In addition, we will actively negotiate favorable payment terms with our customers. Furthermore, we plan to maintain and improve our customer retention rate and increase upselling to our existing customers by continuing delivery of high quality autonomous driving solutions and services. We believe the growing customer base and increased purchase per customer will boost sales and generate more cash inflow. In addition, to better manage our working capital, we will also continue to implement our credit risk management measures, including (a) performing credit history checks to minimize our credit and collection risk; (b) setting baseline collection targets to ensure our trade receivable recovery is benchmarked and monitored as a way to stabilize our operational cash inflow; (c) performing regular reconciliation with our customers and follow-up with them on overdue trade receivables and closely monitoring the collection status of our trade receivables and actively following up with our customers for settlement; and (d) negotiating better payment and credit terms with our suppliers as we continue to scale our business and increase our procurement from such suppliers.

Net cash flows from/(used in) investing activities

Our net cash flows from investing activities was RMB17.4 million in 2025, primarily attributable to (i) proceeds from the disposal of financial assets measured at FVTPL of RMB40.6 million, partially offset by (i) purchases of financial assets measured at FVTPL of RMB15.0 million.

Our net cash flows from investing activities was RMB24.3 million in 2024, which was primarily due to (i) proceeds from disposal of financial assets at FVTPL of RMB338.8 million, (ii) proceeds from disposal of property, plant and equipment of RMB5.7 million, partially offset by (i) purchases of financial assets at FVTPL of RMB282.2 million, and (ii) purchases of property, plant and equipment of RMB37.7 million.

Our net cash flows used in investing activities was RMB57.4 million in 2023, which was primarily due to (i) purchases of financial assets at FVTPL of RMB50.0 million and (ii) purchases of property, plant and equipment of RMB29.8 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB21.5 million.

Net cash flows from/(used in) financing activities

In 2025, our net cash flows from financing activities was RMB46.8 million, primarily attributable to (i) new bank loans of RMB104.2 million, partially offset by (i) repayment of bank loans of RMB48.4 million and (ii) principal and interest portion of lease payments of RMB6.7 million.

In 2024, our net cash flows used in financing activities was RMB8.3 million, which was primarily due to (i) repayment of bank loans of RMB77.9 million, (ii) principal and interest portion of lease payments of RMB6.8 million, and (iii) interest paid of RMB2.0 million, partially offset by (i) new bank loans of RMB78.2 million, and (ii) capital contribution from shareholders of RMB0.2 million.

In 2023, our net cash flows from financing activities was RMB326.8 million, which was primarily due to (i) capital contribution from shareholders of RMB300.0 million, and (ii) new bank loans of RMB73.0 million, partially offset by (i) repayment of bank loans of RMB38.4 million, (ii) the principal and interest portion of lease payments of RMB6.0 million, and (iii) interest paid on bank borrowings of RMB1.9 million.

Long cash conversion cycle and cashflow mismatch

During the Track Record Period, we noted that it took us long time to turn inventories into cash in our operation which may result in cashflow mismatch. Our inventory turnover days were 302.1 days, 138.6 days and 119.2 days, respectively, in 2023, 2024 and 2025; our trade and bills receivables turnover days were 295.1 days, 263.6 days and 310.8 days, respectively, in 2023, 2024 and 2025; while our trade and bills payables turnover days were 125.2 days, 122.7 days and 194.6 days, respectively, in 2023, 2024 and 2025.

FINANCIAL INFORMATION

Going forward, we will (i) continue to adhere to our current inventory management measures, and expect to further improve our inventory management by prioritizing the utilization of existing inventories and closely monitoring the market price of key raw materials to facilitate a more efficient procurement plan; and (ii) prudently review the recoverability of trade receivables and long-aged trade receivables and strive to negotiate more favorable credit terms when entering into new contracts with customers. See “— Description of Certain Items of Consolidated Statement of Financial Position — Inventories”, and “— Description of Certain Items of Consolidated Statement of Financial Position — Trade and Bills Receivables.”

Cash operating costs

The following table sets forth key information relating to our cash operating costs for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Workforce employment ⁽¹⁾	221,953	219,396	178,416
R&D costs ⁽²⁾	21,117	42,243	110,679
Direct service and production costs, including materials ⁽³⁾	4,784	109,848	68,693
Service/solution marketing ⁽⁴⁾	21,354	19,170	17,208
Non-income taxes and other charges	342	236	235
Total	269,550	390,893	375,231

Notes:

- (1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under R&D expenses, general and administrative expenses, cost of sales and selling and marketing expenses (excluding share-based compensation which is non-cash in nature), adjusted for changes in working capital relating to employee benefit expenses as of previous and current year end under the above operating expenses.
- (2) R&D costs under cash operating costs represent R&D expenses (excluding employee benefit expenses and non-cash items under R&D expenses), adjusted for changes in working capital relating to R&D activities as of previous and current year end.
- (3) Cash operating costs relating to direct service and production costs, including materials represent cost of sales (excluding employee benefit expenses and non-cash items under cost of sales), adjusted for changes in working capital relating to cost of sales as of previous and current year end.
- (4) Cash operating costs relating to marketing represent selling and marketing expenses (excluding employee benefit expenses and non-cash items under selling and marketing expenses), adjusted for changes in working capital relating to sales and marketing activities as of previous and current year end.
- (5) Non cash items represent the depreciation of property, plant and equipment, right-of-use assets, amortisation of long-term deferred expense and intangible assets as well as provision/(reversal of provision) for inventories.

We will implement a sustainable growth strategy and do not foresee material increase to the level of cash operating cost in the next three years as we do not expect any material change in our business model, business focus in terms of revenue contribution by business lines/user industry/application scenario, or cost structure. See “Business — Path to Profitability”. Such estimation has been made based on our reasonable estimate and belief as of the Latest Practicable Date and various assumptions, many of which are beyond our control, including but not limited to the following assumptions: (i) there will be no material delays or obstacles to our business plan and development strategies; (ii) we will be able to deliver our solutions and services in the manner and quality anticipated; (iii) we will be able to fulfill the contractual undertakings relating to our solutions and services and ensure they are performed in accordance with the relevant contractual terms; (iv) our counterparties will perform their obligations in accordance with the relevant contractual terms; (v) our customers’ own

FINANCIAL INFORMATION

financial and operational performance will not experience any material adverse changes; (vi) our operations and our business relationships with major customers and suppliers will not be materially affected; (vii) there will be no regulatory regime undermining our business; (viii) there will be no material changes in the conditions under which we operate; (ix) there will be no other material adverse effect that would undermine our business and financial performance; (x) our business and financial performance will grow generally as we anticipated; and (xi) there will be no occurrence of any event as disclosed in “Risk Factors.”

DESCRIPTION OF CERTAIN 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,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets			
Property, plant and equipment	32,703	36,113	27,968
Right-of-use assets	24,583	21,137	16,209
Intangible assets	12,809	10,414	14,578
Investment in a joint venture	717	–	–
Equity investments designated at fair value through other comprehensive income	55,300	37,600	35,200
Prepayments, other receivables and other assets	1,700	2,048	10,033
Contract asset	–	–	1,674
Total non-current assets	127,812	107,312	105,662
Non-current liabilities			
Lease liabilities	20,103	17,508	11,375
Interest-bearing bank loans	–	9,900	–
Other payables and accruals	5,000	–	–
Deferred tax liabilities	795	–	–
Total non-current liabilities	25,898	27,408	11,375

Property, plant and equipment

Our property, plant and equipment primarily consisted of (i) machinery equipment for transportation, testing and office purposes, (ii) electronic equipment and others mainly for R&D purpose, and (iii) leasehold improvements to our offices. The following table sets forth the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Machinery equipment	27,492	21,030	16,655
Electronic equipment and others	2,625	13,140	10,097
Leasehold improvements	2,586	1,943	1,216
Total	32,703	36,113	27,968

FINANCIAL INFORMATION

Our property, plant and equipment increased by RMB3.4 million from RMB32.7 million as of December 31, 2023 to RMB36.1 million as of December 31, 2024, primarily due to an increase of RMB10.5 million in electronic equipment and others in relation to the newly added purchase of servers to support our business growth, partially offset by (i) a decrease of RMB6.5 million in machinery equipment and (ii) a decrease of RMB0.6 million in leasehold improvements. Our property, plant and equipment decreased to RMB28.0 million as of December 31, 2025, primarily due to (i) a decrease of RMB4.4 million in machinery equipment and (ii) a decrease of RMB3.0 million in electronic equipment and others.

Right-of-use assets

Our right-of-use assets primarily consisted of our leased offices. Our right-of-use assets decreased by RMB3.5 million from RMB24.6 million as of December 31, 2023 to RMB21.1 million as of December 31, 2024, primarily due to an increase in accumulated depreciation of our leased offices. Our right-of-use assets decreased to RMB16.2 million as of December 31, 2025, primarily driven by an increase in accumulated depreciation of our leased offices.

Equity investments designated at fair value through other comprehensive income

Our equity investments designated at fair value through other comprehensive income were primarily in relation to our equity investment in an unlisted enterprise specializing in the design, R&D, manufacturing and sales of modernized agricultural equipment. Our equity investments designated at fair value through other comprehensive income decreased by RMB17.7 million from RMB55.3 million as of December 31, 2023 to RMB37.6 million as of December 31, 2024, primarily due to a decrease in the valuation of our investee in relation to its decrease in revenue. Our equity investments designated at fair value through other comprehensive income decreased to RMB35.2 million as of December 31, 2025, reflecting a decrease in the valuation of our investee in relation to its decrease in revenue.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry and listing status, and to calculate an appropriate price multiple, such as price to sales multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. Our Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and are the most appropriate values. See Note 38 to the Accountants' Report in Appendix I to this prospectus for details.

FINANCIAL INFORMATION

Net Current Assets

The following table sets forth our net current assets of the consolidated statements of financial position as of the respective dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
	<i>RMB'000</i>			<i>RMB'000</i>
				(unaudited)
Current assets				
Inventories	68,870	44,646	60,090	72,358
Trade and bills receivables	140,222	243,319	315,515	286,416
Contract assets	6,740	13,231	9,551	9,131
Prepayments, other receivables and other assets	7,558	9,959	22,700	21,251
Financial assets at FVTPL	81,968	27,124	1,710	1,717
Restricted cash	356	458	1,212	1,695
Cash and cash equivalents	412,968	221,733	113,349	107,265
Total current assets	718,682	560,470	524,127	499,833
Current liabilities				
Trade and bills payables	46,179	54,334	116,654	117,736
Other payables and accruals	65,329	67,884	95,791	88,612
Contract liabilities	3,923	4,660	8,675	7,541
Interest-bearing bank loans	68,039	58,461	124,200	150,081
Lease liabilities	5,465	4,746	5,491	5,409
Total current liabilities	188,935	190,085	350,811	369,379
Net current assets	529,747	370,385	173,316	130,454

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see “Share Capital and Total Equity” below and note 30 to the Accountants’ Report set out in Appendix I to this prospectus.

Our net current assets decreased from RMB173.3 million as of December 31, 2025 to RMB130.5 million as of March 31, 2026. Our total current assets decreased from RMB524.1 million as of December 31, 2025 to RMB499.8 million as of March 31, 2026, primarily due to a decrease in trade and bills receivables of RMB29.1 million, partially offset by an increase in inventories of RMB12.3 million. Our total current liabilities increased from RMB350.8 million as of December 31, 2025 to RMB369.4 million as of March 31, 2026, primarily due to an increase in interest-bearing bank loans of RMB25.9 million, partially offset by a decrease in other payables and accruals of RMB7.2 million.

Our net current asset decreased from RMB370.4 million as of December 31, 2024 to RMB173.3 million as of December 31, 2025. Our total current assets decreased by RMB36.4 million from RMB560.5 million as of December 31, 2024 to RMB524.1 million as of December 31, 2025, primarily due to (i) a decrease in financial assets measured at FVTPL of RMB25.4 million and (ii) an increase in trade and bills receivables of RMB72.2 million. Our total current liabilities increased by RMB160.7 million from RMB190.1 million as of December 31, 2024 to RMB350.8 million as of December 31, 2025, primarily due to (i) an increase in interest-bearing bank loans of RMB65.7 million and (ii) an increase in contract liabilities of RMB4.0 million.

Our net current assets decreased from RMB529.7 million as of December 31, 2023 to RMB370.4 million as of December 31, 2024. Our total current assets decreased by RMB158.2

FINANCIAL INFORMATION

million from RMB718.7 million as of December 31, 2023 to RMB560.5 million as of December 31, 2024, primarily due to (i) a decrease in cash and cash equivalents of RMB191.2 million, (ii) a decrease in financial assets at FVTPL of RMB54.8 million, and (iii) a decrease in inventories of RMB24.2 million, partially offset by an increase in trade and bills receivables of RMB103.1 million. Our total current liabilities increased by RMB1.2 million from RMB188.9 million as of December 31, 2023 to RMB190.1 million as of December 31, 2024, primarily due to a decrease in interest-bearing bank loans of RMB9.6 million, partially offset by (i) an increase in other payables and accruals of RMB2.6 million, and (ii) an increase in trade and bills payables of RMB8.2 million.

Inventories

Our inventories represent the sum of raw materials, work in process and finished goods, net of impairment. The following table sets forth our inventories, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Raw materials	22,234	17,872	22,322
Work in progress	13,375	6,100	16,427
Finished goods	34,467	22,098	24,030
	70,076	46,070	62,779
Less: Impairment	(1,206)	(1,424)	(2,689)
Total	68,870	44,646	60,090

Our inventories decreased in 2024, primarily because we expedited manufacturing and delivery in 2024. Our inventories increased in 2025, primarily due to the advanced stockpiling of vehicles in response to the expected sales in 2026 and certain projects were yet to be accepted due to relatively long implementation period and thus recorded as work in progress.

The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	302.1	138.6	119.2

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 and multiplied by 365 days.

The following table sets forth an aging analysis of our inventories as of the dates indicated, based on the dates of acquisition of control of the inventories.

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	50,851	27,163	35,387
1 to 2 years	14,924	8,210	12,820
2 to 3 years	3,003	7,756	7,329
Over 3 years	92	1,517	4,554
	68,870	44,646	60,090
	68,870	44,646	60,090

FINANCIAL INFORMATION

During the Track Record Period, our inventory turnover days were relatively high as a result of a few factors. The process of raw materials procurement, production and product delivery (including the customers' inspection and acceptance) usually take several months. Furthermore, some of our customers usually go through lengthy internal procedures including inspection and familiarization with our solutions before confirming acceptance, generally due to the novelty of our solutions. But we expect our inventory turnover days will be improved in the future as more of our customers repeat purchases. Our inventory turnover days decreased from 302.1 days in 2023 to 138.6 days in 2024 and further to 119.2 days in 2025, primarily due to our improved inventory management and increased order volume which expedited the consumption of our inventories.

We believe that it does not encounter significant inventory recoverability issues as: (a) we has adopted effective inventory management measures primarily including the implementation of “first-in, first-out” method, making procurement plan based on definite and binding delivery schedules under orders or sales agreements; and (b) our inventories generally have no expiration date and earlier types of raw materials will be utilized during the maintenance of earlier models sold. The inventory turnover days decreased throughout the Track Record Period as a result of the above management measures. Going forward, we will continue to adhere to our current inventory management measures, and expect to further improve our inventory management by prioritizing the utilization of existing inventories and closely monitoring the market price of key raw materials to facilitate a more efficient procurement plan. Moreover, during the Track Record Period, we did not encounter material fluctuations of our solutions and recorded a relatively high gross profit margin (generally higher than 40%), i.e. we did not encounter situations where the selling price cannot cover the relevant costs which will lead to an impairment of inventories. In accordance with IAS 2, inventories are stated at the lower of cost and net realizable value (“NRV”). NRV 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. Our management performed NRV tests at the end of each Track Record Period. When estimating NRV, we consider the following: (a) the most reliable evidence available at the time the estimates are made; (b) fluctuation of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm the conditions existing at the end of the period; and (c) the purpose for which the inventory is held.

Based on the above considerations, as of December 31, 2023, 2024 and 2025, the write down provision of inventory was RMB1.2 million, RMB1.4 million and RMB2.7 million, respectively, representing 1.7%, 3.1% and 4.3% of the gross amounts of inventories before impairment. Our management believes that sufficient provision has been made at the end of each of the reporting periods.

As of March 31, 2026, RMB16.9 million, or 28.1% of our inventories as of December 31, 2025, had been consumed or sold subsequent to December 31, 2025.

Trade and Bills Receivables

Our trade and bills receivables primarily represent amounts due from customers for our autonomous driving solutions and services provided in the ordinary course of business. The credit period given to our customers ranged generally from 30 to 180 days from the date of invoice; in certain cases, we may grant a longer credit term on a case-by-case basis. The following table sets forth our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Trade receivables	148,396	254,500	342,439
Bills receivable	1,472	3,580	4,171
Impairment	(9,646)	(14,761)	(31,095)
Total	140,222	243,319	315,515

FINANCIAL INFORMATION

Our trade and bills receivables increased from RMB140.2 million as of December 31, 2023 to RMB243.3 million as of December 31, 2024, and further to RMB315.5 million as of December 31, 2025, generally in line with our overall revenue growth, and due to delayed settlement by certain cities scenario customers. Taking into account the customers' historical credit record and financial performance, while we had been actively communicating with them for the trade and bills receivables collection, we did not observe significant risk regarding the recoverability of such amounts and did not make specific loss provision.

We perform an impairment analysis at the end of each of Track Record Period to measure the expected credit losses for our trade and bills receivables and assess our credit risk exposure. We calculated the provision rates based on the aging for groupings of various customer segments with similar loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Track Record Period about past events, current conditions and forecasts of future economic conditions. In addition, when there exists an indicator of significant different in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

Based on the above considerations, as of December 31, 2023, 2024 and 2025, we recorded loss allowance for impairment of trade and bills receivables of the provision of account receivables of RMB9.6 million, RMB14.8 million and RMB31.1 million, respectively, representing 6.4%, 5.7% and 9.0% of the gross amount of trade and bills receivables before impairment. Our management believes that adequate provision has been made at the end of each of the Track Record Period.

As of March 31, 2026, approximately RMB73.1 million of our trade and bills receivables (or approximately 23.2% of our trade and bills receivables as of December 31, 2025) had been subsequently settled. Therefore, we are not aware of significant recoverability issue for trade and bills receivables.

The following table sets forth our trade and bills receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days ⁽¹⁾	295.1	263.6	310.8

Note:

- (1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a year divided by revenue for the relevant year/annualized revenue for the relevant period and multiplied by 365 days.

The following table sets forth an aging analysis of our trade and bills receivables as of the dates indicated, based on the date of products delivered or services rendered and net of loss allowance:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Within 1 year	124,104	208,316	233,026
1 to 2 years	11,525	29,413	75,719
2 to 3 years	4,593	4,558	4,626
Over 3 years	–	1,032	2,144
Total	140,222	243,319	315,515

FINANCIAL INFORMATION

The trade and bills receivables turnover days indicate the average time required for us to collect cash payments. Our trade and bills receivables turnover days decreased from 295.1 days in 2023 to 263.6 days in 2024. Our trade and bills receivables turnover days increased to 310.8 days in 2025, primarily because a larger proportion of solutions (amounting to approximately RMB107 million, accounted for approximately one third of our total revenue in 2025) was delivered, i.e. a larger proportion of revenue was recognized, in the second half of 2025 according to the solution delivery schedules, resulting in the increase of the year-end balance of the trade and bills receivable, which was not due as of December 31, 2025. Our trade and bills receivables turnover days were relatively longer than the general credit terms as agreed in our contracts with customers during the Track Record Period primarily because some of our customers did not strictly follow the payment schedule after invoices are issued. For instance, certain cities scenario customers delayed settlement of outstanding payment in 2025. To the best of our knowledge, such customers delayed payment due to their own internal financial planning. We have duly delivered solutions to such customers, and we were not aware of any disputes regarding the quality of solutions with such customers as of the Latest Practicable Date. We are closely communicating with these customers for the settlement. Such factor also led to the increase of trade and bills receivables turnover days in 2025.

We will continue to prudently review the recoverability of trade receivables and long-aged trade receivables by taking into account factors including but not limited to the on-going business performance and financial condition of our customers, the expected business performance and financial condition of our customers in the near future, the relevant customers' plan to settle the corresponding trade receivables and long-aged trade receivables, and the negotiation results with the relevant customers. We will also strive to negotiate more favorable credit terms when entering into new contracts with customers. For instance, in 2024 and 2025, we secured more favorable payment schedules under certain new contracts with customers of our autonomous driving vehicle solutions, with an increased proportion of prepayments upon the signing of agreements. We have been and will be actively communicating with our customers regarding trade receivables collection. Taking into account the above, we believe that the high trade and bills receivables turnover days would be improved and would not constitute material adverse impact on our overall operations and financial position.

Contract Assets

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Contract assets arising from provision of autonomous driving solutions ⁽¹⁾	7,009	13,672	11,706
Impairment	(269)	(441)	(481)
Net carrying amount	6,740	13,231	11,225

Note:

- (1) Contract assets arising from provision of autonomous driving solutions are retention receivables in relation to warranties we provide in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period in relation to our autonomous driving vehicle solutions, autonomous driving kit solutions and autonomous driving software solutions.

Our contract assets increased from RMB6.7 million as of December 31, 2023 to RMB13.2 million as of December 31, 2024, in line with our overall revenue growth. It decreased to RMB11.2 million as of December 31, 2025 due to expiry of warranty period.

FINANCIAL INFORMATION

As of March 31, 2026, RMB0.7 million or approximately 6.3% of our contract assets as of December 31, 2025 had been subsequently received.

Prepayments, Other Receivables and Other Assets

The following table sets forth our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Current			
Prepayments	6,305	3,583	13,141
Deposits	716	405	3,111
Due from related parties	34	2,130	12
Value-added tax recoverable	376	2,699	2,587
Others	127	1,142	3,849
	7,558	9,959	22,700
Non-current			
Prepayments	221	213	8,863
Deposits	1,479	1,835	1,170
	1,700	2,048	10,033

Prepayments represent advances made to certain suppliers primarily in relation to purchases of raw materials, computing power services and fixed assets including but not limited to servers for R&D purposes. The current portion of prepayments to supplier decreased from RMB6.3 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, primarily due to our improved bargaining power with suppliers as we formed stable relationships with them. The current portion of prepayments increased to RMB13.1 million as of December 31, 2025, primarily due to an increase in our procurement from suppliers with specific demand of prepayments. The non-current portion of prepayments increased from RMB0.2 million to RMB8.9 million in 2025, primarily due to our procurement of servers for R&D purposes which are classified as fixed assets that required prepayments; such servers were subsequently delivered in April 2026.

Deposits represent rental deposits for our leased offices and contract performance deposits. Our deposits remained relatively stable at RMB2.2 million as of December 31, 2023 and December 31, 2024, comprising of deposits for leased offices; and increased to RMB4.3 million as of December 31, 2025, primarily due to the contract performance deposits as requested by certain customers in 2025.

Due from related parties represent receivables arising from the sale of fixed assets to a related party, Yuxing Zhejiang, and deposits arising from rental of offices to a related party, which are non-trade in nature. Yuxing Zhejiang ceased to be a subsidiary of our Company and became a related party on December 31, 2024 upon the termination of contractual arrangements. See Note 33 to the Accountants' Report in Appendix I to this prospectus for details of our loss of control over Yuxing Zhejiang. It ceased to be a related party and became a third party on April 27, 2025 after Mr. Wu and Mr. Zhou's disposal of their equity interests in Yuxing Zhejiang to a third party. See "History — Major Corporate Developments of Our Group — Disposal of Yuxing Zhejiang." Due from related parties was RMB34 thousand as of December 31, 2023, then increased to RMB2.1 million as of December 31, 2024, and decreased to RMB12.1 thousand as of December 31, 2025. The increase was relating to the sale of fixed assets which are not relevant to our business to Yuxing Zhejiang relating to the termination of contractual arrangements in 2024, and the subsequent decrease was mainly due to Yuxing Zhejiang settled the amount in year 2025. For the remaining balance as of December 31, 2025, we expect such amount will be settled prior to Listing.

FINANCIAL INFORMATION

Value-added tax recoverable represents input tax to be offset in relation to VAT. Value-added tax recoverable increased from RMB0.4 million as of December 31, 2023 to RMB2.7 million as of December 31, 2024, due to an increase in the purchase of servers and database in 2024 for the business to be operated by our new subsidiary in Chongqing. It remained relatively stable at RMB2.6 million as of December 31, 2025.

Others primarily represent capitalized listing expenses and fees to be reimbursed to employees. Others increased from RMB0.1 million as of December 31, 2023 to RMB1.1 million as of December 31, 2024, due to an increase in the capitalized listing expenses. Others further increased to RMB3.8 million as of December 31, 2025, primarily driven by the increase in capitalized listing expenses and the reclassification of amount due from Yuxing Zhejiang which was recorded as amount due from related party as of December 31, 2024.

As of March 31, 2026, RMB6.6 million or approximately 20.2% of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled.

Financial Assets at FVTPL

Financial assets at FVTPL represent wealth management products issued by banks in the Chinese Mainland. It was classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest. Our financial assets at FVTPL decreased from RMB82.0 million as of December 31, 2023 to RMB27.1 million as of December 31, 2024, primarily due to redemption of wealth management products at maturity. Our financial assets measured at FVTPL further decreased to RMB1.7 million as of December 31, 2025, mainly due to the redemption of our wealth management products at maturity.

We have adopted an internal investment management policy and established a set of internal control measures to allow us to achieve reasonable returns on our investment while mitigating our exposure to high investment risks. Such investment management policy regulates our internal investment decision making procedures and record keeping practices. Under our investment management policy, our chief financial officer is responsible for the overall supervision and management of our investment activities. Depending on, among others, the investment amount, our shareholders, the board of directors and/or the Chief Executive Officer serve as decision-making bodies for our investment activities. For instance, investments shall be approved by the Board if (i) the higher of the book value or appraised value of the relevant assets transacted exceeds 10% of our latest audited total assets, (ii) the transaction consideration exceeds 10% of our latest audited total assets and the absolute amount exceeds RMB10 million, or (iii) the profit generated from the transaction exceeds 10% of our latest audited net profit and the absolute amount exceeds RMB1 million. No other corporate department or individual employee has authorities to make decisions on our investment activities. Our finance department is responsible for the analysis and research of potential investment opportunities, as well as maintaining financial records pertaining to our investment activities. Our Directors, senior management, together with the finance managers of respective subsidiaries of ours, bring a wealth of management expertise and skills from their previous working experience in the financial services sector. They have investment experience and relevant knowledge that have empowered our past investment activities. For the professional qualifications and experiences of our Directors and senior managements, see “Directors and Senior Management.” We believe that our internal policies regarding investment and the related risk management mechanism are adequate. Our investment in financial assets at FVTPL will be subject to the compliance with Chapter 14 of the Listing Rules.

FINANCIAL INFORMATION

Cash and Cash Equivalents

Our cash and cash equivalents primarily consisted of our cash and bank balances, and non-pledged time deposits with original maturity of three months or less when acquired.

The following table below sets forth a breakdown of our cash and cash equivalents as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Cash and bank balances	101,612	44,687	44,444
Time deposits	311,712	177,504	70,117
	413,324	222,191	114,561
Less: restricted cash	(356)	(458)	(1,212)
	412,968	221,733	113,349
	412,968	221,733	113,349

Our cash and cash equivalents decreased in the Track Record Period as we utilized our available capital to support our business operations. For an analysis on cash flows during the Track Record Period, see “— Liquidity and Capital Resources.”

Trade and Bills Payables

Our trade and bills payables primarily represent outstanding amounts due to our suppliers. Our trade and bills payables are non-interest-bearing and are normally settled within 3 to 120 days from the date of invoice, while there is usually a time gap between the time we receive products or services from suppliers and the time we issue the relevant invoices. We negotiate with our suppliers about the timing of invoice issuance to align the invoice dates with our cash flow needs, improving our liquidity management. As of the Latest Practicable Date, we did not have any dispute with our suppliers. The following table sets forth the aging analysis of our trade and bills payables as of the dates indicated based on the date of goods or services received:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Within 1 year	45,248	53,021	112,865
1 to 2 years	677	988	3,464
2 to 3 years	13	102	81
Over 3 years	241	223	244
	46,179	54,334	116,654
	46,179	54,334	116,654

Our trade and bills payables increased in the Track Record Period due to the increase in our purchase volume as a result of our business growth.

FINANCIAL INFORMATION

The following table sets forth our trade and bills payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days ⁽¹⁾	125.2	122.7	194.6

Note:

- (1) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a year divided by cost of sales for the relevant year/annualized cost of sales for the relevant period and multiplied by 365 days.

Our trade and bills payables turnover days slightly decreased in 2024, then increased in 2025 as we obtained more favorable credit term from our suppliers in 2025.

As of March 31, 2026, RMB33.5 million or approximately 28.7% of our trade and bills payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily included (i) payroll and welfare payables, (ii) other tax payables, (iii) other payables, (iv) provision, and (v) deferred income:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>		
Current			
Payroll and welfare payables	34,834	26,084	38,616
Other tax payables	11,524	14,060	22,110
Other payables	12,847	7,312	10,642
Provision	3,124	11,715	13,842
Deferred income	3,000	8,000	8,000
Others	—	713	2,581
	65,329	67,884	95,791
Non-current			
Deferred income	5,000	—	—
	5,000	—	—

Payroll and welfare payables represent salaries and welfare payables to our employees. Our payroll and welfare payables decreased from RMB34.8 million as of December 31, 2023 to RMB26.1 million as of December 31, 2024, due to our optimization of personnel structure and the reduction in the salaries and welfare payables to our staff. Our payroll and welfare payables increased to RMB38.6 million as of December 31, 2025, primarily due to an increased headcounts of our employees and year-end bonuses accrued and yet to be paid.

Other tax payables represent VAT, stamp duty and employee withholding income taxes. Our other tax payables increased RMB11.5 million as of December 31, 2023 to RMB14.1 million as of December 31, 2024 and further to RMB22.1 million as of December 31, 2025, primarily as a result of increases in VAT in line with our overall business growth.

Other payables represent payables for purchasing long-term assets, and service fees for IT software and for the listing expenses. Other payables decreased from RMB12.8 million as of December 31, 2023 to RMB7.3 million as of December 31, 2024, primarily due to the settlement of other payables. Our other payables increased as of December 31, 2025 due to the increase of payables for the listing expenses.

FINANCIAL INFORMATION

Provision mainly represent provision of warranties when offering autonomous driving vehicle solutions and autonomous driving kit solutions estimated based on the cost of key components and historical cost incurred, which generally increased as our sales of such solutions increased during the Track Record Period. Despite our higher revenue growth rate in 2025, our provision of warranties increased only slightly from RMB11.7 million as of December 31, 2024 to RMB13.8 million as of December 31, 2025, primarily due to (i) the fact that our provision of warranties was primarily based on the cost of key components and historical cost incurred, rather than a specific percentage of revenue; and (ii) the actual utilization of warranty in 2025 was lower than the provision of warranties as of December 31, 2024 resulting in the reversal of such difference in 2025.

Deferred income represents government grants which we have received but are yet to be recognized as other income before the relevant conditions are satisfied. We recorded deferred income, including current and non-current portions, of RMB8.0 million as of the end of each year in the Track Record Period.

As of March 31, 2026, RMB31.9 million or approximately 33.3% of our other payables and accruals as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our Group receives payments from customers based on billing schedules as established in the sales contracts for the solutions and services. A portion of payments is usually received in advance of the performance under the contracts.

Our contract liabilities increased from RMB3.9 million as of December 31, 2023 to RMB4.7 million as of December 31, 2024, and further to RMB8.7 million as of December 31, 2025, mainly due to our overall business growth.

As of March 31, 2026, RMB3.0 million or approximately 34.5% of our contract liabilities as of December 31, 2025 had been subsequently recognized.

INDEBTEDNESS

Our indebtedness consisted of (i) interest-bearing bank loans and (ii) lease liabilities. The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
	(RMB'000)	(RMB'000)	(RMB'000)	2026 (unaudited)
Current				
Interest-bearing bank loans	68,039	58,461	124,200	150,081
Current portion of lease liabilities	5,465	4,746	5,491	5,409
Subtotal	<u>73,504</u>	<u>63,207</u>	<u>129,691</u>	<u>155,490</u>
Non-current				
Interest-bearing bank loans non-current	–	9,900	–	–
Non-current portion of lease liabilities	20,103	17,508	11,375	10,377
Subtotal	<u>20,103</u>	<u>27,408</u>	<u>11,375</u>	<u>10,377</u>
Total	<u>93,607</u>	<u>90,615</u>	<u>141,066</u>	<u>165,867</u>

Save as disclosed in the table above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of March 31, 2026 and up to the Latest Practicable Date.

FINANCIAL INFORMATION

Interest-bearing Bank Loans

	2023	As of December 31, 2024 <i>RMB'000</i>	2025
Analyzed into:			
Bank loans repayable:			
Within one year or on demand	68,039	58,461	124,200
In the second year	—	9,900	—
	—	9,900	—
Total	68,039	68,361	124,200

Our bank loans during the Track Record Period were denominated in Renminbi, bearing an effective interest rate ranging from 2.5% to 5.18%, used to finance our working capital requirements. Our bank loans are generally unsecured; except for bank loans of RMB2.0 million and RMB10.0 million as of December 31, 2023 and 2024, respectively, which were secured by our self-developed intellectual property rights. Our interest-bearing bank loans increased during the Track Record Period primarily to support our business expansion.

Our bank loan agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any material covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group 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.

We had committed unutilized banking facilities of RMB366.7 million as of March 31, 2026.

Lease Liabilities

Lease liabilities represent the present value of outstanding lease payments under our lease agreements for office premises. Our leases of properties generally have lease terms of two to three years. Our lease liabilities, current and non-current, slightly decreased from RMB25.6 million as of December 31, 2023 to RMB22.3 million as of December 31, 2024 and further to RMB16.9 million as of December 31, 2025, primarily due to lease payments made by our Group.

Our Directors confirm that there were no material changes in the Group's indebtedness since December 31, 2025 and up to the Latest Practicable Date.

SHARE CAPITAL AND TOTAL EQUITY

Our share capital amounted to nil, RMB14.8 million and RMB14.8 million as of December 31, 2023, 2024 and 2025, respectively. In addition, our total equity amounted to RMB631.7 million, RMB450.3 million and RMB267.6 million as of December 31, 2023, 2024 and 2025, respectively.

According to the capital increase agreements entered into by our Company and the then Shareholders from April 2016 to March 2023, our Company issued ordinary shares with a total consideration of approximately RMB1,746.4 million with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the aforementioned capital increase agreements as well as the joint venture agreements entered into between our Company and the then Shareholders and the articles of association of our Company adopted in May 2023 (as superseded by a shareholders' agreement entered into in October 2024), the Pre-IPO Investors were granted by our Company with special rights which included redemption rights and liquidation preferences rights.

FINANCIAL INFORMATION

There was no exercise of redemption rights and liquidation preferences rights granted by our Company throughout the Track Record Period.

On May 26, 2025, our Company and the Pre-IPO Investors subsequently entered into a termination agreement, agreeing that certain of the special rights granted by our Company to Pre-IPO investors, including redemption rights and liquidation preferences, had been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the termination agreement, the Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the redemption rights and liquidation preferences rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value prior to entering into the termination agreement, (i) the financial liabilities measured at fair value, total current liabilities, net current liabilities and net liabilities would have been:

	December 31, 2023 <i>RMB'000</i>	December 31, 2024 <i>RMB'000</i>	December 31, 2025 <i>RMB'000</i>
Financial liabilities measured at fair value	3,358,748	3,484,343	–
Total current liabilities	3,547,683	3,674,428	350,811
Net current assets/(liabilities)	(2,829,001)	(3,113,958)	173,316
Net assets/(liabilities)	(2,727,087)	(3,034,054)	267,603

; and (ii) the fair value changes associated with the financial liabilities measured at fair value, the net loss during the Track Record Period, basic and dilutive losses per share would have been:

	Year ended December 31,		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Fair value changes associated with the financial liabilities measured at fair value	95,790	125,595	169,449
Total net losses	(308,916)	(337,174)	(399,619)
Basic and diluted losses per share (expressed in RMB)	(2.15)	(2.26)	(2.68)

For further details of the financial impacts, see note 30 to the Accountants' Report.

CONTINGENT LIABILITIES

During the Track Record Period, we did not have material contingent liabilities that were expected to materially and adversely affect our financial condition or results of operations. Our Directors confirm that there has been no material change in our contingent liabilities since December 31, 2025 to the date of this prospectus.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

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

	Year ended December 31,		
	2023	2024	2025
Revenue growth rate ⁽¹⁾	146.4%	64.5%	23.6%
Gross profit margin ⁽²⁾	48.8%	43.7%	51.1%
	As of December 31,		
	2023	2024	2025
Gearing ratio ⁽³⁾	25.4%	32.6%	57.5%
Current ratio ⁽⁴⁾	3.8	2.9	1.5
Cash ratio ⁽⁵⁾	2.6	1.3	0.3

Notes:

- (1) Revenue growth rate is calculated by dividing revenue growth for the relevant year by revenue for the previous year and multiplied by 100%.
- (2) Gross profit margin is calculated by dividing revenue for the relevant year by gross profit for the relevant year and multiplied by 100%.
- (3) Gearing ratio is calculated by dividing total assets by total liabilities as of the year end and multiplied by 100%.
- (4) Current ratio is calculated by dividing total current assets by total current liabilities as of the year end.
- (5) Cash ratio is calculated by dividing the sum of cash and cash equivalents, restricted cash, and financial assets at FVTPL by total current liabilities as of the year end.

Revenue Growth Rate

See “— Discussion of Results of Operations” for a discussion of the factors affecting our revenue growth rate during the respective years.

Gross Profit Margin

See “— Discussion of Results of Operations” for a discussion of the factors affecting our gross profit margin during the respective years.

Gearing Ratio

Our gearing ratio further increased from 25.4% as of December 31, 2023 to 32.6% as of December 31, 2024 due to the decrease of our total assets primarily attributable to the decrease of equity investments designated at fair value through other comprehensive income and cash and cash equivalents as of December 31, 2024. Our gearing ratio increased to 57.5% as of December 31, 2025 as a result of the increase of our total liabilities primarily attributable to the increase of interest-bearing bank loans as well as trade and bills payables.

FINANCIAL INFORMATION

Current Ratio

Our current ratio decreased from 3.8 as of December 31, 2023 to 2.9 as of December 31, 2024, as our total current assets decreased while total current liabilities slightly increased in 2024. The decrease in our current assets was primarily due to the decreases in cash and cash equivalents.

Our current ratio further decreased to 1.5 as of December 31, 2025, primarily attributable to our current assets decreased while current liabilities increased. The decrease in our total current assets was primarily due to the decreases in cash and cash equivalents, partially offset by the increase in trade and bills receivables. The increase in our total current liabilities due to the increases in interest-bearing bank loans as well as trade and bills payables.

Cash Ratio

Our cash ratio decreased from 2.6 as of December 31, 2023 to 1.3 as of December 31, 2024, primarily as a result of the decrease in the sum of cash and cash equivalents, restricted cash, and financial assets at FVTPL outpaced the decrease in total current liabilities.

Our cash ratio further decreased to 0.3 as of December 31, 2025, primarily due to the decrease in the sum of cash and cash equivalents, and financial assets at FVTPL and the increase in total current liabilities.

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 asset acquired from third parties and capitalized and internal development costs capitalized as intangible asset and deducting amortization expense of capitalized intangible assets included in R&D expenditure. All of our R&D expenditure are related to Specialist Technology Products. The table below sets forth our R&D expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
R&D expenses	184,396	196,447	233,690
Adjustments:			
Add: Intangible asset acquired from third parties and capitalized	9,771	–	–
Add: Internal development costs capitalized as intangible asset	–	–	–
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(126)	(652)	(141)
R&D expenditure	194,041	195,795	233,549
Total R&D expenditure for the three financial years prior to Listing			623,385

FINANCIAL INFORMATION

The table below sets forth our total operating expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Selling and marketing expenses	68,721	76,110	83,349
Administrative expenses	57,440	63,254	66,415
R&D expenses	184,396	196,447	233,690
Adjustments:			
Add: Intangible asset acquired from third parties and capitalized	9,771	–	–
Add: Internal development costs capitalized as intangible asset	–	–	–
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(126)	(652)	(141)
Total operating expenditure	320,202	335,159	383,313
Total operating expenditure for the three financial years prior to Listing			1,038,674

The table below sets forth our R&D expenditure ratio for the years indicated:

	Year ended December 31,		
	2023	2024	2025
R&D expenditure ratio⁽¹⁾	60.6%	58.4%	60.9%
Total R&D expenditure ratio⁽²⁾			60.0%

Notes:

- (1) Calculated by dividing R&D expenditure by total operating expenditure.
- (2) Calculated by dividing total R&D expenditure for the three financial years prior to Listing by total operating expenditure for the three financial years prior to Listing.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

We regularly incur capital expenditures to expand our operations and upgrade our facilities. Our capital expenditures during the Track Record Period primarily consisted of purchases of property, plant and equipment, intangible assets and other-long term assets. In 2023, 2024 and 2025, we incurred capital expenditures of RMB29.8 million, RMB37.7 million, and RMB8.2 million, respectively.

Historically, we have funded our capital expenditures mainly through bank loans and capital injection from shareholders. We intend to fund our planned capital expenditures through cash generated from our business operations and bank loans as well as proceeds from the Global Offering. For details, see “Future Plans and Use of Proceeds.”

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

Capital Commitments

We did not have material capital commitments during the Track Record Period.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into transactions with our related parties from time to time. These transactions primarily include (i) our sales of autonomous driving solutions to our joint venture, (ii) office rental expenses paid to a company controlled by our chief executive, and (iii) compensation of key management personnel of our Group. See Note 35 to the Accountants' Report in Appendix I to this prospectus for details regarding our related party transactions.

It is the view of our Directors that our transactions with related parties during the Track Record Period were conducted on an arm's length basis and with normal commercial terms. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our historical 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 commitment or arrangements.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, time deposits, restricted cash and interest-bearing bank loans. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, financial assets included in prepayments, other receivables, and other assets, and financial liabilities included in other payables and accruals and lease liabilities, which arise directly from our operations.

The main risks arising from our financial instruments are credit risk, market risk and liquidity risk. Our Board reviews and agrees policies for managing each of these risks and they are summarized below.

Credit Risk

We only trade with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. For further details, see Note 39 to the Accountants' Report in Appendix I to this prospectus.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales by operating units in currencies other than the units' functional currencies.

For the year ended December 31, 2023, 2024 and 2025, assuming all other variables remain constant, if the exchange rate of RMB depreciates/appreciates by 5% against the Hong Kong dollar, the loss before tax of our Group will decrease/increase by RMB5.6 million, RMB3.4 million and RMB511 thousands, respectively. For further details, see Note 39 to the Accountants' Report in Appendix I to this prospectus.

Liquidity Risk

We monitor our exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans. Our policy is that all the borrowings should be approved by the chief financial officer. For further details, see Note 39 to the Accountants' Report in Appendix I to this prospectus.

FINANCIAL INFORMATION

DIVIDENDS

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

- (a) recovery of accumulated losses, if any;
- (b) allocation to the statutory common reserve fund an amount of 10% of our profit after tax, as determined under the Accounting Standards for Business Enterprises issued by the MOF (the "PRC GAAP"); until such fund has reached more than 50% of our registered capital; and
- (c) allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders in a shareholders' meeting.

Payment of dividends is subject to restrictions under PRC laws. Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are our net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net proceeds from the Global Offering and other financial resources available to us, including cash and cash equivalents, restricted cash, financial assets at FVTPL, and bank borrowings, we have sufficient working capital to cover our costs, including R&D expenses, selling and marketing expenses, administrative expenses and other operating costs, for the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditure, and (iii) lease payment. Our historical monthly average cash burn rate was RMB13.0 million, RMB21.1 million and RMB15.7 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities of RMB298.0 million in aggregate as of December 31, 2025. We estimate that we will receive net proceeds of approximately HK\$795.4 million after deducting the listing expenses payable by us in the Global Offering, assuming no Offer Size Adjustment Option is exercised and assuming an Offer Price of HK\$60.30 per Offer Share.

We assume that the average cash burn rate going forward will be similar to the cash burn rate level in 2025 for the sake of prudence although the cash burn rate is subject to change due to various factors including but not limited to the business development, industry trend and customers' requirement, and we estimate that our cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities as of December 31, 2025 will be able to maintain our financial viability for approximately 18.9 months or, if we take into account 10% of the estimated net proceeds from the Global Offering (namely, the portion allocated for our working capital and other general purposes), approximately 23.4 months or, if we take into account 100% of the estimated net proceeds (based on the Offer Price) from the Global Offering, for approximately 63.2 months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status. Subsequent to December 31, 2025 and up to March 31, 2026, we had obtained additional banking facilities amounting to RMB210 million to further strengthen our working capital sufficiency.

FINANCIAL INFORMATION

We have no immediate plan for future financing after the Listing for purpose of our commercialization plan as disclosed in this prospectus taking into account our available cash, proceeds from the Global Offering and based on our cash burn rate. However, with the continuing expansion of our business and development of our solutions or services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company did not have any distributable reserves.

LISTING EXPENSES

Based on the Offer Price of HK\$60.30 per Share, the total estimated listing expenses in relation to the Global Offering are RMB67.2 million (HK\$76.8 million), assuming the Offer Size Adjustment Option is not exercised, which constitute approximately 8.8% of the gross proceeds. Our total estimated listing expenses consist of (i) underwriting-related expenses of RMB30.6 million (HK\$35.0 million), and (ii) non-underwriting-related expenses of RMB36.6 million (HK\$41.8 million), including (a) fees payable to our legal advisors and Reporting Accountant of RMB22.3 million (HK\$25.5 million) and (b) other fees and expenses, including fees payable to the sponsor and the fees of other professional parties such as financial printers, industry consultant, background search agent and share registrar, of RMB14.3 million (HK\$16.3 million). During the Track Record Period, RMB20.3 million (HK\$23.2 million) had been recognized as expenses in our consolidated statements of profit or loss. Subsequent to the Track Record Period, we expect RMB12.5 million (HK\$14.3 million) will be recognized as expenses in our consolidated statements of profit or loss, and RMB34.4 million (HK\$39.3 million) is to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For the unaudited pro forma statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules for illustrating the effect of the Global Offering on the consolidated net tangible assets of our Group attributable to the owners of our Company as of December 31, 2025 as if the Global Offering were completed on December 31, 2025, please refer to Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest audited financial statements, up to the date of this prospectus, and there had been no event since December 31, 2025 up to the date of this prospectus that would materially affect the information shown in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$795.4 million, assuming an Offer Price of HK\$60.30 per Offer Share, after deducting the underwriting commissions and estimated expenses paid or payable by us in connection with the Global Offering and assuming that the Offer Size Adjustment Option is not exercised.

In line with our strategies, we intend to apply the net proceeds from the Global Offering, in the next four years, for the following purposes and in the amounts set forth below:

- **approximately 46.7% of the net proceeds, or HK\$371.5 million, will be used to continuously enhance our R&D capabilities and solutions provision, including:**
 - (1) approximately 26.5% of the net proceeds, or HK\$210.8 million, shall be used to further develop our U-Drive[®] system. In particular, we intend to expand the algorithm development team for U-Drive[®] 6.0 and 7.0 to adapt to our strong growth in business volume in the next few years. We also seek to expand the cloud computing resources required for real-time AI algorithm inference, simulation testing, data and business logic analysis, as well as relevant personnel to maintain and optimize our cluster resources.

In selecting qualified personnel for our algorithm development team for our U-Drive[®] system, we seek to recruit 10 to 15 technical experts, testing engineers and development engineers in the fields of cloud brain, system algorithm, data security, operation tools, and simulation system, among others. We expect the potential candidates to hold a master or PhD degree in computer science, automation, electrical engineering, AI, etc., and have at least three years' of experience in deep learning, imitation learning, reinforcement learning and VLM/VLA. We will offer market competitive salaries. We expect to allocate approximately 3.2% of the net proceeds or HK\$25.5 million in this regard to cover their salaries in the next four years.

In order to acquire the required hardware and software for the above plans, we intend to purchase equipment including computing mobile terminals, high-performance development workstations, AI and cloud services, and data- and system-related equipment, among other hardware and software. We expect to allocate approximately 23.3% of the net proceeds or HK\$185.3 million in this regard.

- (2) Approximately 9.7% of the net proceeds, or HK\$77.2 million, shall be used to build our overseas R&D centers. Six R&D centers are expected to be established in Hong Kong, Singapore/Malaysia, Qatar, Hungary/Italy/France, Japan/South Korea, and the United States, among other regions, mainly for the localization of overseas products and the corresponding research and development, and more efficient local compliance and IP protection relating to our localized products.

With our established R&D center located in China as our common technology foundation, we expect our overseas R&D centers to function as local arms to perform scenario-based, application-level R&D functions to facilitate the development of products specifically addressing unique local issues or conditions such as dust storm in the Middle East and extreme weather in Northern Europe. With such local presence, we are in a better position to deal with compliance requirements such as CE marking and General Data Protection Regulation in Europe, as well as efficiently building up our local IP portfolios. We will also be able to quickly adapt our solutions and services to the local needs with first-hand information collected from such overseas R&D centers. Taking into account the aforementioned benefits, we have determined the proposed locations of overseas R&D centers based on our current business development and strategies. We do

FUTURE PLANS AND USE OF PROCEEDS

not foresee material encumbrances in recruiting R&D talents locally as such regions are mostly developed with profound talent resources. Nevertheless, our plan to establish R&D center overseas may face uncertainties, especially considering the recent regional conflicts and war in the Middle East. Such plan may be delayed or adjusted due to factors especially those beyond our control.

We expect to rent office and operation space in each of the regions in which we seek to set up an overseas R&D center. We expect to allocate approximately 0.3% of the net proceeds or HK\$2.4 million in this regard.

In selecting qualified experts for our overseas R&D centers, we seek to recruit 10 to 15 experts in the field of product localization. We expect the potential candidates to hold a master or PhD degree in computer science, automation, electrical engineering, AI, etc., and have at least three years' of experience in vehicle and cloud software development. We will offer market competitive salaries. We expect to allocate approximately 4.0% of the net proceeds or HK\$31.8 million in this regard to cover their salaries in the next four years.

Furthermore, we seek to purchase the required hardware and other equipment for our overseas R&D centers, including test vehicles and radars. We expect to allocate approximately 5.4% of the net proceeds or HK\$43.0 million in this regard.

- (3) approximately 10.5% of the net proceeds, or HK\$83.5 million, shall be used to build up our overseas data centers in Singapore/Malaysia and Qatar to expand our overseas layout, which requires the computing power and storage infrastructure necessary for the massive data loop and large model algorithm training.

We expect to rent office and operation space in Singapore/Malaysia and Qatar to house our data centers. We expect to allocate approximately 0.8% of the net proceeds or HK\$6.4 million in this regard.

In addition, we plan to purchase equipment and services necessary for the operations of our overseas data centers, including management nodes, laptops, workstations, high-speed internet services, among others. We expect to allocate approximately 9.7% of the net proceeds or HK\$77.2 million in this regard.

- **approximately 33.5% of the net proceeds, or HK\$266.5 million, will be used for our overseas and domestic business development and improving our commercialization capability, including:**

- (1) approximately 24.0% of the net proceeds, or HK\$190.9 million, shall be used to fulfill our business development initiatives overseas. We expect to establish six overseas business development centers in Hong Kong, Singapore/Malaysia, Qatar, Hungary/Italy/France, Japan/South Korea, and the United States to fulfill our growth strategies of actively exploring overseas expansion opportunities overseas.

To cover the expense necessary for the operations of our overseas business development centers including rental costs and business development activities such as attending exhibitions, hosting press conferences, construction of websites, digital marketing and advertisements, we expect to allocate approximately 8.0% of the net proceeds or HK\$63.6 million in this regard.

For our overseas business development centers, we seek to recruit over 80 employees in fields including business expansion, pre- and post-sales service provision, project management, sales, among others. We expect the potential candidates to have at least five years' of BD experience in aviation, manufacturing, ports, logistics industry and/or in the local market. We will offer market competitive salaries. We expect to allocate approximately 15.8% of the net proceeds or HK\$125.7 million in this regard to cover their salaries in the next four years.

FUTURE PLANS AND USE OF PROCEEDS

- (2) approximately 9.5% of the net proceeds, or HK\$75.6 million, shall be used to fulfill our business development initiatives in China.

For business development activities such as attending exhibitions, hosting press conferences, rolling out demo of new products and digital marketing in China, we expect to allocate approximately 3.8% of the net proceeds or HK\$30.2 million in this regard.

For our business development in China, we seek to recruit approximately 20 employees in fields including pre- and post-sales service provision, sales management, operational support, sales, among others. We expect the potential candidates to have at least five years' of BD experience in aviation, manufacturing, ports, logistics industry from reputable peer companies. We will offer market competitive salaries. We expect to allocate approximately 5.7% of the net proceeds or HK\$45.3 million in this regard to cover their salaries in the next four years.

- **approximately 9.8% of the net proceeds, or HK\$77.9 million, will be used for making strategic investments; and**

- (1) To solidify our market position and to expand our technological prowess, we intend to acquire target entities which are relatively smaller in scale but can satisfy our R&D needs. For instance we will consider a company with 10 to 20 employees with a valuation not exceeding RMB200 million, which has operated for a track record period of at least two years possessing a unique single module-related technology which are in line with our potential R&D direction, as the acquisition will enhance our R&D efficiency, reduce our marginal R&D cost and improve our financial performance. We expect to allocate approximately 7.8% of the net proceeds or HK\$62.0 million in this regard.

- (2) Furthermore, to improve our operational sustainability, we seek to engage in equity investments as a minority shareholder in select companies of a relatively large scale and high valuation. We will consider such alliances from technology perspectives, with companies which are developers of core chips or sensors which we expect to be beneficial in terms of core components procurement, as well as from commercial strategy and relationship perspectives, with companies which may enhance our commercial competitive edge such as increasing customer stickiness and revenue growth. We expect the potential target to have a relatively sizable operation for a track record period of at least three years, with a valuation of at least RMB1 billion. We expect to allocate approximately 2.1% of the net proceeds or HK\$16.7 million in this regard. We did not have a specific target or timeline as of the Latest Practicable Date. We have tested one new type of chip, three types of LiDAR and five types of cameras, and will conduct more tests before we form a preliminary plan of potential investments.

Our Directors are of the view that, according to Frost & Sullivan, there are adequate number of potential targets in the market based on the criteria mentioned above.

- **approximately 10.0% of the net proceeds, or HK\$79.5 million, will be used for working capital and general corporate purposes.**

FUTURE PLANS AND USE OF PROCEEDS

The table below sets forth the timeframe of our expected expansion plan and intended use of proceeds:

	2026 to 2027	2028 to 2029
Continuously enhance our R&D capabilities and solutions provision	<ul style="list-style-type: none"> • Complete the development of U-Drive® 6.0 and put VLM and world model in application • Establish six overseas R&D centers in Hong Kong, Singapore/Malaysia, Qatar, Hungary/Italy/France, Japan/South Korea, and the United States • Establish two overseas data centers in Singapore/ Malaysia and Qatar • Approximately 20.1% or HK\$159.9 million of the net proceeds is expected to be utilized during this phase 	<ul style="list-style-type: none"> • Complete the development of U-Drive® 7.0 and put imitation learning-based end-to-end algorithm and VLAM in application • Continue the operations of the six overseas R&D centers and the two overseas data centers • Approximately 26.7% or HK\$212.4 million of the net proceeds is expected to be utilized during this phase
Develop our overseas and domestic business and improve our commercialization capability	<ul style="list-style-type: none"> • Establish six overseas BD centers in Hong Kong, Singapore/Malaysia, Qatar, Hungary/Italy/France, Japan/South Korea, and the United States, covering business in 15 overseas countries, expanding into airports, manufacturing, ports and cities sectors • Establish commercial-scale sales in open scenarios such as logistics, sanitation and passenger cars, and expand product mix to include new industrial vehicle types such as driverless forklifts in factories in China • Approximately 15.7% or HK\$124.9 million of the net proceeds is expected to be utilized during this phase 	<ul style="list-style-type: none"> • Continue the six overseas BD centers, establishing coverage of 30 overseas countries, expanding into airports, manufacturing, ports and cities sectors • Further penetrate open scenarios such as logistics, sanitation and passenger cars, expand product mix to include new industrial vehicle types such as driverless forklifts in factories in China • Customers start subscribing for AI driver services • Approximately 17.6% or HK\$140.0 million of the net proceeds is expected to be utilized during this phase
Strategic investments	<ul style="list-style-type: none"> • Complete one to two investments and/or acquisitions • Approximately 3.3% or HK\$26.2 million of the net proceeds is expected to be utilized during this phase 	<ul style="list-style-type: none"> • Complete three to four investments and/or acquisitions • Approximately 6.6% or HK\$52.5 million of the net proceeds is expected to be utilized during this phase

If the Offer Size Adjustment Option is fully exercised, we will receive additional net proceeds of approximately HK\$125.5 million (assuming an Offer Price of HK\$60.30 per Offer Share). In the event that the Offer Size Adjustment Option is exercised, we intend to apply the additional net proceeds to the above purposes on a pro rata basis.

To the extent that our proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we will only deposit the proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).

UNDERWRITING

HONG KONG UNDERWRITERS

CLSA Limited
BOCOM International Securities Limited
DBS Asia Capital Limited
China Galaxy International Securities (Hong Kong) Co., Limited
Hong Tai Securities Limited
Futu Securities International (Hong Kong) Limited
CEB International Capital Corporation Limited
uSmart Securities Limited
CNCB (Hong Kong) Capital Limited
Quam Securities Limited
Lego Securities Limited
Patrons Securities Limited
SBI China Capital Financial Services Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering 723,100 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price on the terms and subject to the conditions of this prospectus.

Subject to the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued as mentioned herein (including any additional H Shares which may be made available pursuant to the exercise of the Offer Size Adjustment Option), and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally, but not jointly, to subscribe for or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) shall be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the day that trading of the H Shares commences on the Stock Exchange:

- (1) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union, Japan, Singapore, Qatar, or other jurisdictions relevant to our Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or circumstances likely to result in a change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, U.S. dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of

UNDERWRITING

the U.S. dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions; or

- (c) any local, national, regional or international event, or circumstance in the nature of force majeure (including, without limitation, any acts of government or order of any courts, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or
- (e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change in existing laws (whether or not permanent) or in the interpretation or application thereof by any court or other competent authority, in each case, in or affecting any of the Relevant Jurisdictions; or
- (g) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (h) the commencement by any authority of any public action or investigation against a member of our Group or a Director or a senior management member of our Company as named in this prospectus or announcing an intention to take any such action; or
- (i) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group or any of our Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (j) any valid demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (k) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any other applicable laws; or
- (l) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member

UNDERWRITING

of our Group or any Controlling Shareholder or any Director or senior management members as named in this prospectus; or

- (m) the chairman of our Board or any Director vacating his or her office; or
- (n) any demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;
- (o) any contravention by any member of our Group or any Director or any member of the senior management of our Company as named in this prospectus of the Listing Rules or applicable Laws; or
- (p) any change or development or event involving a prospective change in, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (q) an order or petition is presented for the winding-up or liquidation of any member of our Group (other than our Company), or any member of our Group (other than our Company) makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group (other than our Company) or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Group as a whole or anything analogous thereto occurs in respect of our Group (other than our Company),

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) (1) has or will or is likely to have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company or our Group as a whole; (2) has or will or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (3) makes or will make or is likely to make it impracticable, inadvisable, inexpedient or incapable for any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (4) has or will or may have the effect of preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (2) there has come to the notice of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:
 - (a) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement), the Operative Documents (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications or other documents issued or used by or for or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incomplete, incorrect, inaccurate in any material respect or deceptive or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or material misstatement in any Global Offering Document (including any supplement or amendment thereto); or

UNDERWRITING

- (c) any breach of, or any event or circumstance rendering untrue, inaccurate, incomplete or incorrect or misleading in any respect, any of the representations, warranties and undertakings given, or when repeated, by our Company or our Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (d) any event, act or omission which gives rise or is likely to give rise to any material liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities pursuant to the Hong Kong Underwriting Agreement; or
- (e) any material breach of any of the obligations or undertakings imposed upon our Company or any member of our Controlling Shareholders pursuant to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements (to the extent it is a party); or
- (f) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or
- (g) any executive Director is charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company or the commencement by any applicable government, political, regulatory body of any action against any executive Director in his capacity as such or an announcement by any applicable governmental, political regulatory body that it intends to take any such action; or
- (h) our Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (i) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Offer Size Adjustment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (j) any person (other than the Sole Sponsor) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (k) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the Offer Size Adjustment Option Shares) pursuant to the terms of the Global Offering; or
- (l) an order or petition is presented for the winding-up or liquidation of our Company, or our Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of our Company, or anything analogous thereto occurs in respect of our Company; or
- (m) (A) the notice of acceptance of the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

UNDERWRITING

- (n) any material non-compliance of this prospectus, the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering with any applicable Laws (including, without limitation, the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the CSRC Rules (as defined in the Hong Kong Underwriting Agreement)); or
- (o) that (i) a material portion of the orders placed or confirmed in the bookbuilding process; (ii) a material portion of the investment commitment made by the cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors; or (iii) a material portion of the orders placed by or confirmed with independent price setting investors (as defined in Chapter 2.5 of the Listing Guide), have been withdrawn, terminated or cancelled, and such orders or commitments have not been covered or replaced by any other orders, which would render it, impracticable or incapable to proceed with the Global Offering.

LOCK-UP UNDERTAKINGS

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Controlling Shareholders

Pursuant to Rules 10.07(1)(a), 18C.13 and 18C.14 of the Listing Rules, each of our Controlling Shareholders has undertaken to each of the Stock Exchange and our Company that, except as permitted under the Listing Rules, he/it will not, and will procure that the relevant registered holder(s) will not at any time in the period commencing on the date by reference to which disclosure of his/its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the securities of our Company, the options granted to him/it under the Pre-IPO Incentive Schemes and the partnership interests in Beijing Simaju to be transferred to him/it upon the exercise of his/its vested options, in respect of which our Controlling Shareholders are shown in this prospectus to be the beneficial owners (the “**Locked-up Securities of the Controlling Shareholders**”); provided that the above restriction shall not prevent him/it from (i) disposing of any interest in the Locked-up Securities of the Controlling Shareholders in the circumstances provided under Rule 18C.15 of the Listing Rules, or (ii) using the Locked-up Securities of the Controlling Shareholders (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Each of our Controlling Shareholders has further undertaken to the Stock Exchange and our Company respectively that within the period commencing from the date by reference to which disclosure of his/its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will immediately inform our Company and the Stock Exchange in writing of:

- (i) any pledge(s) or charge(s) of any Locked-up Securities of the Controlling Shareholders directly or indirectly in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan as permitted under the Listing Rules, and the number of such Locked-up Securities of the Controlling Shareholders so pledged or charged; and
- (ii) any indication(s) received by him/it, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such Shares or other share capital will be sold, transferred or disposed of.

UNDERWRITING

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by our Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by our Controlling Shareholders.

(B) Undertakings by the Key Persons

Pursuant to Rule 18C.14(1) of the Listing Rules, the key persons of our Company (the “**Key Persons**”), comprising (a) Mr. Wu, one of our Co-founders and our Controlling Shareholders, our Chairman, executive Director and chief executive officer; (b) Mr. Jiang, one of our Co-founders and our Controlling Shareholders; (c) Mr. Zhou, one of our Co-founders and our Controlling Shareholders, our executive Director, chief products officer and deputy general manager; (d) Mr. Peng, one of our Co-founders and our Controlling Shareholders, head of innovation business division and deputy general manager; (e) Mr. Zhao, one of our Co-founders; and (f) Mr. Chiang, our executive Director, chief financial officer, Board secretary and joint company secretary, have undertaken to each of the Stock Exchange and our Company that, except as permitted under the Listing Rules, each of them will not, and will procure that the relevant registered holder(s) will not at any time in the period commencing on the date by reference to which disclosure of their shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the securities of our Company, the options granted to them under the Pre-IPO Incentive Schemes and the partnership interests in Beijing Simaju to be transferred to them upon the exercise of their vested options, in respect of which any of them is shown in this prospectus to be the beneficial owners (the “**Locked-up Securities of the Key Persons**”); provided that the above restriction shall not prevent them from (i) disposing of any interest in the Locked-up Securities of the Key Persons in the circumstances provided under Rule 18C.15 of the Listing Rules, or (ii) using the Locked-up Securities of the Key Persons (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Pursuant to Note 2 to Rule 18C.14 of the Listing Rules, each of our Key Persons has further undertaken to the Stock Exchange and our Company respectively that within the period commencing from the date by reference to which disclosure of his shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he will immediately inform our Company and the Stock Exchange in writing of:

- (i) any pledge(s) or charge(s) of any Locked-up Securities of the Key Persons directly or indirectly in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan as permitted under the Listing Rules, and the number of such Locked-up Securities of the Key Persons so pledged or charged; and
- (ii) any indication(s) received by him, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities of the Key Persons so pledged or charged that any of such Locked-up Securities of the Key Persons will be sold, transferred or disposed of.

(C) Undertakings by our Pathfinder SIIs

Pursuant to Rule 18C.14(2) of the Listing Rules, our Pathfinder SIIs have undertaken to each of the Stock Exchange and our Company that, except as permitted under the Listing Rules, they will not, and will procure that the relevant registered holder(s) will not, at any time in the period commencing on the date by reference to which disclosure of their shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the securities of our Company in respect of which our Pathfinder SIIs are shown in this prospectus to be the beneficial owners (the “**Locked-up Securities of the Pathfinder SIIs**”); provided that the above restriction shall not prevent them from (i) using the Locked-up Securities of the Pathfinder SIIs (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the laws of Hong Kong)) for a bona fide commercial

UNDERWRITING

loan, or (ii) disposing of any interest in the Locked-up Securities of the Pathfinder SII in the circumstances provided under Rule 18C.15 of the Listing Rules.

Pursuant to Note 2 to Rule 18C.14 of the Listing Rules, each of our Pathfinder SII has further undertaken to the Stock Exchange and our Company respectively that within the period commencing from the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, it will immediately inform our Company and the Stock Exchange in writing of:

- (i) any pledge(s) or charge(s) of any Locked-up Securities of the Pathfinder SII directly or indirectly in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan as permitted under the Listing Rules, and the number of such Locked-up Securities of the Pathfinder SII so pledged or charged; and
- (ii) any indication(s) received by it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities of the Pathfinder SII so pledged or charged that any of such Locked-up Securities of the Pathfinder SII will be sold, transferred or disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by the Key Persons and our Pathfinder SII and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by the Key Persons and our Pathfinder SII.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option) or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company undertakes to each of the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any H Shares or other securities of our Company, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares), or deposit any H Shares or other securities of our Company with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any H Shares or other securities of our Company, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

UNDERWRITING

in each case, whether any of the transactions specified (a), (b) or (c) above is to be settled by delivery of H Shares or other securities of our Company, or in cash or otherwise (whether or not the issue of such H Shares or other shares or securities will be completed within the First Six-Month Period). In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of our Controlling Shareholders undertakes to each of the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries and the Hong Kong Underwriters to procure our Company and each other member of our Group to comply with the undertakings.

(B) Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has jointly and severally undertaken to each of our Company, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 12 months after the Listing Date (the “**12-Month Period**”), that he/it will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/it and the companies controlled by him/it will not:

- (a) offer, pledge, charge, sell, contract or agree to sell, mortgage, charge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant, or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company) beneficially owned by him/it as of the Listing Date (the “**Locked-up Securities**”);
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities;
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or
- (d) offer to or contract to or agree to or publicly disclose that he or it will or may enter into any transaction described in (a), (b) or (c) above,

whether any such transaction described in paragraphs (a), (b), and (c) above is to be settled by delivery of such Shares or other securities of our Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the 12-Month Period).

Until the expiry of the 12-Month Period, in the event that they or the relevant registered holder(s) enters into any such transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or contracts to, or publicly announces an intention to enter into any such transactions, they will take all reasonable steps to ensure that they will not create a disorderly or false market in the securities of our Company; and at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, they will and will procure that the relevant registered holder(s) will (a) if and when they or it pledges or charges any Shares or other securities of our Company beneficially owned by them, immediately inform our Company in writing of such pledge or charge together with the number of Shares or other securities of our Company so pledged or charged; and (b) if and when they or the relevant registered holder(s) receive indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other

UNDERWRITING

securities of our Company will be disposed of, immediately inform our Company in writing of such indications. Our Company shall, as soon as reasonably practicable upon receiving such information in writing from our Controlling Shareholders and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

Our Controlling Shareholders' undertakings do not apply to any pledge or charge or any Shares or other equity securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of our Company) after the Global Offering in favor of an authorized institution as defined in the Banking Ordinance for a bona fide commercial loan.

Indemnity

Each of our Company and our Controlling Shareholders has agreed to indemnify each of the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer, including any breach by them, respectively, of the Hong Kong Underwriting Agreement or certain provisions thereof.

UNDERWRITING COMMISSION AND EXPENSES

Our Company will pay an underwriting commission of 3% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Offer Size Adjustment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay an incentive fee of up to 1% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Offer Size Adjustment Option) (the “**Discretionary Fees**”). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the “**Fee Split Ratio**”) as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be approximately 55.52:44.48 (based on the Offer Price of HK\$60.30 per Offer Share and on the basis that the Discretionary Fees will be fully paid and the Offer Size Adjustment Option is not exercised). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately RMB67.2 million (approximately HK\$76.7 million) in total (based on the Offer Price of HK\$60.30 per Offer Share and assuming the Offer Size Adjustment Option is not exercised).

HONG KONG UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters is interested directly or indirectly in any Shares or securities in our Company or any other member of the Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or securities in our Company or any other member of the Group.

Following completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as “Syndicate Members”, may each individually undertake, and which do not form part of the underwriting process. When

UNDERWRITING

engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares.

All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares initially offered

We are initially offering 723,100 Hong Kong Offer Shares at the Offer Price, representing approximately 5% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong, and (ii) representing approximately 0.4% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Offer Size Adjustment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed “— Conditions of the Global Offering” in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided into two pools (with any odd board lots being allocated to pool A) for allocation purposes.

- (a) **Pool A:** The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less.
- (b) **Pool B:** The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value of pool B.

For the purpose of this sub-section only, the “subscription price” for Hong Kong Offer Shares means the price payable on application (without regard to the Offer Price as finally determined).

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 361,550 Hong Kong Offer Shares will be rejected.

STRUCTURE OF THE GLOBAL OFFERING

Reallocation and Clawback

Paragraph 4.2 of Practice Note 18 (as modified by Rule 18C.09) of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if the International Offering is fully subscribed or oversubscribed and the certain prescribed total demand levels are reached under the Hong Kong Public Offering, subject to the following:

- (a) If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 10 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 1,446,150 Offer Shares, representing approximately 10% of Offer Shares initially available under the Global Offering.
- (b) If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 2,892,250 Offer Shares, representing approximately 20% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the foregoing paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In addition to any mandatory reallocation required as described above, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators. The Overall Coordinators may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B in accordance with the guidance in Chapter 4.14 of the Listing Guide as follows: if (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are oversubscribed by less than 10 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, provided that the Offer Price would be set at HK\$60.30 per Offer Share, up to 723,100 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering following such reallocation will be increased to 1,446,200 Offer Shares, representing twice of the number of the Offer Shares initially available under the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$60.30 per Offer Share in addition to the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The number of Offer Shares to be initially offered under the International Offering will be 13,738,100 Offer Shares (subject to reallocation and the Offer Size Adjustment Option), representing approximately 95% of the total number of Offer Shares initially available under the Global Offering, and approximately 8.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Offer Size Adjustment Option is not exercised.

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares with institutional and professional investors and other investors and expected to have a sizeable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, the Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole. In addition, pursuant to Rule 18C.08 of the Listing Rules, at least 50% of the total number of shares offered in the Global Offering (excluding any shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) will be taken up by independent price setting investors, as defined under the Listing Rules, in the International Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) and the Sole Sponsor may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Overall Coordinators and the Sole Sponsor so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

STRUCTURE OF THE GLOBAL OFFERING

Reallocation and Clawback

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement, the exercise of the Offer Size Adjustment Option in whole or in part, and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering and/or any Offer Shares from the International Offering to the Hong Kong Public Offering at the discretion of the Overall Coordinators.

Offer Size Adjustment Option

In order to provide our Company with the flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, our Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Overall Coordinators at their absolute discretion (on behalf of the International Underwriters) on or before the second business day prior to the Listing Date and will lapse immediately thereafter, to require our Company to issue and allot up to an aggregate of 2,169,150 additional H Shares, representing in aggregate approximately 15% of the total number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover any excess demand in the International Offering.

If the Offer Size Adjustment Option is exercised in full, the additional H Shares to be issued pursuant thereto will represent approximately 1.3% of our issued share capital immediately following the completion of the Global Offering and the full exercise of the Offer Size Adjustment Option.

In considering whether to exercise the Offer Size Adjustment Option, our Company and the Overall Coordinators will take into account a number of factors, including, among other things:

- (a) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional H Shares upon any exercise of the Offer Size Adjustment Option;
- (b) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;
- (c) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of our Company and its Shareholders as a whole; and
- (d) general market conditions.

The dilution effect of the Offer Size Adjustment Option is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option ("Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
14,461,200	8.90%	16,630,350	8.78%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

STRUCTURE OF THE GLOBAL OFFERING

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional H Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed “Future Plans and Use of Proceeds” in this prospectus, on a pro rata basis.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the second business day prior to the Listing Date, it will lapse and cannot be exercised at any future date. Any exercise of the Offer Size Adjustment Option will be subject to the relevant requirements under the applicable rules and regulations.

PRICING AND ALLOCATION

The Offer Price will be HK\$60.30 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$60.30 per Offer Share for each Hong Kong Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price per Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per Offer Share under the International Offering based on the Hong Kong dollar price per Offer Share under the International Offering, as determined by the Overall Coordinators, for themselves and on behalf of the Underwriters, and our Company.

The Overall Coordinators, for themselves and on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company at www.uisee.com, notice of the reduction, the cancellation of the Global Offering and the relaunch of the Global Offering at the revised number of Offer Shares and/or the revised Offer Price.

This notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as set out in this prospectus, as well as any other financial information which may change as a result of the reduction.

We will, as soon as practicable following the decision to make the reduction, in addition to publishing the notice, issue a supplemental prospectus containing details in relation to the change in the number of Offer Shares being offered and/or the revised Offer Price. The Global Offering will be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced.

STRUCTURE OF THE GLOBAL OFFERING

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators (for and on behalf of the Underwriters).

The level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the additional Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (b) the execution and delivery of the International Underwriting Agreement on or about Monday, May 18, 2026; and
- (c) the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Overall Coordinators, for themselves and on behalf of the Underwriters) and not having been terminated in accordance with the terms of the respective agreements in each case on or before the dates and times as specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event no later than Thursday, June 11, 2026 (i.e., the 30th day after the date of this prospectus).

The completion of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company and on the websites of Stock Exchange at www.hkexnews.hk and our Company at www.uisee.com on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Underwriting Agreement — Grounds for Termination” has not been exercised. Investors who trade the H Shares prior to the receipt of H Share certificates or prior to the H Share certificates bearing valid evidence of title do so entirely at their own risk.

STRUCTURE OF THE GLOBAL OFFERING

Application for Listing on the Stock Exchange

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and the Conversion of Unlisted Shares into H Shares.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS, established and operated by HKSCC.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, May 20, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, May 20, 2026.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of the H Shares will be 1511.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.uisee.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for (i) are 18 years of age or older; (ii) are outside the United States; and (iii) have a Hong Kong address (for the **HK eIPO White Form** service only).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for (i) are an existing Shareholder or his/her/its close associates; or (ii) are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, May 12, 2026 and end at 12:00 noon on Friday, May 15, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, May 12, 2026 to 11:30 a.m. on Friday, May 15, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, May 15, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

HOW TO APPLY FOR HONG KONG OFFER SHARES

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. HKID card; or
 - ii. National identification document; or
 - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. LEI registration document; or
 - ii. Certificate of incorporation; or
 - iii. Business registration certificate; or
 - iv. Other equivalent document; and
- Identity document number

HOW TO APPLY FOR HONG KONG OFFER SHARES

Notes:

- (1) If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
- (3) If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you (i) control the composition of the board of directors of the company; (ii) control more than half of the voting power of the company; or (iii) hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 50 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$60.30 per Offer Share.

If you are applying through the HKSCC EIPO channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC eIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/successful allotment <i>HK\$</i>
50	3,045.40	600	36,544.87	4,000	243,632.50	40,000	2,436,325.02
100	6,090.81	700	42,635.68	4,500	274,086.57	50,000	3,045,406.28
150	9,136.21	800	48,726.50	5,000	304,540.62	60,000	3,654,487.54
200	12,181.63	900	54,817.32	6,000	365,448.75	70,000	4,263,568.79
250	15,227.03	1,000	60,908.13	7,000	426,356.88	80,000	4,872,650.05
300	18,272.44	1,500	91,362.19	8,000	487,265.00	90,000	5,481,731.30
350	21,317.84	2,000	121,816.25	9,000	548,173.12	100,000	6,090,812.56
400	24,363.25	2,500	152,270.32	10,000	609,081.25	200,000	12,181,625.10
450	27,408.65	3,000	182,724.37	20,000	1,218,162.51	300,000	18,272,437.66
500	30,454.06	3,500	213,178.44	30,000	1,827,243.76	361,550 ⁽¹⁾	22,021,332.77

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (a) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (c) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (e) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (f) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or our Company’s respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the “**Relevant Persons**”), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— G. Personal Data — 3. Purposes and 4. Transfer of personal data” in this section;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (i) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (j) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (k) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (l) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (m) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholders) or existing shareholders) of our Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (n) warrant that the information you have provided is true and accurate;
- (o) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (p) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (s) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
	Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website	From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function	24 hours, no later than 11:00 p.m. on Tuesday, May 19, 2026 to 12:00 midnight on Monday, May 25, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result .	
	The Stock Exchange’s website at www.hkexnews.hk and our website at www.uisee.com which will provide links to the above-mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Tuesday, May 19, 2026 (Hong Kong time)
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Wednesday, May 20, 2026 to Tuesday, May 26, 2026 (Hong Kong time) on a Business Day

For those applying through the HKSCC EIPO channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Monday, May 18, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, May 18, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange’s website at www.hkexnews.hk and our website at www.uisee.com by no later than 11:00 p.m. on Tuesday, May 19, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

(i) you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications; (ii) your application instruction is incomplete; (iii) your payment (or confirmation of funds, as the case may be) is not made correctly; (iv) the Underwriting Agreements do not become unconditional or are terminated; or (v) we or the Overall Coordinators believe that by accepting your application, we or they would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker or custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

H Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, May 20, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate¹		
For application of 200,000 Hong Kong Offer Shares or more	<p>Collection in person at H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong</p> <p>Time: from 9:00 a.m. to 1:00 p.m. on Wednesday, May 20, 2026 (Hong Kong time)</p> <p>If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation’s chop.</p> <p>Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p>Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.</p>	<p>H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant’s stock account.</p> <p>No action by you is required.</p>
For application of less than 200,000 Hong Kong Offer Shares	<p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk</p> <p>Date: Tuesday, May 19, 2026.</p>	

¹ Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an “extreme conditions” announcement being in force in Hong Kong in the morning on Tuesday, May 19, 2026, rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, in which case our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “E. Bad Weather Arrangements” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

	HK eIPO White Form service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Wednesday, May 20, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	HK eIPO White Form e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Friday, May 15, 2026 if, there is/are (i) a tropical cyclone warning signal number 8 or above; (ii) a black rainstorm warning; and/or (iii) Extreme Conditions, (collectively, “**Bad Weather Signals**”), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, May 15, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next Business Day which does not have **Bad Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.uisee.com of the revised timetable.

If a **Bad Weather Signal** is hoisted on Tuesday, May 19, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Wednesday, May 20, 2026.

If a **Bad Weather Signal** is hoisted on Tuesday, May 19, 2026, for application of less than 200,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Bad Weather Signal** is lowered or cancelled (e.g. in the afternoon of Tuesday, May 19, 2026 or on Wednesday, May 20, 2026).

If a **Bad Weather Signal** is hoisted on Wednesday, May 20, 2026, for application of 200,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the **Bad Weather Signal** is lowered or cancelled (e.g. in the afternoon of Wednesday, May 20, 2026 or on Thursday, May 21, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent: necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers, etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF UISEE TECHNOLOGIES (BEIJING) CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED**Introduction**

We report on the historical financial information of Uisee Technologies (Beijing) Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-78, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”) and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-78 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 12 May 2026 (the “**Prospectus**”) in connection with the initial listing of the 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 the 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 the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as 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 the 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 financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods 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, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
12 May 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information of the Group for the Relevant Periods, on which the Historical Financial Information is based, was audited by Ernst & Young in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA (the “**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

	Notes	Year ended 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
REVENUE	5	161,363	265,496	328,257
Cost of sales		(82,546)	(149,489)	(160,380)
Gross profit		78,817	116,007	167,877
Other income and gains	5	22,553	20,748	7,308
Selling and marketing expenses		(68,721)	(76,110)	(83,349)
Administrative expenses		(57,440)	(63,254)	(66,415)
Research and development expenses		(184,396)	(196,447)	(233,690)
Impairment losses on trade receivables and contract assets, net		(572)	(7,550)	(16,966)
Other expenses and losses		(140)	(1,516)	(566)
Finance costs	7	(2,980)	(3,076)	(3,158)
Share of loss of a joint venture	16	(247)	(381)	(1,211)
LOSS BEFORE TAX	6	(213,126)	(211,579)	(230,170)
Income tax expense	10	—	—	—
LOSS FOR THE YEAR		<u>(213,126)</u>	<u>(211,579)</u>	<u>(230,170)</u>
Loss attributable to:				
Owners of the parent		(212,402)	(207,511)	(226,725)
Non-controlling interests		(724)	(4,068)	(3,445)
		<u>(213,126)</u>	<u>(211,579)</u>	<u>(230,170)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>(1.48)</u>	<u>(1.41)</u>	<u>(1.53)</u>

For the details of Pre-IPO Investments, please refer to note 30 to this report.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
LOSS FOR THE YEAR	<u>(213,126)</u>	<u>(211,579)</u>	<u>(230,170)</u>
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations	<u> –</u>	<u> (21)</u>	<u> (61)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u> –</u>	<u> (21)</u>	<u> (61)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value	<u> (300)</u>	<u> (17,700)</u>	<u> (2,400)</u>
Income tax effect	<u> 45</u>	<u> 795</u>	<u> –</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u> (255)</u>	<u> (16,905)</u>	<u> (2,400)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u> (255)</u>	<u> (16,926)</u>	<u> (2,461)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u> (213,381)</u>	<u> (228,505)</u>	<u> (232,631)</u>
Total comprehensive loss attributable to:			
Owners of the parent	<u> (212,657)</u>	<u> (224,437)</u>	<u> (229,186)</u>
Non-controlling interests	<u> (724)</u>	<u> (4,068)</u>	<u> (3,445)</u>
	<u> (213,381)</u>	<u> (228,505)</u>	<u> (232,631)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	32,703	36,113	27,968
Right-of-use assets	14(a)	24,583	21,137	16,209
Intangible assets	15	12,809	10,414	14,578
Investment in a joint venture	16	717	–	–
Equity investments designated at fair value through other comprehensive income	18	55,300	37,600	35,200
Prepayments, other receivables and other assets	22	1,700	2,048	10,033
Contract assets	21	–	–	1,674
Total non-current assets		127,812	107,312	105,662
CURRENT ASSETS				
Inventories	19	68,870	44,646	60,090
Trade and bills receivables	20	140,222	243,319	315,515
Contract assets	21	6,740	13,231	9,551
Prepayments, other receivables and other assets	22	7,558	9,959	22,700
Financial assets at fair value through profit or loss	23	81,968	27,124	1,710
Restricted cash	24	356	458	1,212
Cash and cash equivalents	24	412,968	221,733	113,349
Total current assets		718,682	560,470	524,127
CURRENT LIABILITIES				
Trade and bills payables	25	46,179	54,334	116,654
Other payables and accruals	26	65,329	67,884	95,791
Contract liabilities	27	3,923	4,660	8,675
Interest-bearing bank loans	28	68,039	58,461	124,200
Lease liabilities	14(b)	5,465	4,746	5,491
Total current liabilities		188,935	190,085	350,811
NET CURRENT ASSETS		529,747	370,385	173,316
TOTAL ASSETS LESS CURRENT LIABILITIES		657,559	477,697	278,978
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	20,103	17,508	11,375
Interest-bearing bank loans	28	–	9,900	–
Other payables and accruals	26	5,000	–	–
Deferred tax liabilities	29	795	–	–
Total non-current liabilities		25,898	27,408	11,375
Net assets		631,661	450,289	267,603
EQUITY				
Share capital	30	–	14,802	14,802
Paid-in capital	30	14,602	–	–
Reserves	31	617,783	440,279	255,121
Equity attributable to owners of the parent		632,385	455,081	269,923
Non-controlling interests		(724)	(4,792)	(2,320)
Total equity		631,661	450,289	267,603

For the details of Pre-IPO Investments, please refer to note 30 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 (note 30)	Paid-in capital RMB'000 (note 30)	Capital reserve RMB'000 (note 31)	Share-based payment reserve RMB'000 (note 31)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (note 31)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
As at 1 January 2023	-	13,994	1,411,058	95,031	4,760	(1,012,367)	512,476	-	512,476
Loss for the year	-	-	-	-	-	(212,402)	(212,402)	(724)	(213,126)
Other comprehensive loss for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(255)	-	(255)	-	(255)
Total comprehensive loss for the year	-	-	-	-	(255)	(212,402)	(212,657)	(724)	(213,381)
Capital contribution	-	608	299,392	-	-	-	300,000	-	300,000
Equity-settled share-based payment arrangements	-	-	-	32,566	-	-	32,566	-	32,566
As at 31 December 2023	-	14,602	1,710,450*	127,597*	4,505*	(1,224,769)*	632,385	(724)	631,661

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital RMB'000 (note 30)	Paid-in capital RMB'000 (note 30)	Capital reserve RMB'000 (note 31)	Share-based payment reserve RMB'000 (note 31)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (note 31)	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	-	14,602	1,710,450	127,597	4,505	-	(1,224,769)	632,385	(724)	631,661
Loss for the year	-	-	-	-	-	-	(207,511)	(207,511)	(4,068)	(211,579)
Other comprehensive loss for the year:										
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(16,905)	-	-	(16,905)	-	(16,905)
Exchange differences related to foreign operations	-	-	-	-	-	(21)	-	(21)	-	(21)
Total comprehensive loss for the year	-	-	-	-	(16,905)	(21)	(207,511)	(224,437)	(4,068)	(228,505)
Capital contribution	-	200	-	-	-	-	-	200	-	200
Conversion into a joint stock limited liability company	14,802	(14,802)	(670,158)	(71,154)	7,000	-	734,312	-	-	-
Loss of control of an entity (note 33)	-	-	5,226	-	-	-	-	5,226	-	5,226
Equity-settled share-based payment arrangements	-	-	-	41,707	-	-	-	41,707	-	41,707
As at 31 December 2024	14,802	-	1,045,518*	98,150*	(5,400)*	(21)*	(697,968)*	455,081	(4,792)	450,289

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000 (note 30)	Paid-in capital RMB'000 (note 30)	Capital reserve RMB'000 (note 31)	Share-based payment reserve RMB'000 (note 31)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (note 31)	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	14,802	-	1,045,518	98,150	(5,400)	(21)	(697,968)	455,081	(4,792)	450,289
Loss for the year	-	-	-	-	-	-	(226,725)	(226,725)	(3,445)	(230,170)
Other comprehensive loss for the year:										
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(2,400)	-	-	(2,400)	-	(2,400)
Exchange differences related to foreign operations	-	-	-	-	-	(61)	-	(61)	-	(61)
Total comprehensive loss for the year	-	-	-	-	(2,400)	(61)	(226,725)	(229,186)	(3,445)	(232,631)
Changes in the ownership interests in one subsidiary (note 34)	-	-	(5,347)	-	-	-	-	(5,347)	5,347	-
Equity-settled share-based payment arrangements	-	-	-	49,375	-	-	-	49,375	570	49,945
As at 31 December 2025	14,802	-	1,040,171*	147,525*	(7,800)*	(82)*	(924,693)*	269,923	(2,320)	267,603

* These reserve accounts comprise the consolidated reserves of RMB617,783,000, RMB440,279,000 and RMB255,121,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(213,126)	(211,579)	(230,170)
Adjustments for:				
Finance costs	7	2,980	3,076	3,158
Interest income	5	(13,571)	(9,993)	(4,193)
Fair value gains on financial assets at fair value through profit or loss	5	(2,831)	(1,700)	(224)
Gains on disposal of property, plant and equipment	5	(860)	(3,386)	(16)
Share of loss of a joint venture		247	381	1,211
Unrealised gains due to transactions with a joint venture		1,023	336	–
Foreign exchange differences, net		(136)	(1,336)	400
Share-based payment expense	32	32,566	41,707	49,945
Depreciation of property, plant and equipment	6	17,042	19,560	13,393
Depreciation of rights-of-assets	6	5,365	5,839	5,463
Discretionary rent concessions from lessors	14	(46)	(12)	–
Amortisation of intangible assets	6	857	2,395	2,522
Amortisation of long-term deferred expense		2,323	779	–
Impairment of trade receivables	6	504	7,378	16,926
Impairment of contract assets	6	68	172	40
Provision/(reversal of provision) for inventories	6	(696)	218	1,616
		<u>(168,291)</u>	<u>(146,165)</u>	<u>(139,929)</u>
Increase in trade and bills receivables		(19,965)	(110,847)	(90,653)
Increase/(decrease) in contract assets		(4,650)	(6,663)	1,966
Decrease/(increase) in prepayments, other receivables and other assets		9,412	(2,108)	(20,962)
Decrease/(increase) in inventories		(395)	22,730	(22,309)
Increase in restricted cash		(356)	(102)	(754)
Increase in trade and bills payables		35,746	8,211	62,320
Increase in other payables and accruals		11,657	15,711	28,246
Increase in contract liabilities		3,323	737	4,015
		<u>(133,519)</u>	<u>(218,496)</u>	<u>(178,060)</u>
Interest received		<u>13,571</u>	<u>9,993</u>	<u>4,193</u>
Net cash flows used in operating activities		<u>(119,948)</u>	<u>(208,503)</u>	<u>(173,867)</u>

	Notes	Year ended 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment		936	5,679	16
Purchases of property, plant and equipment, intangible assets and other long-term assets		(29,762)	(37,734)	(8,237)
Purchases of financial assets at fair value through profit or loss		(50,000)	(282,207)	(15,000)
Proceeds from disposal of financial assets at fair value through profit or loss		21,463	338,750	40,638
Loss of control of an entity	33	–	(224)	–
Net cash flows (used in)/from investing activities		<u>(57,363)</u>	<u>24,264</u>	<u>17,417</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital contribution		300,000	200	–
New bank loans		73,009	78,200	104,197
Repayment of bank loans		(38,405)	(77,876)	(48,401)
Interest paid		(1,862)	(2,010)	(2,250)
Interest portion of lease payments		(1,209)	(1,070)	(865)
Principal portion of lease payments		(4,761)	(5,746)	(5,877)
Net cash flows from/(used in) financing activities		<u>326,772</u>	<u>(8,302)</u>	<u>46,804</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		149,461	(192,541)	(109,646)
Effect of foreign exchange rate changes, net		263,423	412,968	221,733
		<u>84</u>	<u>1,306</u>	<u>1,262</u>
Cash and cash equivalents at end of year	24	<u>412,968</u>	<u>221,733</u>	<u>113,349</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		101,256	44,229	43,151
Non-pledged time deposits with original maturity of within three months when acquired		35,748	12,278	8,030
Non-pledged time deposits with original maturity of over three months when acquired with an option to withdraw upon demand similar to demand deposits		<u>275,964</u>	<u>165,226</u>	<u>62,168</u>
Cash and cash equivalents at end of year	24	<u><u>412,968</u></u>	<u><u>221,733</u></u>	<u><u>113,349</u></u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	9,223	8,201	9,529
Right-of-use assets	14(a)	14,026	11,240	6,422
Intangible assets	15	6,070	4,438	8,128
Investment in a joint venture		2,156	1,776	564
Investments in subsidiaries	17	958,366	1,030,401	1,110,053
Equity investments designated at fair value through other comprehensive income	18	55,300	37,600	35,200
Prepayments, other receivables and other assets	22	813	907	693
Total non-current assets		<u>1,045,954</u>	<u>1,094,563</u>	<u>1,170,589</u>
CURRENT ASSETS				
Inventories	19	15,971	11,791	8,975
Trade and bills receivables	20	84,087	98,044	151,499
Contract assets	21	4,451	8,232	5,851
Prepayments, other receivables and other assets	22	4,902	10,612	19,960
Financial assets at fair value through profit or loss	23	30,679	1,680	1,710
Restricted cash	24	356	458	122
Cash and cash equivalents	24	127,430	33,598	24,933
Total current assets		<u>267,876</u>	<u>164,415</u>	<u>213,050</u>
CURRENT LIABILITIES				
Trade and bills payables	25	44,142	17,913	68,562
Other payables and accruals	26	64,904	135,339	217,065
Contract liabilities	27	1,053	109	528
Interest-bearing bank loans	28	48,123	48,545	104,384
Lease liabilities	14(b)	2,676	2,657	2,120
Total current liabilities		<u>160,898</u>	<u>204,563</u>	<u>392,659</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>106,978</u>	<u>(40,148)</u>	<u>(179,609)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,152,932</u>	<u>1,054,415</u>	<u>990,980</u>
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	11,781	9,124	4,391
Other payables and accruals	26	5,000	–	–
Deferred tax liabilities	29	795	–	–
Total non-current liabilities		<u>17,576</u>	<u>9,124</u>	<u>4,391</u>
Net assets		<u>1,135,356</u>	<u>1,045,291</u>	<u>986,589</u>
EQUITY				
Share capital	30	–	14,802	14,802
Paid-in capital	30	14,602	–	–
Reserves	31	1,120,754	1,030,489	971,787
Total equity		<u>1,135,356</u>	<u>1,045,291</u>	<u>986,589</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People's Republic of China (the "PRC") on 3 February 2016. The registered office of the Company is located at Room 101, 1/F, Building 1, No.85 Hongan Road, Fangshan District, Beijing, China.

The Company and its subsidiaries (together, the "Group") are principally engaged in provision of autonomous driving solutions in the PRC and overseas.

Pursuant to a shareholders' resolution of the Company at 31 October 2024, the Company was converted into a joint stock company with limited liability with 14,802,382 shares with a nominal value of RMB1 per share.

Pursuant to a shareholders' resolution of the Company at May 15, 2025, each share of the Company with a nominal value of RMB1.00 was subdivided into 10 shares with a nominal value of RMB0.10 each. Upon completion of such share subdivision, the registered capital of the Company was RMB14,802,382, which was divided into 148,023,820 shares with a nominal value of RMB0.10 each.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of the Company's principal subsidiaries are set out below:

Names	Notes	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered paid-in capital	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
UISEE (Shanghai) Automobile Technology Co., Ltd. (馱勢(上海)汽車科技有限公司)	(a)(d)(e)	PRC/Chinese mainland 1 November 2016	RMB50,000,000	100%	–	Provision of autonomous driving solutions and research and development center
UISEE Technologies (Zhejiang) Co., Ltd. (馱勢科技(浙江)有限公司)	(a)(d)(e)	PRC/Chinese mainland 18 July 2017	RMB50,000,000	100%	–	Provision of autonomous driving solutions
UISEE Technologies (Hong Kong) Limited (馱勢科技(香港)有限公司)	(b)(f)	Hong Kong 7 June 2022	HKD50,000	–	100%	Provision of autonomous driving solutions
UISEE Technologies (Singapore) Pte. Ltd. (馱勢科技(新加坡)有限公司)	(c)(f)	Singapore 16 April 2024	SGD280,000	–	100%	Provision of autonomous driving solutions

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group.

Notes:

- (a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with Chinese Enterprise Accounting Standards have been audited by Dongshen Dingli Certified Public Accountants LLP Suzhou Branch, which are certified public accounting firms registered in the PRC/Chinese mainland.
- (b) The statutory financial statements for the period from 7 June 2022 (date of incorporation) to 31 December 2023, and the year ended 31 December 2024, prepared in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standards issued by the HKICPA, were audited by TC-Professional CPA Limited, certified public accountants registered in Hong Kong.
- (c) The statutory financial statements for the period from 16 April 2024 (date of incorporation) to 31 December 2024, prepared in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore, were audited by Alliance Assurance PAC, certified public accountants registered in Singapore.
- (d) The English names of the entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.
- (e) These entities have not yet engaged an accounting firm for the audit of their 2025 financial statements.
- (f) These entities have engaged an accounting firm to audit the financial statements for the year ended 31 December 2025. As at the date of this report, the audit report has not yet been issued.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the termination agreement entered into between the Company and the pre-IPO investors in relation to the termination of certain of special rights granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights which are *void ab initio* as described in note 30 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the termination agreement, the directors considered that it is appropriate to present the pre-IPO investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 30 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

The Historical Financial Information has been prepared on a going concern basis notwithstanding the Company has recorded net current liabilities of RMB179,609,000 as at 31 December 2025. The directors are of the opinion that the Company will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in the statement of profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to the statement of profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial information.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial information.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute

a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The IASB has deferred the effective date of these amendments indefinitely. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial information.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial information.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial information.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial information.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of joint ventures is included in the consolidated statements of profit or loss and consolidated statements of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of joint ventures is included as part of the Group's investments in joint ventures.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Machinery equipment	10% to 25%
Electronic equipment and others	5% to 33%
Leasehold improvements	1.75 years to 8.25 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of other intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful lives of 5 to 10 years, which are mainly determined by reference to the licensed period of the purchased software.

Trademark

Trademark is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful lives of 10 years, which are mainly determined by reference to the valid period of registered trademark.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1.08 years to 9.58 years
-----------	--------------------------

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of the lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are probable within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

In determining whether the 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 services before they are transferred to the customer, the indicators of which include but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified services; (b) whether the entity has inventory risk before the specified services have been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or services. The management considers the above factors, as none of the factors individually are considered presumptive or determinative, and applies judgement when assessing the indicators depending on different circumstances.

At the inception of the contract, the Group assesses the goods or services 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.

The Group engages in the provision of autonomous driving relevant solutions and services, including autonomous driving vehicle solutions, autonomous driving kit solutions, and autonomous driving software solutions.

(a) Autonomous driving vehicle solutions

Revenue generated from the provision of autonomous driving vehicle solutions primarily includes the provision of autonomous driving vehicle solutions, 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 solutions has been transferred to the customer, generally upon the acceptance of the solutions.

Meanwhile, some contracts of standardised vehicles generate following maintenance service according to the demand of customers. For this maintenance services, it is transferred over time and revenue is recognised over services period.

(b) Autonomous driving kit solutions

Revenue generated from the sale of autonomous driving kit solutions, primarily including the products of autonomous driving domain controllers and intelligent front cameras, etc, 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 product has been transferred to the customer, generally upon acceptance of the products.

(c) Autonomous driving software solutions

The Group provides autonomous driving software solutions to its customers. Revenue is recognised when control over the customised software has been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Group as well as control the customised software until the software is delivered to the customer.

An enforceable right to payment does not arise until the customised software is transferred to the customer. Therefore, revenue is recognised at the point in time when the customised software is passed to the customer and the verification from both parties has been obtained.

Revenue from other sources

Autonomous driving vehicle leasing services is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Share-based payments

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or services conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Services and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated services requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also services and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or services conditions have not been met, no expense is recognised. Where grants include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or services conditions are satisfied.

Where the terms of an equity-settled grant are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the grant are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled grant is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the grant is recognised immediately.

Other employee benefits***Pension scheme***

The employees of the Group operating in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group's subsidiary located in Hong Kong operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain subsidiaries not operating in Chinese mainland are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of an operation not operating in Chinese mainland, the cumulative amount in the reserve relating to that particular operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of certain subsidiaries not operating in Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of certain subsidiaries not operating in Chinese mainland which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 29 to the Historical Financial Information.

Research and development costs

Development expenses incurred on the Group's products and services are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Relevant Periods, all expenses incurred for research and development activities were expensed when incurred.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it

considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of office buildings due to the significant leasehold improvements expenditure.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each of the Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

Share-based payments

The Group has set up a share compensation plan for the Company's directors and consultants, and the Group's employees. Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the risk-free interest rate, the volatility and exercise multiple and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in note 32 to the Historical Financial Information.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the market approach and asset-based approach. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. Further details are included in note 38 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The

Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

For management purposes, during the Relevant Periods, the Group has only one reportable operating segment, which is the provision of autonomous driving solutions, because the Group's chief operating decision maker, who has been identified as the chief executive officer, regularly reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

Revenue is attributed to geographical areas based on the locations of customers. Revenue by geographical segment based on the locations of customers for each of the Relevant Periods is presented as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Geographical markets			
Chinese mainland	92,086	208,856	310,148
Hong Kong	68,626	52,774	14,704
Others	651	3,866	3,405
	<u> </u>	<u> </u>	<u> </u>
Total	161,363	265,496	328,257
	<u> </u>	<u> </u>	<u> </u>

(b) Non-current assets

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Geographical markets			
Chinese mainland	70,660	62,674	63,888
Hong Kong	373	4,006	3,193
Others	–	1,197	2,211
	<u> </u>	<u> </u>	<u> </u>
Total	71,033	67,877	69,292
	<u> </u>	<u> </u>	<u> </u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

During the Relevant Periods, revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	20,628	–	–
Customer B	61,303	49,035	NA*
Customer C	NA*	30,325	NA*
	<u> </u>	<u> </u>	<u> </u>
Total	81,931	79,360	–
	<u> </u>	<u> </u>	<u> </u>

* The revenue from transactions with that customer was less than 10% of the Group's revenue in the indicated year.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
<i>Revenue from contracts with customers</i>			
Autonomous driving vehicle solutions	96,301	146,623	195,171
Autonomous driving kit solutions	27,383	48,738	10,497
Autonomous driving software solutions	34,428	67,462	121,318
Subtotal	158,112	262,823	326,986
<i>Revenue from other sources</i>			
Rental income	3,251	2,673	1,271
Total	161,363	265,496	328,257

Revenue from contracts with customers*(a) Disaggregated revenue information*

	Autonomous driving vehicle solutions RMB'000	Autonomous driving kit solutions RMB'000	Autonomous driving software solutions RMB'000	Total RMB'000
For the year ended 31 December 2023				
Geographical markets				
Chinese mainland	28,084	27,311	33,440	88,835
Hong Kong	67,638	–	988	68,626
Others	579	72	–	651
Total	96,301	27,383	34,428	158,112
Timing of revenue recognition				
At a point in time	95,226	27,383	34,428	157,037
Over time	1,075	–	–	1,075
Total	96,301	27,383	34,428	158,112

	Autonomous driving vehicle solutions RMB'000	Autonomous driving kit solutions RMB'000	Autonomous driving software solutions RMB'000	Total RMB'000
For the year ended				
31 December 2024				
Geographical markets				
Chinese mainland	98,404	46,559	61,220	206,183
Hong Kong	44,353	2,179	6,242	52,774
Others	3,866	–	–	3,866
Total	<u>146,623</u>	<u>48,738</u>	<u>67,462</u>	<u>262,823</u>
Timing of revenue recognition				
At a point in time	143,355	48,738	67,462	259,555
Over time	3,268	–	–	3,268
Total	<u>146,623</u>	<u>48,738</u>	<u>67,462</u>	<u>262,823</u>
For the year ended				
31 December 2025				
Geographical markets				
Chinese mainland	177,062	10,497	121,318	308,877
Hong Kong	14,704	–	–	14,704
Others	3,405	–	–	3,405
Total	<u>195,171</u>	<u>10,497</u>	<u>121,318</u>	<u>326,986</u>
Timing of revenue recognition				
At a point in time	187,767	10,497	121,318	319,582
Over time	7,404	–	–	7,404
Total	<u>195,171</u>	<u>10,497</u>	<u>121,318</u>	<u>326,986</u>

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of the respective period:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue recognised that was included in contract liabilities at beginning of year			
Autonomous driving vehicle solutions	<u>600</u>	<u>3,923</u>	<u>3,015</u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Autonomous driving vehicle solutions

The performance obligation is satisfied upon delivery and acceptance of the autonomous driving vehicle solutions. The payment is generally due within three months from invoice date. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the solutions' quality by the customers over a certain period as stipulated in the contracts.

The performance obligation of maintenance services is satisfied over time as the customers simultaneously receive and consume the benefits provided by the Group's performance and payment is generally due within three months from invoice date.

Autonomous driving kit solutions

The performance obligation is satisfied upon delivery of the autonomous driving kit solutions. The customers usually pay the full contract amount upon delivery.

Autonomous driving software solutions

The performance obligation is satisfied upon delivery of the autonomous driving software solutions. The customers usually pay the full contract amount after inspection and acceptance.

All the amounts of transaction prices allocated to the remaining performance obligations are generally expected to be recognised as revenue within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is no need disclosed.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Other income			
Interest income	13,571	9,993	4,193
Government grants*	5,075	4,192	2,809
Total other income	<u>18,646</u>	<u>14,185</u>	<u>7,002</u>
Gains			
Foreign exchange differences, net	136	1,336	–
Fair value gains on financial assets at fair value through profit or loss	2,831	1,700	224
Gains on disposal of property, plant and equipment	860	3,386	16
Others	80	141	66
Total gains	<u>3,907</u>	<u>6,563</u>	<u>306</u>
Total other income and gains	<u><u>22,553</u></u>	<u><u>20,748</u></u>	<u><u>7,308</u></u>

* Government grants mainly represent incentives received from local governments for the purpose of compensation on research and development expenses and local economic contribution. There are no unfulfilled conditions or contingencies relating to these grants.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
Cost of solutions provided*		73,951	131,619	144,626
Cost of services provided		8,595	17,870	15,754
Depreciation of property, plant and equipment**	13	17,042	19,560	13,393
Depreciation of right-of-use assets**	14	5,365	5,839	5,463
Amortisation of intangible assets***	15	857	2,395	2,522
Lease payments not included in the measurement of lease liabilities	14	208	1,450	1,928
Auditor's remuneration		109	38	66
Listing expenses		–	8,980	11,328
Employee benefit expenses (excluding directors', chief executive's and supervisors' remuneration (note 8)**)				
Wages, salaries and social welfare benefits		176,894	174,473	158,564
Discretionary performance related bonuses		18,248	14,452	10,018
Pension scheme contributions		20,184	19,765	18,847
Equity-settled share-based payment expenses		32,566	40,760	42,997
Total		247,892	249,450	230,426
Foreign exchange differences, net		(136)	(1,336)	400
Impairment of trade receivables	20	504	7,378	16,926
Impairment of contract assets	21	68	172	40
Provision/(reversal of provision) for inventories*		(696)	218	1,616

* The amounts disclosed for cost of solutions provided included the provision/(reversal of provision) for inventories.

** The depreciation of property, plant and equipment, depreciation of right-of-use assets and employee benefit expenses are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in the consolidated statements of profit or loss.

*** The amortisation of intangible assets is included in "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss.

For the details of Pre-IPO Investments, please refer to note 30 to this report.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Interest on bank loans	1,771	2,006	2,293
Interest on lease liabilities	1,209	1,070	865
Subtotal	2,980	3,076	3,158

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration recorded during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	–	–	584
Other emoluments:			
Salaries, allowances and benefits in kind	1,058	1,392	2,200
Discretionary performance related bonuses	187	401	540
Pension scheme contributions	119	163	195
Equity-settled share-based payment expense	–	947	6,948
Subtotal	1,364	2,903	9,883
Total	1,364	2,903	10,467

Prior to and during the Relevant Periods, certain directors were granted share options of the Company in respect of their services to the Group, under the share-based payment scheme of the Group, further details of which are set out in note 32 to the Historical Financial Information. The fair value of such share options, which has been recognised in the consolidated statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors', chief executive's and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Chow Ming Sang (xiii)	N/A	–	350
Ms. Bai Rui (xiv)	N/A	–	117
Mr. Du Zide (xv)	N/A	–	117
Total	N/A	–	584

(b) Executive directors, non-executive directors and supervisors

Details of the emoluments paid or payable to the chief executive, executive directors, non-executive directors and supervisors of the Company for their services provided to the Group during the Relevant Periods are as follows:

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Discretionary performance related bonuses <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Equity- settled share-based payment expense <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
Year ended						
31 December 2023						
Chief executive and executive directors:						
Mr. Wu Gansha <i>(i)</i>	–	471	85	67	–	623
Mr. Jiang Yan <i>(ii)</i>	–	587	102	52	–	741
Mr. Mi Lei <i>(iii)</i>	–	–	–	–	–	–
Mr. Wu Jun <i>(iv)</i>	–	–	–	–	–	–
Mr. Zhou Jun <i>(v)</i>	–	–	–	–	–	–
Subtotal	–	1,058	187	119	–	1,364
Supervisor:						
Mr. Ge Shaohua <i>(vi)</i>	–	–	–	–	–	–
Total	–	1,058	187	119	–	1,364

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity- settled share-based payment expense RMB'000	Total remuneration RMB'000
Year ended						
31 December 2024						
Chief executive and executive directors:						
Mr. Wu Gansha (i)	–	503	–	75	–	578
Mr. Jiang Yan (ii)	–	440	–	55	–	495
Mr. Mi Lei (iii)	–	–	–	–	–	–
Mr. Wu Jun (iv)	–	–	–	–	–	–
Mr. Zhou Jun (v)	–	–	–	–	–	–
Mr. Zhou Xin (vii)	–	84	100	11	85	280
Mr. Chiang Tsung Che (viii)	–	110	129	–	526	765
Subtotal	–	1,137	229	141	611	2,118
Non-executive directors:						
Mr. Wu Jun (iv)	–	–	–	–	–	–
Mr. Zhou Jun (v)	–	–	–	–	–	–
Mr. Gao Xiaohu (ix)	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Supervisors:						
Mr. Ge Shaohua (vi)	–	–	–	–	–	–
Ms. Yan Songqiu (x)	–	106	88	11	294	499
Ms. Gao Chen (xi)	–	71	36	–	6	113
Ms. Cao Yang (xii)	–	78	48	11	36	173
Subtotal	–	255	172	22	336	785
Total	–	1,392	401	163	947	2,903

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity- settled share-based payment expense RMB'000	Total remuneration RMB'000
Year ended						
31 December 2025						
Chief executive and executive directors:						
Mr. Wu Gansha (i)	–	499	151	78	–	728
Mr. Zhou Xin (vii)	–	502	112	68	653	1,335
Mr. Chiang Tsung Che (viii)	–	659	277	–	4,824	5,760
Subtotal	–	1,660	540	146	5,477	7,823
Non-executive directors:						
Mr. Wu Jun (iv)	–	–	–	–	–	–
Mr. Zhou Jun (v)	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Supervisors:						
Ms. Yan Songqiu (x)	–	238	–	25	1,365	1,628
Ms. Gao Chen (xi)	–	127	–	–	43	170
Ms. Cao Yang (xii)	–	175	–	24	63	262
Subtotal	–	540	–	49	1,471	2,060
Total	–	2,200	540	195	6,948	9,883

Notes:

- (i) Mr. Wu Gansha was appointed as a director of the Company on 22 June 2016, re-appointed as a director of the Company on 31 October 2024 and be appointed as an executive director of the Company on 15 May 2025. Mr. Wu Gansha is also the chief executive of the Company.
- (ii) Mr. Jiang Yan was appointed as a director of the Company on 22 June 2016 and resigned as director of the Company with effect from 31 October 2024.
- (iii) Mr. Mi Lei was appointed as a director of the Company on 22 June 2016 and resigned as director of the Company with effect from 31 October 2024.
- (iv) Mr. Wu Jun was appointed as a director of the Company on 28 June 2017, re-appointed as a director of the Company on 31 October 2024, and be appointed as a non-executive director of the Company on 15 May 2025.
- (v) Mr. Zhou Jun was appointed as a director of the Company on 27 April 2020, re-appointed as a director of the Company on 31 October 2024, and be appointed as a non-executive director of the Company on 15 May 2025.
- (vi) Mr. Ge Shaohua was appointed as a supervisor of the Company on 23 November 2017 and resigned as supervisor of the Company with effect from 31 October 2024.
- (vii) Mr. Zhou Xin was appointed as a director of the Company on 31 October 2024 and be appointed as an executive director of the Company on 15 May 2025.
- (viii) Mr. Chiang Tsung Che was appointed as a director of the Company on 31 October 2024 and be appointed as an executive director of the Company on 15 May 2025.
- (ix) Mr. Gao Xiaohu was appointed as a director of the Company on 31 October 2024 and be appointed as a non-executive director of the Company on 15 May 2025.
- (x) Ms. Yan Songqiu was appointed as a supervisor and the chairman of the board of supervisors of the Company on 31 October 2024. On 15 May 2025, the Company cancelled the board of supervisors.
- (xi) Ms. Gao Chen was appointed as a supervisor of the Company on 31 October 2024. On 15 May 2025, the Company cancelled the board of supervisors.

- (xii) Ms. Cao Yang was appointed as a supervisor of the Company on 31 October 2024. On 15 May 2025, the Company cancelled the board of supervisors.
- (xiii) Mr. Chow Ming Sang was appointed as independent non-executive directors of the Company on 31 October 2024.
- (xiv) Ms. Bai Rui was appointed as independent non-executive directors of the Company on 31 October 2024.
- (xv) Mr. Du Zide was appointed as independent non-executive directors of the Company on 31 October 2024.

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group during the Relevant Periods include nil, nil and one director, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining five, five and four highest paid employees who are neither a director nor chief executive of the Company for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	3,568	3,877	3,677
Discretionary performance related bonuses	1,145	275	538
Pension scheme contributions	258	263	192
Equity-settled share-based payment expense	6,749	7,493	3,875
Total	11,720	11,908	8,282

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
HK\$1,500,001 to HK\$2,000,000	–	1	3
HK\$2,000,001 to HK\$2,500,000	2	1	–
HK\$2,500,001 to HK\$3,000,000	3	2	1
HK\$3,000,001 to HK\$3,500,000	–	1	–
Total	5	5	4

Prior to and during the Relevant Periods, certain non-director and non-chief executive highest paid employees were granted share options of the Company in respect of their services to the Group, under the share-based payment scheme of the Group, further details of which are set out in note 32 to the Historical Financial Information. The fair value of such share options, which has been recognised in the consolidated statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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 Hong Kong profits tax rate during the Relevant Periods was 16.5%. No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong during the Relevant Periods.

Singapore

The Singapore profits tax rate during the Relevant Periods was 17%. No provision for Singapore profits tax has been made as the Group did not have any assessable profits arising in Singapore during the Relevant Periods.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC (the “CIT Law”) and the respective regulations, the applicable tax rate is 25%. The Company and two subsidiaries of the Group were qualified as “High and New Technology Enterprises” and entitled to a preferential income tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant tax authority in the PRC for every three years. Certain subsidiaries were qualified as “small-scaled minimal profit enterprises” and entitled to an effective preferential income tax rate of 5% during the Relevant Periods.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total current and deferred tax charge for the year	–	–	–

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax			
Chinese mainland	(211,207)	(193,446)	(210,194)
Hong Kong	(1,919)	(17,301)	(18,547)
Singapore	–	(832)	(1,429)
Total	<u>(213,126)</u>	<u>(211,579)</u>	<u>(230,170)</u>
Tax at the statutory tax rates			
Chinese mainland	(52,802)	(48,362)	(52,549)
Hong Kong	(317)	(2,855)	(3,060)
Singapore	–	(141)	(243)
Total	<u>(53,119)</u>	<u>(51,358)</u>	<u>(55,852)</u>
Lower tax rates enacted by local authority	18,716	15,361	16,397
Loss attributable to the joint venture	37	57	182
Expenses not deductible for tax	439	449	420
Additional deductible allowance for research and development expenses	(25,466)	(22,946)	(19,148)
Tax losses not recognised	53,493	51,803	48,721
Temporary differences not recognised	6,706	9,889	10,916
Utilisation of prior year's tax losses	(806)	(3,255)	(1,636)
Tax charge at the Group's effective tax rate	<u>–</u>	<u>–</u>	<u>–</u>

11. DIVIDENDS

No dividends have been declared or paid by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to owners of the parent of RMB212,402,000, RMB207,511,000 and RMB226,725,000, and the weighted average number of ordinary shares of 143,540,553, 147,541,628 and 148,023,820 deemed to be outstanding during the Relevant Periods, respectively.

The share subdivision as mentioned in note 1 is included in the calculation of the basic loss per share amounts during the Relevant Periods as if the share subdivision were in effect at the beginning of the Relevant Periods. The weighted average number of ordinary shares deemed to be outstanding before the conversion into a joint stock company with limited liability was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company with limited liability.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

For the details of Pre-IPO Investments, please refer to note 30 to this report.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023				
At 1 January 2023:				
Cost	66,449	13,882	4,165	84,496
Accumulated depreciation	(35,505)	(11,721)	(1,444)	(48,670)
Net carrying amount	<u>30,944</u>	<u>2,161</u>	<u>2,721</u>	<u>35,826</u>
At 1 January 2023, net of accumulated depreciation				
Cost	30,944	2,161	2,721	35,826
Additions	10,695	2,815	486	13,996
Disposals/write-off	(77)	–	–	(77)
Depreciation provided during the year (note 6)	(14,070)	(2,351)	(621)	(17,042)
At 31 December 2023, net of accumulated depreciation	<u>27,492</u>	<u>2,625</u>	<u>2,586</u>	<u>32,703</u>
At 31 December 2023:				
Cost	77,042	16,689	4,651	98,382
Accumulated depreciation	(49,550)	(14,064)	(2,065)	(65,679)
Net carrying amount	<u>27,492</u>	<u>2,625</u>	<u>2,586</u>	<u>32,703</u>
31 December 2024				
At 1 January 2024:				
Cost	77,042	16,689	4,651	98,382
Accumulated depreciation	(49,550)	(14,064)	(2,065)	(65,679)
Net carrying amount	<u>27,492</u>	<u>2,625</u>	<u>2,586</u>	<u>32,703</u>
At 1 January 2024, net of accumulated depreciation				
Cost	27,492	2,625	2,586	32,703
Additions	12,460	16,662	217	29,339
Disposals/write-off	(2,664)	(1,742)	–	(4,406)
Loss of control of an entity	(179)	(1,784)	–	(1,963)
Depreciation provided during the year (note 6)	(16,079)	(2,621)	(860)	(19,560)
At 31 December 2024, net of accumulated depreciation	<u>21,030</u>	<u>13,140</u>	<u>1,943</u>	<u>36,113</u>
At 31 December 2024:				
Cost	79,910	24,877	4,868	109,655
Accumulated depreciation	(58,880)	(11,737)	(2,925)	(73,542)
Net carrying amount	<u>21,030</u>	<u>13,140</u>	<u>1,943</u>	<u>36,113</u>
31 December 2025				
At 1 January 2025:				
Cost	79,910	24,877	4,868	109,655
Accumulated depreciation	(58,880)	(11,737)	(2,925)	(73,542)
Net carrying amount	<u>21,030</u>	<u>13,140</u>	<u>1,943</u>	<u>36,113</u>

	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2025, net of accumulated depreciation	21,030	13,140	1,943	36,113
Additions	4,484	764	–	5,248
Disposals/write-off	–	–	–	–
Depreciation provided during the year (note 6)	(8,859)	(3,807)	(727)	(13,393)
At 31 December 2025, net of accumulated depreciation	<u>16,655</u>	<u>10,097</u>	<u>1,216</u>	<u>27,968</u>
At 31 December 2025:				
Cost	77,633	24,526	4,868	107,027
Accumulated depreciation	(60,978)	(14,429)	(3,652)	(79,059)
Net carrying amount	<u>16,655</u>	<u>10,097</u>	<u>1,216</u>	<u>27,968</u>

The Company

	Machinery equipment RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023				
At 1 January 2023:				
Cost	14,465	5,829	251	20,545
Accumulated depreciation	(9,122)	(5,125)	(8)	(14,255)
Net carrying amount	<u>5,343</u>	<u>704</u>	<u>243</u>	<u>6,290</u>
At 1 January 2023, net of accumulated depreciation	5,343	704	243	6,290
Additions	4,345	1,437	–	5,782
Disposals/write-off	(41)	(8)	–	(49)
Depreciation provided during the year	(2,169)	(534)	(97)	(2,800)
At 31 December 2023, net of accumulated depreciation	<u>7,478</u>	<u>1,599</u>	<u>146</u>	<u>9,223</u>
At 31 December 2023:				
Cost	18,768	7,258	251	26,277
Accumulated depreciation	(11,290)	(5,659)	(105)	(17,054)
Net carrying amount	<u>7,478</u>	<u>1,599</u>	<u>146</u>	<u>9,223</u>
31 December 2024				
At 1 January 2024:				
Cost	18,768	7,258	251	26,277
Accumulated depreciation	(11,290)	(5,659)	(105)	(17,054)
Net carrying amount	<u>7,478</u>	<u>1,599</u>	<u>146</u>	<u>9,223</u>

	Machinery equipment <i>RMB'000</i>	Electronic equipment and others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024, net of accumulated depreciation	7,478	1,599	146	9,223
Additions	4,087	31	–	4,118
Disposals/write-off	(1,020)	(832)	–	(1,852)
Depreciation provided during the year	<u>(2,511)</u>	<u>(680)</u>	<u>(97)</u>	<u>(3,288)</u>
At 31 December 2024, net of accumulated depreciation	<u>8,034</u>	<u>118</u>	<u>49</u>	<u>8,201</u>
At 31 December 2024:				
Cost	20,657	5,373	251	26,281
Accumulated depreciation	<u>(12,623)</u>	<u>(5,255)</u>	<u>(202)</u>	<u>(18,080)</u>
Net carrying amount	<u>8,034</u>	<u>118</u>	<u>49</u>	<u>8,201</u>
31 December 2025				
At 1 January 2025:				
Cost	20,657	5,373	251	26,281
Accumulated depreciation	<u>(12,623)</u>	<u>(5,255)</u>	<u>(202)</u>	<u>(18,080)</u>
Net carrying amount	<u>8,034</u>	<u>118</u>	<u>49</u>	<u>8,201</u>
At 1 January 2025, net of accumulated depreciation	8,034	118	49	8,201
Additions	3,847	585	–	4,432
Depreciation provided during the year	<u>(2,955)</u>	<u>(100)</u>	<u>(49)</u>	<u>(3,104)</u>
At 31 December 2025, net of accumulated depreciation	<u>8,926</u>	<u>603</u>	<u>–</u>	<u>9,529</u>
At 31 December 2025:				
Cost	22,390	4,994	251	27,635
Accumulated depreciation	<u>(13,464)</u>	<u>(4,391)</u>	<u>(251)</u>	<u>(18,106)</u>
Net carrying amount	<u>8,926</u>	<u>603</u>	<u>–</u>	<u>9,529</u>

14. LEASES

The Group as a lessee

The Group has lease contracts for various properties used in its operations. Leases of properties generally have lease terms between 1.08 and 9.58 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets*The Group*

The carrying amounts of the right-of-use assets for properties and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	27,293	24,583	21,137
Additions	2,655	2,393	1,442
Lease modification	–	–	(904)
Depreciation charge	(5,365)	(5,839)	(5,463)
Exchange realignment	–	–	(3)
	<u> </u>	<u> </u>	<u> </u>
Carrying amount at end of year	<u>24,583</u>	<u>21,137</u>	<u>16,209</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	17,271	14,026	11,240
Lease modification	–	–	(2,473)
Early termination of leases	(367)	–	–
Depreciation charge	(2,878)	(2,786)	(2,345)
	<u> </u>	<u> </u>	<u> </u>
Carrying amount at end of year	<u>14,026</u>	<u>11,240</u>	<u>6,422</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	27,705	25,568	22,254
New leases	2,655	2,393	1,442
Accretion of interest recognised during the year	1,209	1,070	865
Lease modification	–	–	(904)
Discretionary rent concessions from lessors	(46)	(12)	–
Payments	(5,970)	(6,816)	(6,742)
Exchange realignment	15	51	(49)
	<u> </u>	<u> </u>	<u> </u>
Carrying amount at end for year	<u>25,568</u>	<u>22,254</u>	<u>16,866</u>

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Analysed into:			
Current portion			
Repayable within one year	5,465	4,746	5,491
Non-current portion			
Repayable in the second year	4,276	5,003	4,276
Repayable in the third to fifth years	11,565	11,504	7,099
Repayable beyond five years	4,262	1,001	–
	<u>25,568</u>	<u>22,254</u>	<u>16,866</u>
Total lease liabilities	<u>25,568</u>	<u>22,254</u>	<u>16,866</u>

The Company

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Carrying amount at beginning of year	17,497	14,457	11,781
Accretion of interest recognised during the year	713	588	416
Payments	(3,364)	(3,264)	(3,213)
Early termination of leases	(398)	–	–
Exchange realignment	9	–	–
Lease modification	–	–	(2,473)
	<u>14,457</u>	<u>11,781</u>	<u>6,511</u>
Carrying amount at end for year	<u>14,457</u>	<u>11,781</u>	<u>6,511</u>

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Analysed into:			
Current portion			
Repayable within one year	2,676	2,657	2,120
Non-current portion			
Repayable in the second year	2,657	3,060	1,661
Repayable in the third to fifth years	6,922	5,570	2,730
Repayable beyond five years	2,202	494	–
	<u>14,457</u>	<u>11,781</u>	<u>6,511</u>
Total lease liabilities	<u>14,457</u>	<u>11,781</u>	<u>6,511</u>

The maturity analysis of lease liabilities is disclosed in note 39 to the Historical Financial Information.

*(c) The amounts charged/(credited) to profit or loss in relation to leases are as follows:**The Group*

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Interest on lease liabilities	1,209	1,070	865
Depreciation charge of right-of-use assets	5,365	5,839	5,463
Discretionary rent concessions from lessors	(46)	(12)	–
Expense related to short-term leases	208	1,450	1,928
	<u>6,736</u>	<u>8,347</u>	<u>8,256</u>
Total amount recognised in profit or loss	<u>6,736</u>	<u>8,347</u>	<u>8,256</u>

(d) *The total cash outflow for leases is disclosed in note 35(b) to the Historical Financial Information.*

The Group as a lessor

The Group leases some of its property, plant and equipment in Chinese mainland under operating lease arrangements. Details of rental income recognised by the Group during the Relevant Periods are included in note 5 to the Historical Financial Information.

As at the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows.

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within one year	1,131	263	98

15. INTANGIBLE ASSETS

The Group

	Software RMB'000	Trademark RMB'000	Total RMB'000
31 December 2023			
At 1 January 2023			
Cost	1,999	35	2,034
Accumulated amortisation	(731)	(18)	(749)
Net carrying amount	1,268	17	1,285
At 1 January 2023, net of accumulated amortisation	1,268	17	1,285
Additions	12,381	–	12,381
Amortisation provided during the year (note 6)	(854)	(3)	(857)
At 31 December 2023, net of accumulated amortisation	12,795	14	12,809
At 31 December 2023			
Cost	14,380	35	14,415
Accumulated amortisation	(1,585)	(21)	(1,606)
Net carrying amount	12,795	14	12,809
31 December 2024			
At 1 January 2024			
Cost	14,380	35	14,415
Accumulated amortisation	(1,585)	(21)	(1,606)
Net carrying amount	12,795	14	12,809
At 1 January 2024, net of accumulated amortisation	12,795	14	12,809
Amortisation provided during the year (note 6)	(2,392)	(3)	(2,395)
At 31 December 2024, net of accumulated amortisation	10,403	11	10,414
At 31 December 2024			
Cost	14,380	35	14,415
Accumulated amortisation	(3,977)	(24)	(4,001)
Net carrying amount	10,403	11	10,414

	Software RMB'000	Trademark RMB'000	Total RMB'000
31 December 2025			
At 1 January 2025			
Cost	14,380	35	14,415
Accumulated amortisation	(3,977)	(24)	(4,001)
Net carrying amount	<u>10,403</u>	<u>11</u>	<u>10,414</u>
At 1 January 2025, net of accumulated amortisation	10,403	11	10,414
Additions	6,686	–	6,686
Amortisation provided during the year (note 6)	(2,518)	(4)	(2,522)
At 31 December 2025, net of accumulated amortisation	<u>14,571</u>	<u>7</u>	<u>14,578</u>
At 31 December 2025			
Cost	21,066	35	21,101
Accumulated amortisation	(6,495)	(28)	(6,523)
Net carrying amount	<u>14,571</u>	<u>7</u>	<u>14,578</u>
The Company			
	Software RMB'000	Trademark RMB'000	Total RMB'000
31 December 2023			
At 1 January 2023			
Cost	170	35	205
Accumulated amortisation	(107)	(18)	(125)
Net carrying amount	<u>63</u>	<u>17</u>	<u>80</u>
At 1 January 2023, net of accumulated amortisation	63	17	80
Additions	6,611	–	6,611
Amortisation provided during the year	(618)	(3)	(621)
At 31 December 2023, net of accumulated amortisation	<u>6,056</u>	<u>14</u>	<u>6,070</u>
At 31 December 2023			
Cost	6,780	35	6,815
Accumulated amortisation	(724)	(21)	(745)
Net carrying amount	<u>6,056</u>	<u>14</u>	<u>6,070</u>
31 December 2024			
At 1 January 2024			
Cost	6,780	35	6,815
Accumulated amortisation	(724)	(21)	(745)
Net carrying amount	<u>6,056</u>	<u>14</u>	<u>6,070</u>
At 1 January 2024, net of accumulated amortisation	6,056	14	6,070
Amortisation provided during the year	(1,629)	(3)	(1,632)
At 31 December 2024, net of accumulated amortisation	<u>4,427</u>	<u>11</u>	<u>4,438</u>

	Software <i>RMB'000</i>	Trademark <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2024			
Cost	6,780	35	6,815
Accumulated amortisation	<u>(2,353)</u>	<u>(24)</u>	<u>(2,377)</u>
Net carrying amount	<u>4,427</u>	<u>11</u>	<u>4,438</u>
31 December 2025			
At 1 January 2025			
Cost	6,780	35	6,815
Accumulated amortisation	<u>(2,353)</u>	<u>(24)</u>	<u>(2,377)</u>
Net carrying amount	<u>4,427</u>	<u>11</u>	<u>4,438</u>
At 1 January 2025, net of accumulated amortisation	4,427	11	4,438
Additions	5,408	–	5,408
Amortisation provided during the year	<u>(1,714)</u>	<u>(4)</u>	<u>(1,718)</u>
At 31 December 2025, net of accumulated amortisation	<u>8,121</u>	<u>7</u>	<u>8,128</u>
At 31 December 2025			
Cost	12,188	35	12,223
Accumulated amortisation	<u>(4,067)</u>	<u>(28)</u>	<u>(4,095)</u>
Net carrying amount	<u>8,121</u>	<u>7</u>	<u>8,128</u>

16. INVESTMENTS IN A JOINT VENTURE

The Group

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of net assets	<u>717</u>	<u>–</u>	<u>–</u>

The joint venture is not considered individually material during the Relevant Periods and at the end of each of the Relevant Periods. The following tables illustrates the related financial information:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Group's share of the joint venture's loss for the year	<u>(247)</u>	<u>(381)</u>	<u>(1,211)</u>
	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of the Group's investments in the joint venture	<u>717</u>	<u>–</u>	<u>–</u>

17. INVESTMENTS IN SUBSIDIARIES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments, at cost	958,366	1,030,401	1,110,053

Particulars of the principal subsidiaries as at the date of this report are set out in note 1 to the Historical Financial Information.

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	Percentage of equity interest	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Unlisted equity investments, at fair value Dongfeng Iseki Agricultural Machinery Co., Ltd.	2.0%	55,300	37,600	35,200

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

19. INVENTORIES

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	22,234	17,872	22,322
Work in progress	13,375	6,100	16,427
Finished goods	34,467	22,098	24,030
Subtotal	70,076	46,070	62,779
Impairment	(1,206)	(1,424)	(2,689)
Net carrying amount	68,870	44,646	60,090

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	4,138	3,348	3,754
Work in progress	1,188	1,293	1,255
Finished goods	10,981	7,731	4,804
Subtotal	16,307	12,372	9,813
Impairment	(336)	(581)	(838)
Net carrying amount	15,971	11,791	8,975

20. TRADE AND BILLS RECEIVABLES

The Group

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade receivables	148,396	254,500	342,439
Impairment	(9,646)	(14,761)	(31,095)
Subtotal	138,750	239,739	311,344
Bills receivable	1,472	3,580	4,171
Net carrying amount	140,222	243,319	315,515

The Company

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade receivables	87,316	102,963	159,598
Impairment	(4,107)	(6,839)	(9,835)
Subtotal	83,209	96,124	149,763
Bills receivable	878	1,920	1,736
Net carrying amount	84,087	98,044	151,499

The Group's trading terms with its customers are mainly on credit, except for small-sized customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are settled in accordance with the terms of the respective contracts. Notwithstanding that the Group has concentration of credit risk as further detailed in note 39 to the Historical Financial Information, the directors of the Company are of the view that there have been no significant credit risk of default because the amounts are from customers with good repayment history. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Bills receivable are short-term banks' acceptances, and the Group has the right to collect the bills amount from the issuing banks at maturity, with a term of 6 to 12 months from the issuance date.

Included in the Group's trade receivables are amounts due from the Group's joint venture of approximately RMB12,272,000, RMB23,294,000 and RMB9,459,000 as at 31 December 2023, 2024 and 2025, respectively, which are repayable on credit terms similar to those offered to the other customers of the Group.

An ageing analysis of the trade and bills receivables of the Group as at the end of each of the Relevant Periods, based on the date of products delivered or services rendered and net of loss allowance, is as follows:

The Group

	31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 12 months	124,104	208,316	233,026
13 months to 24 months	11,525	29,413	75,719
25 months to 36 months	4,593	4,558	4,626
Over 36 months	–	1,032	2,144
Total	140,222	243,319	315,515

The Company

	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 12 months	77,935	80,600	117,934
13 months to 24 months	3,502	17,444	33,211
25 months to 36 months	2,650	–	354
	<hr/>	<hr/>	<hr/>
Total	84,087	98,044	151,499
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	16,895	9,646	14,761
Impairment losses, net (<i>note 6</i>)	504	7,378	16,926
Amounts written off as uncollectible	(7,753)	(2,263)	(592)
	<hr/>	<hr/>	<hr/>
At end of year	9,646	14,761	31,095
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Company

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	6,230	4,107	6,839
Impairment losses, net	(2,057)	6,599	2,996
Amounts written off as uncollectible	(66)	(3,867)	–
	<hr/>	<hr/>	<hr/>
At end of year	4,107	6,839	9,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The decrease in the loss allowance during the year ended 31 December 2023 was mainly due to the decrease in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables. The increase in the loss allowance during the year ended 31 December 2024 and 2025 was mainly due to the net effect of an increase in trade receivables with ageing over 12 months and the write-off of certain trade receivables.

An impairment analysis is performed at the end of each of the Relevant Periods. The provision rates are based on the aging for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. In addition, when there exists an indicator of significant difference in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

Set out below is the information about the credit risk exposure on the trade receivables:

The Group

As at 31 December 2023

	Within 12 months	Ageing			Over 48 months	Total
		13 months to 24 months	25 months to 36 months	37 months to 48 months		
<u>Individually assessed:</u>						
Expected credit loss rate						9.3%
Gross carrying amount (RMB'000)						26,872
Expected credit losses (RMB'000)						2,498
<u>Collectively assessed:</u>						
Expected credit loss rate	3.3%	17.2%	26.4%	–	–	5.9%
Gross carrying amount (RMB'000)	102,827	12,458	6,239	–	–	121,524
Expected credit losses (RMB'000)	3,358	2,144	1,646	–	–	7,148

As at 31 December 2024

	Within 12 months	Ageing			Over 48 months	Total
		13 months to 24 months	25 months to 36 months	37 months to 48 months		
<u>Individually assessed:</u>						
Expected credit loss rate						5.1%
Gross carrying amount (RMB'000)						43,414
Expected credit losses (RMB'000)						2,193
<u>Collectively assessed:</u>						
Expected credit loss rate	2.9%	14.6%	29.1%	50.1%	–	6.0%
Gross carrying amount (RMB'000)	168,825	35,225	4,969	2,067	–	211,086
Expected credit losses (RMB'000)	4,938	5,148	1,447	1,035	–	12,568

As at 31 December 2025

	Within 12 months	Ageing			Over 48 months	Total
		13 months to 24 months	25 months to 36 months	37 months to 48 months		
<u>Individually assessed:</u>						
Expected credit loss rate						38.8%
Gross carrying amount (RMB'000)						14,552
Expected credit losses (RMB'000)						5,646
<u>Collectively assessed:</u>						
Expected credit loss rate	4.1%	12.6%	28.8%	57.7%	100.0%	7.8%
Gross carrying amount (RMB'000)	229,353	87,544	6,494	3,319	1,177	327,887
Expected credit losses (RMB'000)	9,420	11,069	1,868	1,915	1,177	25,449

The Company

As at 31 December 2023

	Ageing					Total
	Within 12 months	13 months to 24 months	25 months to 36 months	37 months to 48 months	Over 48 months	
<u>Individually assessed:</u>						
Expected credit loss rate						–
Gross carrying amount (<i>RMB'000</i>)						5,302
Expected credit losses (<i>RMB'000</i>)						1
<u>Collectively assessed:</u>						
Expected credit loss rate	3.3%	17.2%	26.4%	–	–	5.0%
Gross carrying amount (<i>RMB'000</i>)	74,184	4,230	3,600	–	–	82,014
Expected credit losses (<i>RMB'000</i>)	2,428	728	950	–	–	4,106

As at 31 December 2024

	Ageing					Total
	Within 12 months	13 months to 24 months	25 months to 36 months	37 months to 48 months	Over 48 months	
<u>Individually assessed:</u>						
Expected credit loss rate						49.9%
Gross carrying amount (<i>RMB'000</i>)						3,064
Expected credit losses (<i>RMB'000</i>)						1,529
<u>Collectively assessed:</u>						
Expected credit loss rate	2.9%	14.6%	–	–	–	5.3%
Gross carrying amount (<i>RMB'000</i>)	79,469	20,430	–	–	–	99,899
Expected credit losses (<i>RMB'000</i>)	2,324	2,986	–	–	–	5,310

As at 31 December 2025

	Ageing					Total
	Within 12 months	13 months to 24 months	25 months to 36 months	37 months to 48 months	Over 48 months	
<u>Individually assessed:</u>						
Expected credit loss rate						–
Gross carrying amount (<i>RMB'000</i>)						–
Expected credit losses (<i>RMB'000</i>)						–
<u>Collectively assessed:</u>						
Expected credit loss rate	4.0%	12.6%	28.8%	–	–	6.2%
Gross carrying amount (<i>RMB'000</i>)	121,083	38,018	497	–	–	159,598
Expected credit losses (<i>RMB'000</i>)	4,885	4,807	143	–	–	9,835

Bills receivables are subject to impairment using the low credit risk simplification under the general approach. At the end of each of the Relevant Periods, the Group evaluates whether the bills receivable are considered to have credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassessed the credit ratings of the accepting bank for the bills receivable. The Group did not recognize any impairment loss on bills receivable at the end of each of the Relevant Periods.

Transferred financial assets that are not derecognised in their entirety

The Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “**Endorsed Bills**”) with aggregate amounts of nil, nil and RMB3,161,000 as at 31 December 2023, 2024 and 2025, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the directors, the Group has retained substantially all the risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

The Group discounted certain bank acceptance notes with aggregate amounts of nil, nil and RMB26,000 as at 31 December 2023, 2024 and 2025, respectively, to certain banks in Chinese mainland. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the aforementioned bills may exercise the right of recourse against any, several or all of the persons liable for the aforementioned bills, including the Group, in disregard of the order of precedence (the “**Continuing Involvement**”). In the opinion of the directors, the risk of the Group being claimed by the banks holding those derecognised bills is remote. The Group has transferred substantially all risks and rewards relating to the derecognised notes in the absence of a default of the accepted banks. Accordingly, it has derecognised the full carrying amounts of the derecognised notes. The maximum exposure to loss from the Group’s Continuing Involvement in the derecognised notes and the undiscounted cash flows to repurchase these derecognised notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the derecognised notes are not significant.

The Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with aggregate amounts of nil, nil and RMB3,215,000 as at 31 December 2023, 2024 and 2025. The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

21. CONTRACT ASSETS**The Group**

	1 January 2023 RMB'000	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Current				
Contract assets arising from provision of autonomous driving solutions	2,359	7,009	13,672	9,960
Impairment	(201)	(269)	(441)	(409)
Non-current				
Contract assets arising from provision of autonomous driving solutions	–	–	–	1,746
Impairment	–	–	–	(72)
Net carrying amount	<u>2,158</u>	<u>6,740</u>	<u>13,231</u>	<u>11,225</u>

The Company

	1 January 2023 RMB'000	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Current				
Contract assets arising from provision of autonomous driving solutions	1,008	4,602	8,481	6,102
Impairment	(86)	(151)	(249)	(251)
Net carrying amount	<u>922</u>	<u>4,451</u>	<u>8,232</u>	<u>5,851</u>

Contract assets are initially recognised for revenue earned from the provision of autonomous driving solutions as the receipt of consideration is conditional on successful completion of warranty conditions. Included in contract assets for the provision of solutions are retention receivables. Upon completion of warranty conditions and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2023 and 2024 was the result of the increase in the ongoing provision of autonomous driving solutions. The decrease in contract assets in 2025 was due to the reclassification to trade receivables or the receipt of consideration upon the completion of warranty conditions.

The Group's trading terms and credit policy with customers are disclosed in note 20 to the Historical Financial Information.

Included in the Group's contract assets are amounts from the Group's joint venture of approximately RMB1,008,000, RMB435,000 and RMB892,000 as at 31 December 2023, 2024 and 2025, respectively.

The contract assets of the Group as at end of each of the Relevant Periods are expected to be recovered or settled within one year or over one year to three years, depending on the underlying contract terms.

The movements in the loss allowance for impairment of contract assets are as follows:

The Group

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At beginning of year	201	269	441
Impairment losses, net (<i>note 6</i>)	68	172	40
At end of year	<u>269</u>	<u>441</u>	<u>481</u>

The Company

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At beginning of year	86	151	249
Impairment losses, net	65	98	2
At end of year	<u>151</u>	<u>249</u>	<u>251</u>

The increase in the loss allowance as at 31 December 2023 and 2024 was mainly due to the increase in carrying amount of the contract assets. The increase in the loss allowance as at 31 December 2025 was mainly due to the increase in expected credit loss rate of the contract assets.

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the contract assets:

The Group

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Expected credit loss rate	3.8%	3.2%	4.1%
Gross carrying amount (<i>RMB'000</i>)	7,009	13,672	11,706
Expected credit losses (<i>RMB'000</i>)	269	441	481

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expected credit loss rate	3.3%	2.9%	4.1%
Gross carrying amount (RMB'000)	4,602	8,481	6,102
Expected credit losses (RMB'000)	151	249	251

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**The Group**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Prepayments	6,305	3,583	13,141
Deposits	716	405	3,111
Due from related parties	34	2,130	12
Value-added tax recoverable	376	2,699	2,587
Others	127	1,142	3,849
	<u>7,558</u>	<u>9,959</u>	<u>22,700</u>
Non-current			
Prepayments	221	213	8,863
Deposits	1,479	1,835	1,170
	<u>1,700</u>	<u>2,048</u>	<u>10,033</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	3,129	4,225	7,414
Deposits	137	53	118
Due from related parties	34	983	12
Due from subsidiaries	1,602	4,261	9,727
Others	–	1,090	2,689
	<u>4,902</u>	<u>10,612</u>	<u>19,960</u>
Non-current			
Prepayments	–	–	106
Deposits	813	907	587
	<u>813</u>	<u>907</u>	<u>693</u>

The balances are not secured by collateral.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. At the end of each of the Relevant Periods, the loss allowance was assessed to be minimal.

Included in the Group's prepayments, other receivables and other assets are amounts due from the entities controlled by the chief executive of the Company of approximately RMB34,000, RMB2,130,000 and RMB12,000 as at 31 December 2023, 2024 and 2025, respectively, which are repayable on credit terms similar to those offered to the other debtors of the Group.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Wealth management products, at fair value	81,968	27,124	1,710

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Wealth management products, at fair value	30,679	1,680	1,710

The wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Cash and bank balances	101,612	44,687	44,444
Time deposits	311,712	177,504	70,117
	413,324	222,191	114,561
Less: restricted cash	(356)	(458)	(1,212)
Cash and cash equivalents	412,968	221,733	113,349

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Cash and bank balances	14,512	24,048	25,055
Time deposits	113,274	10,008	–
	127,786	34,056	25,055
Less: restricted cash	(356)	(458)	(122)
Cash and cash equivalents	127,430	33,598	24,933

At the end of the Relevant Periods, the cash and bank balances of the Group denominated in RMB amounted to RMB94,030,000, RMB33,932,000 and RMB41,301,000 as at 31 December 2023, 2024 and 2025, respectively. The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the date of goods or services received, is as follows:

The Group

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within 12 months	45,248	53,021	112,865
13 months to 24 months	677	988	3,464
25 months to 36 months	13	102	81
Over 36 months	241	223	244
Total	<u>46,179</u>	<u>54,334</u>	<u>116,654</u>

The Company

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within 12 months	43,607	17,245	67,781
13 months to 24 months	521	631	722
25 months to 36 months	13	37	57
Over 36 months	1	–	2
Total	<u>44,142</u>	<u>17,913</u>	<u>68,562</u>

The trade and bills payables are non-interest-bearing and are normally settled on 180-day terms.

26. OTHER PAYABLES AND ACCRUALS**The Group**

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current			
Payroll and welfare payables	34,834	26,084	38,616
Other tax payables	11,524	14,060	22,110
Other payables	12,847	7,312	10,642
Provision	3,124	11,715	13,842
Deferred income	3,000	8,000	8,000
Others	–	713	2,581
Total	<u>65,329</u>	<u>67,884</u>	<u>95,791</u>
Non-current			
Deferred income	5,000	–	–
Total	<u>5,000</u>	<u>–</u>	<u>–</u>

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Current			
Payroll and welfare payables	14,487	11,057	16,276
Other payables	3,176	4,412	6,750
Other taxes payables	2,498	3,821	7,182
Provision	519	1,722	3,979
Deferred income	3,000	8,000	8,000
Due to subsidiaries	41,224	106,327	174,878
Total	<u>64,904</u>	<u>135,339</u>	<u>217,065</u>
Non-current			
Deferred income	5,000	–	–
Total	<u>5,000</u>	<u>–</u>	<u>–</u>

Other payables are non-interest-bearing and repayable on demand.

27. CONTRACT LIABILITIES

An analysis of contract liabilities arising from short-term advances received from customers is as follows:

The Group

	1 January 2023 RMB'000	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
<i>Short-term advances received from customers</i>				
Autonomous driving vehicle solutions	322	2,929	2,348	7,682
Autonomous driving kit solutions	278	59	267	–
Autonomous driving software solutions	–	935	2,045	993
Contract liabilities	<u>600</u>	<u>3,923</u>	<u>4,660</u>	<u>8,675</u>

The Company

	1 January 2023 RMB'000	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
<i>Advances received from customers</i>				
Autonomous driving vehicle solutions	125	509	109	415
Autonomous driving kit solutions	272	43	–	–
Autonomous driving software solutions	–	501	–	113
Contract liabilities	<u>397</u>	<u>1,053</u>	<u>109</u>	<u>528</u>

The contract liabilities represent the advanced consideration received from customers before the Group transfers the related goods or services. The increase in contract liabilities of the Group during the years ended 31 December 2023 and 2024 was mainly due to the increase in the short-term advances received from customers in relation to provision of autonomous driving vehicle solutions and autonomous driving software solutions at the end of the respective years. The increase in contract liabilities of the Group during the year ended 31 December 2025 was mainly due to net effect of the significant increase in the short-term advances received from customers in relation to provision of autonomous driving vehicle solutions and the decrease in the short-term advances received from customers in relation to provision of autonomous driving software solutions. The decrease in contract liabilities of the Company in the year ended 31 December 2024 was mainly due to the decrease in the short-term advances received from customers in relation to provision of autonomous driving vehicle solutions and autonomous driving software solutions. The increase in contract liabilities of the Company in the year ended 31 December 2025 was mainly due to the increase in the short-term advances received from customers in relation to provision of autonomous driving vehicle solutions and autonomous driving software solutions.

28. INTEREST-BEARING BANK LOANS

The Group

	31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured*	4.20	2024	2,000
Bank loans – unsecured	3.15-3.70	2024	66,039
Total			<u>68,039</u>
	31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured*	3.80	2025	10,000
Bank loans – unsecured	2.80-5.18	2025	48,461
Subtotal			<u>58,461</u>
Non-current			
Bank loans – unsecured	3.50	2026	9,900
Total			<u>68,361</u>
	31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	2.50-3.80	2026	124,200
Non-current			
Bank loans – unsecured	–	–	–
Total			<u>124,200</u>
	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Analysed into:			
Bank loans repayable:			
Within one year or on demand	68,039	58,461	124,200
In the second year	–	9,900	–
Total	<u>68,039</u>	<u>68,361</u>	<u>124,200</u>

* These bank loans were secured by the Group's self-developed intellectual property rights which were expensed and recorded in the consolidated statement of profit or loss.

An analysis of the carrying amounts of bank loans by type of interest rate is as follows:

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Variable interest rate	29,963	9,960	59,244
Fixed interest rate	38,076	58,401	64,956
Total	<u>68,039</u>	<u>68,361</u>	<u>124,200</u>

The Company

	Effective interest rate <i>(%)</i>	31 December 2023 Maturity	<i>RMB'000</i>
Current			
Bank loans – secured*	4.20	2024	2,000
Bank loans – unsecured	3.20-5.18	2024	<u>46,123</u>
Total			<u>48,123</u>

	Effective interest rate <i>(%)</i>	31 December 2024 Maturity	<i>RMB'000</i>
Current			
Bank loans – secured*	3.80	2025	10,000
Bank loans – unsecured	3.00-3.80	2025	<u>38,545</u>
Total			<u>48,545</u>

	Effective interest rate <i>(%)</i>	31 December 2025 Maturity	<i>RMB'000</i>
Current			
Bank loans – unsecured	2.80-2.95	2026	<u>104,384</u>
Total			<u>104,384</u>

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Analysed into:			
Bank loans repayable:			
Within one year or on demand	<u>48,123</u>	<u>48,545</u>	<u>104,384</u>

* These bank loans were secured by the Company's self-developed intellectual property rights which were expensed and recorded in the statement of profit or loss of the Company. The Company's loans are also guaranteed by its subsidiaries at the same time.

An analysis of the carrying amounts of bank loans by type of interest rate is as follows:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000
Variable interest rate	20,046	–	49,337
Fixed interest rate	28,077	48,545	55,047
Total	<u>48,123</u>	<u>48,545</u>	<u>104,384</u>

The Group's and the Company's interest-bearing bank loans are denominated in RMB.

29. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the Relevant Periods are as follows:

The Group

	Lease liabilities RMB'000	Right-of-use assets RMB'000	Changes in fair value of equity investments designated at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2023	4,460	(4,460)	(840)	(840)
Deferred tax (charged)/credited to profit or loss	(374)	374	–	–
Deferred tax charged to other comprehensive income	–	–	45	45
At 31 December 2023 and 1 January 2024	4,086	(4,086)	(795)	(795)
Deferred tax (charged)/credited to profit or loss	(578)	578	–	–
Deferred tax credited to other comprehensive loss	–	–	795	795
At 31 December 2024 and 1 January 2025	3,508	(3,508)	–	–
Deferred tax (charged)/credited to profit or loss	(757)	757	–	–
At 31 December 2025	<u>2,751</u>	<u>(2,751)</u>	<u>–</u>	<u>–</u>

The Company

	Lease liabilities <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Changes in fair value of equity investments designated at fair value through other comprehensive income <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	2,590	(2,590)	(840)	(840)
Deferred tax (charged)/credited to profit or loss	(486)	486	–	–
Deferred tax charged to other comprehensive income	–	–	45	45
At 31 December 2023 and 1 January 2024	2,104	(2,104)	(795)	(795)
Deferred tax (charged)/credited to profit or loss	(420)	420	–	–
Deferred tax credited to other comprehensive loss	–	–	795	795
At 31 December 2024 and 1 January 2025	1,684	(1,684)	–	–
Deferred tax (charged)/credited to profit or loss	(721)	721	–	–
At 31 December 2025	963	(963)	–	–

Deferred tax assets have not been recognised in respect of the following items of the Group:

	2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Tax losses			
available within one to five years	156,188	201,562	250,147
available within one to ten years	1,435,395	1,670,478	1,889,752
available indefinitely	1,713	19,501	40,296
Subtotal	1,593,296	1,891,541	2,180,195
Deductible temporary differences	43,688	58,333	58,880
Total	1,636,984	1,949,874	2,239,075

Tax losses arising in Chinese mainland are generally deductible over one to five years, extended to up to ten years for the Company and certain subsidiaries with high and new technology enterprise qualification. The tax losses arising from overseas subsidiaries or the subsidiary located in Hong Kong have no indefinite expire date. Deferred tax assets for the Company and all of its subsidiaries have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

30. PAID-IN CAPITAL AND SHARE CAPITAL

A summary of movements in the Company's issued paid-in capital and share capital during the Relevant Periods is as follows:

	Number of shares in issue	Share capital RMB'000	Paid-in capital RMB'000
At 1 January 2023	–	–	13,994
Capital contribution by shareholders	–	–	608
At 31 December 2023 and 1 January 2024	–	–	14,602
Capital contribution by shareholders	–	–	200
Issue of ordinary shares upon conversion into a joint stock company with limited liability	14,802,382	14,802	(14,802)
At 31 December 2024 and 1 January 2025	14,802,382	14,802	–
Share subdivision	133,221,438	–	–
At 31 December 2025	148,023,820	14,802	–

Year ended 31 December 2023

In January and March 2023, the Company entered into two capital increase agreements with certain investors and received capital contributions of RMB300,000,000 in March 2023 from these investors, of which RMB608,000 and RMB299,392,000 were recognised in paid-in capital and capital reserve, respectively.

Year ended 31 December 2024

In January 2024, one shareholder of the Company made contribution of previously subscribed registered capital of RMB200,000 to the Company.

In October 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including paid-in capital and reserves, amounting to RMB1,052,000,000 were converted into 14,802,382 ordinary shares at RMB1.00 per share. The excess of the net assets converted over the nominal value of the ordinary shares issued was credited to the Company's capital reserve.

Year ended 31 December 2025

On 15 May 2025, each share of the Company with a nominal value of RMB1.00 was subdivided into 10 shares with a nominal value of RMB0.10 each. Upon completion of such share subdivision, the registered capital of the Company was RMB14,802,382, which was divided into 148,023,820 shares with a nominal value of RMB0.10 each.

Prior to the Relevant Periods and in January and March 2023, the Company entered into capital increase agreements with various pre-IPO investors (collectively, the "Pre-IPO Investors") and issued ordinary shares with a total consideration of approximately RMB1,746.4 million (collectively the "Pre-IPO Investments") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the aforementioned capital increase agreements, as well as the joint venture agreements entered into between the Company, the co-founders and the then Pre-IPO Investors and the Company's articles of association in May 2023 (collectively, the "Pre-IPO Investors Agreements"), the Pre-IPO Investors were granted by the Company with special rights which included redemption rights, anti-dilution rights and liquidation preferences rights.

There was no exercise of redemption rights, and liquidation preferences rights granted by the Company throughout the Relevant Periods.

On 26 May 2025, the Company and the Pre-IPO Investors subsequently entered into a termination agreement, agreeing that certain of the special rights granted by the Company to Pre-IPO Investors, including redemption rights, liquidation preferences and anti-dilution rights had been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the termination agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

Had the redemption rights and liquidation preferences rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value prior to entering into the termination agreements, (i) the financial liabilities measured at fair value, total current liabilities, net current liabilities and net liabilities would have been:

	31 December 2023 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	31 December 2025 <i>RMB'000</i>
Financial liabilities measured at fair value	3,358,748	3,484,343	–
Total current liabilities	3,547,683	3,674,428	350,811
Net current assets/(liabilities)	(2,829,001)	(3,113,958)	173,316
Net assets/(liabilities)	(2,727,087)	(3,034,054)	267,603

; and (ii) the fair value changes associated with the financial liabilities measured at fair value, the net loss during the Relevant Periods, basic and dilutive losses per share would have been:

	Year ended 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Fair value changes associated with the financial liabilities measured at fair value	95,790	125,595	169,449
Total net losses	(308,916)	(337,174)	(399,619)
Basic and diluted losses per share (expressed in RMB)	(2.15)	(2.26)	(2.68)

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity in the Historical Financial Information.

(a) Capital reserve

The capital reserve of the Group mainly comprises the difference between the consideration received from shareholders and the value of the paid-up capital, as well as the impact arising from the Company's conversion into a joint stock limited liability company and loss control of an entity.

(b) Share-based payment reserve

The share-based payment reserve comprises the Group's equity settled share-based payments. Further details are contained in note 32 to the Historical Financial Information.

(c) Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income represented the fair value changes, net of tax, on equity investments designated at fair value through other comprehensive income.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

Year ended 31 December 2023:

	Capital reserve RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2023	1,411,058	48,199	4,760	(562,980)	901,037
Loss for the year	–	–	–	(94,693)	(94,693)
Other comprehensive income for the year:					
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	(255)	–	(255)
Total comprehensive loss for the year	–	–	(255)	(94,693)	(94,948)
Capital contribution	299,392	–	–	–	299,392
Equity-settled share-based payment arrangements	–	15,273	–	–	15,273
As at 31 December 2023	<u>1,710,450</u>	<u>63,472</u>	<u>4,505</u>	<u>(657,673)</u>	<u>1,120,754</u>

Year ended 31 December 2024:

	Capital reserve RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024	1,710,450	63,472	4,505	(657,673)	1,120,754
Loss for the year	–	–	–	(91,902)	(91,902)
Other comprehensive loss for the year:					
Changes in fair value of equity investments at fair value through other comprehensive loss, net of tax	–	–	(16,905)	–	(16,905)
Total comprehensive loss for the year	–	–	(16,905)	(91,902)	(108,807)
Conversion into a joint stock limited liability company	(670,158)	(71,154)	7,000	734,312	–
Equity-settled share-based payment arrangements	–	18,542	–	–	18,542
As at 31 December 2024	<u>1,040,292</u>	<u>10,860</u>	<u>(5,400)</u>	<u>(15,263)</u>	<u>1,030,489</u>

Year ended 31 December 2025:

	Capital reserve RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2025	1,040,292	10,860	(5,400)	(15,263)	1,030,489
Loss for the period	–	–	–	(73,191)	(73,191)
Other comprehensive loss for the year:					
Changes in fair value of equity investments at fair value through other comprehensive loss, net of tax	–	–	(2,400)	–	(2,400)
Total comprehensive loss for the year	–	–	(2,400)	(73,191)	(75,591)
Equity-settled share-based payment arrangements	–	16,889	–	–	16,889
As at 31 December 2025	<u>1,040,292</u>	<u>27,749</u>	<u>(7,800)</u>	<u>(88,454)</u>	<u>971,787</u>

32. INCENTIVE SCHEMES

The Company operates two incentive schemes effective on 8 March 2017 (the “**2017 Incentive Scheme**”) and 29 April 2020 (the “**2020 Incentive Scheme**”, together with the 2017 Incentive Scheme, the “**Incentive Schemes**”), respectively, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Incentive Schemes include the employees, directors, supervisors and consultants of the Company and of the subsidiaries of the Company (the “**Grantees**”). The Incentive Schemes, unless otherwise cancelled or amended, will remain in force for 10 years from the date when they became effective.

In order to implement the Incentive Schemes, Beijing Simaju Technology Center (Limited Partnership) (“**Beijing Simaju**”) was established by the controlling shareholder of the Company and designated as incentive platform to hold the shares of the Company. The Group has no control over the share incentive platform.

The awards (the “**Awards**”) to be granted under the Incentive Schemes shall be in the form of options to acquire units of the partnership interest in Beijing Simaju (the “**Incentive Units**”). The maximum aggregate number of Incentive Units which may be issued to the Grantees under the Incentive Schemes is 20,000,000 Incentive Units (proportionally adjusted to reflect any share dividends, share splits, or similar transactions). The Incentive Schemes are approved by the board of directors and its administration and further updates (if applicable) were permanently and irrevocably authorised to Mr. Wu Gansha, one of the Company’s co-founders, which has the authority, in its discretion, to select the Grantees to whom the Awards may be granted from time to time hereunder, to determine whether and to what extent the Awards are granted hereunder, and to determine the number of the Incentive Units, the vesting prices, the services period or the amount of other consideration to be covered by each of the Awards granted hereunder.

All of the options granted to the Grantees shall be subject to services conditions that the Grantees are subject to a minimum four or five years vesting schedule calling for vesting no faster than the following, counting from the applicable grant date with respect to the total issued share options: 12% or 20% of the shares subject to the share option shall vest at the end of the first 12 months from the grant date, with remaining portions vesting in 22% or 20% annually installments over the next 48 months; or 34% of the shares subject to the share option shall vest at the end of the first 24 months from the grant date, with remaining portions vesting in 22% annually installments over the next 36 months (the “**Original Vesting Period**”).

In addition to the services condition, certain options granted to some newly hired employees under the 2020 Incentive Scheme shall be subject to performance conditions that the number of options to be vested are adjusted according to the evaluation of the performance of the Grantees.

On 31 August 2024, Mr. Wu Gansha approved to make the following amendments to the Incentive Schemes, (i) the exercise price unit for the Incentive Schemes was lowered according to different categories of the Grantees; and (ii) the services period was updated to the later of the end of the Original Vesting Period and the estimated initial public offering date of the Company (the “**IPO Condition**”). The IPO Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognised stock exchange. The modifications of the incentive schemes in August 2024 resulted in an incremental fair value of RMB79.6 million, which is amortised between the modification date to the later of the vesting period or the expected qualified Initial Public Offering date for each batch of the grants.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these options. The Group accounts for the Incentive Schemes as equity-settled schemes.

Options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The exercise of any outstanding options will only result in the transfer of partnership interests in Beijing Simaju, and will not result in the issue of new shares by the Company or the transfer of the existing Shares of the Company held by Beijing Simaju to the relevant Grantees.

The following share options were outstanding under the Incentive Schemes during the Relevant Periods:

	Weighted average exercise price per option RMB	Number of options '000
At 1 January 2023	5.13	12,511
Granted during the year	17.83	1,968
Forfeited during the year	–	–
Exercised during the year	–	–
At 31 December 2023 and 1 January 2024	6.85	14,479
Granted during the year	21.70	2,344
Forfeited during the year	15.99	(385)
Exercised during the year	–	–
At 31 December 2024 and 1 January 2025	1.84	16,438
Granted during the year	3.37	1,514
Forfeited during the year	4.19	(1,770)
Exercised during the year	–	–
At 31 December 2025	1.73	16,182

At the end of each of the Relevant Periods, the number of options exercisable was 1,870,000, 1,870,000 and 2,513,968, respectively. No options were exercised during the Relevant Periods.

The exercise prices and exercise periods of the options outstanding as at the end of each of the Relevant Periods are as follows:

Grant date	Exercise price per Incentive Unit* RMB	Number of options outstanding 31 December		
		2023 '000	2024 '000	2025 '000
31 March 2017	0.01~5.4527	5,320	5,320	5,320
31 December 2017	0.01~5.4527	1,855	1,855	1,815
31 December 2018	0.01~6.0299	1,224	1,224	1,089
31 December 2019	11.76	175	159	129
31 December 2020	11.76	1,280	1,267	1,148
31 December 2021	0.01~17.04	1,146	1,110	949
31 December 2022	0.01~17.04	1,511	1,467	1,198
31 December 2023	0.01~22.62	1,968	1,916	1,747
31 August 2024	10.44~22.62	–	2,120	1,652
30 June 2025	2.26~6.79	–	–	328
31 December 2025	2.26~4.52	–	–	807
		14,479	16,438	16,182

* The exercise price of the options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The exercise period of the options is from the later of the end of the vesting period and the estimated initial public offering date of the Company and within 10 years from the date when the Incentive Schemes became effective. The weighted average remaining contractual life of the outstanding share options was 4.15 years, 3.67 years and 3.89 years as at the end of each of the Relevant Periods.

The fair value of the options granted during the Relevant Periods was RMB43,347,000 (RMB23.28 each), RMB71,889,000 (RMB30.93 each), and RMB51,235,000 (RMB34.22 each). During the Relevant Periods, the Group recognised option expenses of RMB32,566,000, RMB41,707,000 and RMB49,945,000 respectively.

The Group has used the market approach to determine the underlying equity fair value of the Group and the fair value of ordinary shares. Based on the fair value of the underlying ordinary shares, the fair value of share options 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 to estimate the fair value of options granted during the Relevant Periods:

	2023	31 December 2024	2025
Risk-free interest rate (%)	2.56	2.17	1.65-1.85
Expected life of share option (year)	10	10	10
Expected volatility (%)	50.96-52.03	52.20	96.93-107.24
Exercise multiple	2.2-2.8	2.2-2.8	2.2-2.8
Expected forfeiture rate (%)	5-10	5-10	5-10

The expected life of options is based on the contract terms. The expected volatility is determined by using the average of historical volatilities of the share prices of the comparable companies, which may also not necessarily be the actual outcome. The risk-free interest rate is based on the yield of the Chinese mainland 10-year treasury bills. No other feature of the options granted was incorporated into the measurement of fair value.

33. LOSS OF CONTROL OF AN ENTITY

On 20 August 2019, the Company signed a series of contractual arrangements (collectively, the “Contractual Arrangements” including power of attorney, loan agreements, equity option agreements, equity interest pledge agreements and exclusive technical consulting and services agreements) with Yuxing Technology (Zhejiang) Co., Ltd. (“**Yuxing Zhejiang**”) and its then registered shareholders, being Mr. Wu Gansha who is a director of the Company, and Mr. Zhou Xin who was a then employee of the Company and was appointed as an executive director of the Company on 31 October 2024.

Pursuant to the Contractual Arrangements, the Company obtained control of Yuxing Zhejiang by way of controlling the voting rights, governing the financial and operating policies, appointing or removing the majority of members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, the Contractual Arrangements also transferred the risks and rewards of Yuxing Zhejiang to the Company. As a result, Yuxing Zhejiang is treated as a subsidiary of the Company and the financial statements have been consolidated by the Company.

On 31 December 2024, the Contractual Arrangements were terminated. As a result, Yuxing Zhejiang ceased to be a subsidiary of the Company with nil consideration. The difference of RMB5,226,000 between the net deficiencies of Yuxing Zhejiang disconsolidated and the consideration was recorded in capital reserve.

34. CHANGES IN THE OWNERSHIP INTERESTS IN ONE SUBSIDIARY

In April 2025, the shareholders of the Company’s non-wholly-owned subsidiary, UISEE Tianxia (Chongqing) Automobile Technology Co., Ltd. (“**UISEE Chongqing**”), approved a resolution to revise the articles of association and increase the registered capital of UISEE Chongqing from RMB50,000,000 to RMB215,000,000 in which the Company and the non-controlling shareholder subscribed RMB200,000,000 and RMB15,000,000, respectively, pursuant to which the increase in registered capital of RMB165,000,000 was transferred from the capital reserve fully injected by the Company to UISEE Chongqing in 2025. The subscribed registered capital by the non-controlling shareholder of UISEE Chongqing had not been received as of 31 December 2025. Accordingly, the Group recognised changes in non-controlling interests during the year ended 31 December 2025.

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,655,000, RMB2,393,000 and RMB1,442,000, respectively.

(b) Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Interest-bearing bank loans and interest payable included in other payables and accruals RMB'000	Total RMB'000
At 1 January 2023	27,705	33,526	61,231
Changes from financing cash flows	(5,970)	32,742	26,772
New leases	2,655	–	2,655
Interest expense	1,209	1,771	2,980
Discretionary rent concessions from lessors	(46)	–	(46)
Exchange realignment	15	–	15
	<u>25,568</u>	<u>68,039</u>	<u>93,607</u>
At 31 December 2023 and 1 January 2024	25,568	68,039	93,607
Changes from financing cash flows	(6,816)	(1,684)	(8,500)
New leases	2,393	–	2,393
Interest expense	1,070	2,006	3,076
Discretionary rent concessions from lessors	(12)	–	(12)
Exchange realignment	51	–	51
	<u>22,254</u>	<u>68,361</u>	<u>90,615</u>
At 31 December 2024 and 1 January 2025	22,254	68,361	90,615
Changes from financing cash flows	(6,742)	53,546	46,804
New leases	1,442	–	1,442
Lease modification	(904)	–	(904)
Interest expense	865	2,293	3,158
Exchange realignment	(49)	–	(49)
	<u>16,866</u>	<u>124,200</u>	<u>141,066</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within operating activities	208	1,450	1,928
Within financing activities	5,970	6,816	6,742
	<u>6,178</u>	<u>8,266</u>	<u>8,670</u>
Total	<u>6,178</u>	<u>8,266</u>	<u>8,670</u>

36. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed in note 33 in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The joint venture			
Provision of autonomous driving vehicle solutions	8,923	11,035	7,262
A company controlled by the chief executive of the Company			
Research and development services	–	–	6,246

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

- (b) **Outstanding balances with related parties**

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade in nature:			
The joint venture			
Trade receivables	12,272	23,294	9,459
Contract assets	1,008	435	892
Non-trade in nature:			
Entities controlled by the chief executive of the Company			
Prepayments, other receivables and other assets	34	2,130	12

The balances with the joint venture are trade in nature. The balances with entities controlled by the chief executive of the Company are non-trade in nature. Management estimated the balances will be settled prior to the Listing. These balances are in unsecured and non-interest-bearing.

- (c) **Compensation of key management personnel of the Group**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	2,053	2,197	2,183
Discretionary performance related bonuses	467	274	627
Pension scheme contributions	193	158	214
Equity-settled share-based payment expense	3,077	4,047	5,947
Total	5,790	6,676	8,971

Further details of directors' and supervisors' emoluments are included in note 8 to the Historical Financial Information.

Redemption rights of the pre-IPO investors granted by the co-founders

Prior to and during the Relevant Periods, certain pre-IPO investors had been granted the redemption rights by co-founders. The Company is not a party to the co-founders' redemption rights, and has not provided any form of guarantee in connection with any potential default or failure by co-founders to fulfill their obligations relating to the redemption rights granted by co-founders. Accordingly, no financial liability regarding the redemption rights granted by co-founders was recorded by the Company during the Relevant Periods.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group at the end of each of the Relevant Periods were as follows:

Financial assets**As at 31 December 2023**

	Financial assets at fair value through other comprehensive income — equity investments RMB'000	Financial assets at fair value through profit or loss — mandatorily designated as such RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	55,300	–	–	55,300
Financial assets at fair value through profit or loss	–	81,968	–	81,968
Trade and bills receivables	–	–	140,222	140,222
Financial assets included in prepayments, other receivables and other assets	–	–	2,339	2,339
Restricted cash	–	–	356	356
Cash and cash equivalents	–	–	412,968	412,968
	<u>55,300</u>	<u>81,968</u>	<u>555,885</u>	<u>693,153</u>

As at 31 December 2024

	Financial assets at fair value through other comprehensive income — equity investments RMB'000	Financial assets at fair value through profit or loss — mandatorily designated as such RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	37,600	–	–	37,600
Financial assets at fair value through profit or loss	–	27,124	–	27,124
Trade and bills receivables	–	–	243,319	243,319
Financial assets included in prepayments, other receivables and other assets	–	–	4,405	4,405
Restricted cash	–	–	458	458
Cash and cash equivalents	–	–	221,733	221,733
	<u>37,600</u>	<u>27,124</u>	<u>469,915</u>	<u>534,639</u>

As at 31 December 2025

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss — mandatorily designated as such	Financial assets at amortised cost	Total
	Debt investments	Equity investments			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income	–	35,200	–	–	35,200
Financial assets at fair value through profit or loss	–	–	1,710	–	1,710
Trade and bills receivables	962	–	–	314,553	315,515
Financial assets included in prepayments, other receivables and other assets	–	–	–	4,281	4,281
Restricted cash	–	–	–	1,212	1,212
Cash and cash equivalents	–	–	–	113,349	113,349
	<u>962</u>	<u>35,200</u>	<u>1,710</u>	<u>433,395</u>	<u>471,267</u>

Financial liabilities

	Financial liabilities at amortised cost		
	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade and bills payables	46,179	54,334	116,654
Financial liabilities included in other payables and accruals	11,692	5,919	7,769
Interest-bearing bank loans	68,039	68,361	124,200
	<u>125,910</u>	<u>128,614</u>	<u>248,623</u>

For the details of Pre-IPO Investments, please refer to note 30 to this report.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Financial assets

	Carrying amounts			Fair values		
	31 December			31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income	55,300	37,600	35,200	55,300	37,600	35,200
Financial assets at fair value through profit or loss	81,968	27,124	1,710	81,968	27,124	1,710
Bills receivable measured at fair value through other comprehensive income	–	–	962	–	–	962
Financial assets included in prepayments, other receivables and other assets	1,479	1,835	1,170	1,314	1,690	1,068
	<u>138,747</u>	<u>66,559</u>	<u>39,042</u>	<u>138,582</u>	<u>66,414</u>	<u>38,940</u>

Financial liabilities

	Carrying amounts			Fair values		
	31 December			31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank loans						
— non current	—	9,900	—	—	9,886	—

Management has assessed that the fair values of trade and bills receivables, financial assets included in prepayments, other receivables and other assets, cash and cash equivalents, restricted cash, time deposits, trade and bills payables, financial liabilities included in other liabilities and accruals, and current portion of interest-bearing bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's senior management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the senior management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial liabilities included in other payables and accruals, and interest-bearing bank loans have been calculated by discounting the expected future cash flows using current market rates of instruments with similar terms and risk. The charges in fair value as a result of the Group's own non-performance risk for bills receivable was assessed to be insignificant.

The fair values of wealth management products issued by commercial banks operating in Chinese mainland included in financial assets at fair value through profit or loss have been estimated using the quotations provided by the relevant commercial banks.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry and listing status, and to calculate an appropriate price multiple, such as price to sales ("P/S") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and are the most appropriate values.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at the end of each of the Relevant Periods.

	Valuation technique	Significant unobservable input	Value	Sensitivity of fair value to the input
Equity investments designated at fair value through other comprehensive income — unlisted equity investment	Market approach	Discounts for lack of marketability (“DLOM”)	31 December 2023: 23.8%	5% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by RMB3,630,000
			31 December 2024: 22.4%	5% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by RMB2,400,000
			31 December 2025: 25.7%	5% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by RMB2,400,000
		Equity value (“EV”)/Sales	31 December 2023: 8.8	5% increase/(decrease) in discount would result in (decrease)/increase in fair value by RMB2,795,000
			31 December 2024: 9.3	5% increase/(decrease) in discount would result in (decrease)/increase in fair value by RMB2,100,000
			31 December 2025: 12.2	5% increase/(decrease) in discount would result in (decrease)/increase in fair value by RMB2,000,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial assets measured at fair value:

	Fair value measurement using			Total <i>RMB'000</i>
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable (Level 3) <i>RMB'000</i>	
As at 31 December 2023				
Equity investments designated at fair value through other comprehensive income	–	–	55,300	55,300
Financial assets at fair value through profit or loss	–	81,968	–	81,968
	<u>–</u>	<u>81,968</u>	<u>55,300</u>	<u>137,268</u>
As at 31 December 2024				
Equity investments designated at fair value through other comprehensive income	–	–	37,600	37,600
Financial assets at fair value through profit or loss	–	27,124	–	27,124
	<u>–</u>	<u>27,124</u>	<u>37,600</u>	<u>64,724</u>
As at 31 December 2025				
Equity investments designated at fair value through other comprehensive income	–	–	35,200	35,200
Financial assets at fair value through profit or loss	–	1,710	–	1,710
	<u>–</u>	<u>1,710</u>	<u>35,200</u>	<u>36,910</u>

The Group did not have any financial liabilities measured at fair value as at the end of each of the Relevant Periods.

The movements in fair value measurements in Level 3 during the Relevant Periods are as follows:

	Year ended December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Equity investments designated at fair value through other comprehensive income			
At 1 January	55,600	55,300	37,600
Fair value loss	<u>(300)</u>	<u>(17,700)</u>	<u>(2,400)</u>
At end of year	<u>55,300</u>	<u>37,600</u>	<u>35,200</u>

During the Relevant Periods, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Assets for which fair values are disclosed:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2023				
Financial assets included in prepayments, other receivables and other assets	—	1,314	—	1,314
As at 31 December 2024				
Financial assets included in prepayments, other receivables and other assets	—	1,690	—	1,690
As at 31 December 2025				
Financial assets included in prepayments, other receivables and other assets	—	1,068	—	1,068

Liabilities for which fair values are disclosed:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2024				
Interest-bearing bank loans — non-current portion	—	9,886	—	9,886

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, restricted cash and interest-bearing bank loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, financial assets included in prepayments, other receivables, and other assets, and financial liabilities included in other payables and accruals and lease liabilities, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	1,472	–	–	148,396	149,868
Contract assets*	–	–	–	7,009	7,009
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,339	–	–	–	2,339
Restricted cash					
– Not yet past due	356	–	–	–	356
Cash and cash equivalents					
– Not yet past due	412,968	–	–	–	412,968
	<u>417,135</u>	<u>–</u>	<u>–</u>	<u>155,405</u>	<u>572,540</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	3,580	–	–	254,500	258,080
Contract assets*	–	–	–	13,672	13,672
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,405	–	–	–	4,405
Restricted cash					
– Not yet past due	458	–	–	–	458
Cash and cash equivalents					
– Not yet past due	221,733	–	–	–	221,733
	<u>230,176</u>	<u>–</u>	<u>–</u>	<u>268,172</u>	<u>498,348</u>

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	4,141	–	–	342,469	346,610
Contract assets*	–	–	–	11,706	11,706
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,281	–	–	–	4,281
Restricted cash					
– Not yet past due	1,212	–	–	–	1,212
Cash and cash equivalents					
– Not yet past due	113,349	–	–	–	113,349
	<u>122,983</u>	<u>–</u>	<u>–</u>	<u>354,175</u>	<u>477,158</u>

* For trade receivables, contract assets and certain bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 20 and 21 to the Historical Financial Information, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in notes 20 and 21 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and geographical region. At the end of each of the Relevant Periods, the Group had certain concentrations of credit risks and the following table summarises the Group's largest debtor and top five debtors as the percentage of the balances of the Group's total trade and bills receivables net of loss allowance:

	31 December		
	2023	2024	2025
	%	%	%
Largest debtor	16	17	10
Top five debtors	66	51	45

Exchange rate risk

The Group mainly operates in Chinese mainland and overseas with most of the Group's monetary assets, liabilities and transactions principally denominated in RMB and HKD. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table demonstrates the sensitivity at the relevant dates to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of our loss before tax and our equity.

	Increase/ (decrease) in HKD/RMB rate %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
2023			
If the RMB weakens against the HKD	(5%)	(5,612)	(5,612)
If the RMB strengthens against the HKD	5%	5,612	5,612
2024			
If the RMB weakens against the HKD	(5%)	(3,358)	(3,358)
If the RMB strengthens against the HKD	5%	3,358	3,358
2025			
If the RMB weakens against the HKD	(5%)	(511)	(511)
If the RMB strengthens against the HKD	5%	511	511

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of lease liabilities and interest-bearing bank loans.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

As at 31 December 2023

	On demand or within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade and bills payables	46,179	–	–	46,179
Financial liabilities included in other payables and accruals	11,692	–	–	11,692
Lease liabilities	6,475	17,927	4,379	28,781
Interest-bearing bank loans	69,153	–	–	69,153
	<u>133,499</u>	<u>17,927</u>	<u>4,379</u>	<u>155,805</u>

As at 31 December 2024

	On demand or within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade and bills payables	54,334	–	–	54,334
Financial liabilities included in other payables and accruals	5,919	–	–	5,919
Lease liabilities	5,614	17,999	1,006	24,619
Interest-bearing bank loans	59,676	9,907	–	69,583
	<u>125,543</u>	<u>27,906</u>	<u>1,006</u>	<u>154,455</u>

As at 31 December 2025

	On demand or within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade and bills payables	116,654	–	–	116,654
Financial liabilities included in other payables and accruals	7,769	–	–	7,769
Lease liabilities	6,057	11,536	529	18,122
Interest-bearing bank loans	126,185	–	–	126,185
	<u>256,665</u>	<u>11,536</u>	<u>529</u>	<u>268,730</u>

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using the debt/asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Total liabilities	214,833	217,493	362,186
Total assets	846,494	667,782	629,789
Debt/asset ratio	0.25	0.33	0.58

40. EVENTS AFTER THE RELEVANT PERIODS

The Group has no significant events subsequent to the end of the Relevant Periods.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
--------------------	--

The following information does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to the prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent has been prepared in accordance with rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purpose only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the parent had the Global Offering been completed as at 31 December 2025 or any future date. It is prepared based on the consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 as set out in the Accountants' Report as set out in Appendix I to the prospectus, and adjusted as described below.

	Consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Global Offering <i>RMB'000</i> <i>(Notes 2, 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share <i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on an Offer Price of HK\$60.30 per Share	255,345	716,784	972,129	5.98	6.83

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
--------------------	--

Notes:

- (1) The consolidated net tangible assets attributable to owners of the parent as at 31 December 2025 is extracted from the Accountants' Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets attributable to owners of the parent of RMB269,923,000 after deducting the intangible assets of RMB14,578,000 as at 31 December 2025.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$60.30 per Share, after deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and does not take into account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option.
- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 162,485,020 Shares in issue and outstanding immediately upon the completion of the Global Offering, assuming that the Global Offering has been completed on 31 December 2025 for the purpose of the pro forma financial information, and does not take into account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option or any Shares which may be issued or repurchased by the Company.
- (4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi ("RMB") at an exchange rate of HK\$1.00 to RMB0.87581 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is converted from RMB to Hong Kong dollars at the same exchange rate. 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.
- (5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report set out on page II-3 to page II-5 received from our independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this document, in respect of the unaudited pro forma financial information.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of UISEE Technologies (Beijing) Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of UISEE Technologies (Beijing) Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2025 and related notes as set out on pages II-1 to II-2 of the prospectus dated 12 May 2026 (the "Prospectus") issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
12 May 2026

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 are resident or other tax provisions. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as at the Latest Practicable Date, all of which are subject to change and may have retrospective effect.

This discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC taxation

Taxation on dividends

Individual investors

According to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (hereinafter referred to as the “**Individual Income Tax Law**”) that was promulgated on 10 September 1980 and amended on 31 August 2018 by the Standing Committee of the 13th NPC, and came into effect on 1 January 2019, and the Regulations for the Implementation of the Individual Income Tax Law (中華人民共和國個人所得稅法實施條例), that were amended by the State Council on 18 December 2018 and came into effect on 1 January 2019, dividends paid by Chinese companies to individual investors are generally subject to a withholding tax at a flat rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (財政部、國家稅務總局、證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知) issued by the MOF, the SAT and CSRC on 7 September 2015, where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempt from individual income tax; if the individual holds the stocks for one month or less, the income from dividends is fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable; The aforesaid income is subject to an individual income tax at a flat rate of 20%. In fact, the withholding tax rate for dividends of non-resident individuals may be lower than 20% under certain circumstances. However, according to the Circular of the MOF and the SAT on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知), the income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise is exempt from individual income tax for the time being. On 3 February 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知). On 8 February 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院辦公廳關於深化收入分配制度改革重點工作分工的通知). According to these two documents, the PRC government is planning to cancel foreign individuals’ tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State Administration of Taxation should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. According to the Notice of the SAT on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 45) (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知) issued by the SAT on 28 June 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, normally withhold individual income tax at the rate of 10%. For the individual holders of H Shares

receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income issued by the State Administration of Taxation (《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) effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

Corporate investors

According to the EIT Law that was amended and came into effect on 29 December 2018, and the Regulations for the Implementation of the EIT Law (中華人民共和國企業所得稅法實施條例) that were amended and came into effect on 23 April 2019, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so, but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including dividends received from a Chinese resident enterprise whose shares are issued and listed in Hong Kong) and the enterprise income rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. The withholding tax may be reduced or eliminated under an applicable treaty for the avoidance of double taxation.

The Notice of the Issues Concerning Withholding EIT on the Dividends Distributed by Chinese Resident Enterprises to Overseas H-share Non-Chinese Resident Enterprise Shareholders (國家稅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) that was promulgated by the SAT and came into effect on 6 November 2008, further clarifies that with regard to dividends distributed from profits generated after 1 January 2008, Chinese resident enterprises must withhold and pay enterprise income tax at a tax rate of 10% on dividends distributed to H-share non-Chinese resident enterprise shareholders. The Reply of the Imposition of Enterprise Income Tax on B-share and Other Dividends of Non-resident Enterprises (關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆) that was promulgated by the SAT on 24 July 2009, further provides that any Chinese resident enterprise listed on any overseas stock exchange must withhold enterprise income tax at a rate of 10% on dividends distributed to non-Chinese resident enterprise shareholders. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a Hong Kong resident (including natural person

and legal entity), but such tax shall not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income issued by the SAT (《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) effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. The application of the dividend clause of tax agreements shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知).

Tax treaties

Non-Chinese resident investors residing in countries that have entered into treaties for the avoidance of double taxation with China or residing in Hong Kong or Macau Special Administrative Region are entitled to preferential tax rates on dividends received by such investors from the Chinese companies. China has entered into arrangements for the avoidance of double taxation with Hong Kong and Macau Special Administrative Region, respectively, and has entered into treaties for the avoidance of double taxation with certain other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. A non-Chinese resident enterprise entitled to a preferential tax rate under a relevant income tax treaty or arrangement may apply to China tax authorities for a refund of the difference between the amount of tax withheld and the amount of tax calculated according to the treaty rate.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (非居民納稅人享受協定待遇管理辦法), which was promulgated by the SAT on 14 October 2019 and became effective on 1 January 2020, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

Taxes on income from transfer of equity

VAT and local surcharges

Pursuant to the Circular on Comprehensively Promoting the Pilot Programme of the Collection of VAT in Lieu of Business Tax (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知) (the “**Circular 36**”), promulgated by the MOF and the SAT on 23 March 2016 and as amended on 11 July 2017, 25 December 2017 and 20 March 2019 respectively, the entities and individuals that sell services, intangible assets or immovable properties within the territory of the PRC are value-added tax payers, and shall pay value-added tax instead of business tax. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to value-added tax at 6% on the taxable income.

Meanwhile, the taxpayers of value-added tax are also subject to urban maintenance and construction tax, education surcharge and local education surcharge.

Income tax

Individual investors

According to the Individual Income Tax Law and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of equity in Chinese resident enterprises. In accordance with the Circular of the Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares (財政部及國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) (hereinafter referred to as “**No. 61 Circular**”) that was promulgated by the MOF and the SAT on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares of listed companies remain exempt from individual income tax. According to the Announcement of the MOF and the SAT about the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告) promulgated by the MOF and the SAT on 29 December 2018, the No. 61 Circular will remain effective.

According to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on 31 December 2009, individuals’ income from transferring at Shanghai Stock Exchange or Shenzhen Stock Exchange the shares of a listed company acquired from the public offerings of the company or from the transfer market shall continuously be exempt from the individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知) jointly issued by the three aforementioned authorities on 10 November 2010.

As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-resident individuals on the sale of shares of PRC-resident enterprises listed on overseas stock exchanges (for example, the Stock Exchange).

Corporate investors

According to the EIT Law and its implementation regulations, where a non-Chinese resident enterprise has not set up any institutions or establishments in China, or it has done so but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including gains from the disposal of shares of Chinese resident enterprises) and the enterprise income rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

Tax policies for Shanghai — Hong Kong Stock Connect

On 31 October 2014, the MOF, the SAT and the CSRC jointly promulgated the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (hereinafter referred to as “**Shanghai — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shanghai — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income and enterprise income tax is levied on such income in accordance with the law. The income from dividends and bonus obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income. The enterprise income tax is levied on such income in accordance with the law. Among them, enterprise income tax will be exempt according to law for income from dividends and bonus obtained by resident enterprises of the Mainland of China that hold H-shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by corporate investors of the Mainland of China. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonus obtained by individual investors of the Mainland of China investing in H-shares listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect, the H-share companies shall apply to China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (Hereinafter referred to as “CSDCC”) for provision by the CSDCC to the H-share companies the register of individual investors of the Mainland of China. The H-share companies shall withhold individual income tax at a rate of 20%.

Tax policies for Shenzhen — Hong Kong Stock Connect

On 5 November 2016, the MOF, the SAT and the CSRC jointly issued the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (hereinafter referred to as “**Shenzhen — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shenzhen — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income. The EIT is levied on such income in accordance with the law. The income from dividends and bonus obtained by corporate investors of the Mainland of China investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income. The EIT is levied on such income in accordance with the law. EIT is exempt according to law for income from dividends and bonus obtained by resident enterprises of the Mainland of China that hold H-shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by corporate investors of the Mainland of China. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonus obtained by individual investors of the Mainland of China investing in the PRC listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect, the H-share companies shall apply to the CSDCC for provision by the CSDCC to the H-share companies the register of individual investors of the Mainland of China, and the H-share companies shall withhold individual income tax at a rate of 20%.

Chinese stamp duty

In accordance with the Stamp Tax Law of the PRC (中華人民共和國印花稅法) that was promulgated on 10 June 2021 and came into effect on 1 July 2022. The entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law. Where entities or individuals, outside the territory of the PRC, conclude taxable certificates that are used within the territory of the PRC, they shall pay stamp tax in accordance with the provisions of this law.

Estate duty

As at the date of this document, China currently has not imposed any estate tax.

PRINCIPAL TAXATION OF OUR GROUP IN THE PRC

Enterprise income tax

According to the EIT Law, the EIT rate in China is 25% and is in line with the rate applicable to foreign-invested enterprises and foreign enterprises.

According to the Announcement of the MOF and the SAT on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Proprietors with Tax Policies (財政部、國家稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告) that was promulgated on 2 August 2023 and implemented on 1 January 2023, for small and micro-profit enterprises, the taxable income will be calculated at the reduced rate of 25% and the EIT shall be paid at the tax rate of 20%, and the policy will continue to be implemented until 31 December 2027.

According to the Administrative Measures for Recognition of High and New-Technology Enterprises (高新技術企業認定管理辦法) that was promulgated by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部), the MOF and the SAT on 14 April 2008, amended on 29 January 2016 and came into effect on 1 January 2016, high- and new-tech enterprises can apply for a preferential enterprise income tax rate of 15% in accordance with the EIT Law.

Value-added tax

Pursuant to the Provisional Regulations on VAT of the PRC (中華人民共和國增值稅暫行條例) that were amended and came into effect on 19 November 2017, all organisations and individuals engaged in sales of goods, provision of processing, repairs and replacement services, or import of goods within the territory of China are subject to VAT. For taxpayers selling or importing goods, except as otherwise provided in the above regulations, the general tax rate is 17%.

Pursuant to the Circular 36 that promulgated by the MOF and the SAT on 23 March 2016 and came into effect on 1 May 2016, upon approval of the State Council, the pilot programme of replacing business tax with VAT will be promoted nationwide from 1 May 2016. All business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry are included in the scope of the pilot programme. The payment of business tax will be replaced by the payment of VAT. Pursuant to the Measures for the Implementation of the Pilot Programme of Replacing Business Tax with VAT (營業稅改徵增值稅試點實施辦法) that was issued and came into effect at the same time with the aforementioned notice, the tax rates applied to taxpayers for selling services, intangible assets or real estates shall be 17%, 11%, 6% and zero, respectively.

Pursuant to the Notice on Adjusting VAT Rates (關於調整增值稅稅率的通知) that was promulgated by the MOF and the SAT on 4 April 2018 and came into effect on 1 May 2018, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 17% and 11% are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the VAT Reform (關於深化增值稅改革有關政策的公告) that was promulgated by the MOF, the SAT and General Administration of Customs of the PRC (中華人民共和國海關總署) on 20 March 2019 and came into effect on 1 April 2019, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 16% and 10% are adjusted to 13% and 9%, respectively.

According to the Announcement on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (關於增值稅小規模納稅人減免增值稅政策的公告) promulgated and implemented by the MOF and the SAT on 1 August 2023, small-scale VAT taxpayers with monthly sales less than RMB100,000 (inclusive) are exempt from VAT, and the announcement will be implemented until 31 December 2027.

FOREIGN EXCHANGE REGULATIONS IN THE PRC

The principal regulations governing foreign currency exchange in the PRC is Forex Regulations which was promulgated by the State Council on 29 January 1996, became effective on 1 April 1996 and was subsequently amended on 14 January 1997 and 5 August 2008 and the Regulations on 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 20 June 1996 and became effective on 1 July 1996. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the SAFE or its local counterparts is obtained.

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 financial institutions that carries business of foreign exchange settlement and sale by presenting valid documentation. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' general meetings on the distribution of profits, effect payment from foreign exchange accounts or with the purchased foreign exchange at designated foreign exchange banks.

On 26 December 2014, the SAFE issued the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in 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), pursuant to which a domestic company shall, within 15 working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials. Funds raised by a domestic company through overseas listing may be transferred back or deposited overseas, and the use of such funds shall be consistent with those contents mentioned in publicly disclosed documents such as the document.

On 13 February 2015, the SAFE issued the Notice of on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知), which came into effect on 1 June 2015 and was partially repealed on 30 December 2019. The notice has cancelled the approval of foreign exchange registration under domestic direct investment and the approval of foreign exchange registration under overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its local offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (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) issued by the SAFE on 9 June 2016, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to balance of payments.

THE PRC LEGAL SYSTEM

The PRC legal system is composed of the constitution, laws, administrative regulations, local regulations, separate rules, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomy regulations, separate rules of autonomous regions and international treaties of which the PRC government is a signatory. Court judgements do not constitute binding precedents, although they may be used for the purpose of judicial reference and guidance.

Pursuant to The PRC Constitution (中華人民共和國憲法) (hereinafter referred to as “**Constitution**”, which was promulgated on 4 December 1982 and last amended and came into effect on 11 March 2018) and the Legislation Law of the PRC (中華人民共和國立法法, which was adopted on 1 July 2000 and amended on 15 March 2023) (hereinafter referred to as “**Legislation Law**”), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws of criminal and civil matters, State institutions and others. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during its adjournment, provided that such supplements and amendments shall not be in conflict with the principles of such laws.

The State Council is the highest administrative organ of the State, and enacts administrative regulations under the Constitution and laws.

People’s congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and requirements of the local administrations, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

The ministries, commissions, the PBOC, National Audit Office of the PRC (中華人民共和國審計署) and the State Committee of Supervisory of the PRC (中華人民共和國國家監察委員會) with administrative functions may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council. In order to implement the laws, administrative regulations and decisions and rulings of the State Council, provisions of rules and regulations within the jurisdiction are formulated.

People’s congresses of cities with districts and their standing committees may enact local regulations based on the specific circumstances and actual needs which shall come into effect upon approval from the respective standing committees of the people’s congresses of the provinces and autonomous regions, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

People’s congresses of autonomous regions may enact autonomy regulations and separate rules in the light of the political, economic and cultural characteristics of the local nationalities, which shall come into effect upon approval by the SCNPC. Adaptations of provisions of laws and administrative regulations may be introduced to the autonomy regulations and separate rules so long as they do not contravene the basic principles of the laws or administrative regulations, and no adaptations shall be made to the specific provisions on national autonomous areas in the constitutions, national region autonomy law and other relevant laws and administrative regulations.

People’s governments of provinces, autonomous regions and municipalities directly under the central government and larger cities may formulate rules according to laws, administrative regulations and relevant local regulations.

The Constitution, enacted by the NPC, is basis of the PRC legal system and has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The hierarchy of laws is higher than that of administrative regulations, local regulations, and rules. The hierarchy of administrative regulations is higher than that of local regulations and

rules. The hierarchy of local regulations is higher than that of the rules of the local governments at or below the corresponding level. The hierarchy of the rules enacted by the people's governments of the provinces or autonomous regions is higher than that of the rules enacted by the people's governments of cities and autonomous prefectures with districts within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation which has been approved by the standing committees of the NPC of the relevant provinces, autonomous regions or municipalities directly under the central government but contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congress of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at the lower level.

According to the Constitution, the authority of the interpretation of laws shall be vested to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (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 10 June 1981, interpretation on the application of laws and decrees in court trials and the procuratorial work of the procuratorates shall be given by the Supreme People's Court and the Supreme People's Procuratorate of the PRC (中華人民共和國最高人民檢察院), respectively. Interpretation of the laws and decrees unrelated to trials and procuratorial work shall be given by the State Council and the competent ministries and commissions.

In the case that clarification or additional provisions shall be made for the local regulations, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the central government which enacted such regulations shall give the interpretation or formulate the additional provisions. Interpretation on the application of local regulations shall be given by the competent departments under the people's government of the respective provinces, autonomous regions and municipalities directly under the central government.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of the PRC of Organisation of the People's Courts (中華人民共和國人民法院組織法) which was enacted on 5 July 1979, implemented on 1 January 1980 and last amended on 26 October 2018 and took effect on 1 January 2019, the judicial system in PRC is made up of the Supreme People's Court, the local people's courts, military courts and other special people's courts.

The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may be organised into civil, criminal, and economic tribunals. The intermediate people's courts may be organised into divisions similar to those of the basic people's courts, and may be further organised into other special divisions. The people's courts at lower levels are subject to the supervision of the people's courts at higher levels. The Supreme People's Court is the highest judicial organ of the PRC and it has the power to supervise the administration of justice by the local people's courts at all levels and all special people's courts. The people's procuratorates also have the right to exercise legal supervision over the trial activities of people's courts at same or lower levels.

The people's courts adopt a "second instance as final" appellate system in the trial of the cases. A party to the case concerned may appeal against the judgement and ruling of the first instance by the local people's courts to the people's courts at the next higher level in accordance with the legal procedures. The people's procuratorates may appeal to the people's court at the next higher level in accordance with the legal procedures. In the absence of any

appeal by any parties to the case concerned or any appeal by the people's procuratorates within the stipulated period, the judgement and ruling of the first instance by the local people's courts shall be final and legally binding. Judgements and rulings of the second instance of the intermediate people's courts, the higher people's courts and Supreme People's Court and the judgements and rulings of the first instance of the Supreme People's Court shall be the final judgements and rulings. If, however, the Supreme People's Court finds some definite errors in a legally effective judgement, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgement, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgement, ruling or conciliation statement, and considers that a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision. For death penalties, except those judged by the Supreme People's Court, requests shall be submitted to the Supreme People's Court for approval.

The Civil Procedure Law of the PRC (中華人民共和國民事訴訟法) (hereinafter referred to as "**Civil Procedure Law**"), which was enacted on 9 April 1991 and last amended on 1 September 2023 and became effective on 1 January 2024, sets forth the criteria for instituting a civil case, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by the people's court located in the defendant's place of domicile. The parties to a contract may, by an express agreement, select a competent court where civil actions may be brought, provided that the competent court has jurisdiction over the plaintiff's or the defendant's place of residence, the place of execution of the contract or the place of performance of the contract, or the object of the action or locations which have substantial connections with the dispute. However, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a stateless person, a foreign enterprise or a foreign organisation is given the equal litigation rights and obligations as a citizen, a legal person or other organisations in the PRC when initiating actions or defending against litigations at a PRC court. Should foreign courts impose restrictions on the litigation rights of the citizens, legal persons or other organisations in the PRC, the PRC courts shall impose reciprocal restrictions on the litigation rights of citizens, enterprises and organisations in that country. A foreign individual, a stateless person, a foreign enterprise or a foreign organisation 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 a PRC 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. All parties to a civil action shall perform the legally effective judgements 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.

A party seeking to enforce a judgement or order of a people's court against a party who is not located within the PRC and does not own any property in the PRC, may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgement or order. In the case of an application or request for recognition and enforcement of a legally effective judgement or order of a foreign court, the people's court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or with the principle of reciprocity and having arrived at the conclusion that it does not contravene the primary principles of the laws of the PRC nor violates its sovereignty, security or social and public interests, recognise the validity of the judgement or order, and, if required, issue a writ of enforcement and enforce it in accordance with the relevant regulations. If the application or request contravenes the primary principles of the laws of the PRC or violates its sovereignty, security or social and public interests, the people's court shall not recognise and enforce it.

THE PRC COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES ON THE ARTICLES OF ASSOCIATION

The PRC Company Law which was promulgated on 29 December 1993 by the SCNPC, last amended on 29 December 2023 and came into effect on 1 July 2024 regulates the organisation and operation of companies and protects the legitimate rights and interests of companies, shareholders and creditors. The amendment to the PRC Company Law in 2013 has cancelled the restriction on the minimum registered capital and replaced the registered paid-up share capital system by the registered subscribed capital system.

The Trial Administrative Measures for Overseas Securities Offering 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 “**Overseas Listing Trial Measures**”) promulgated by the CSRC on 17 February 2023 with effect from 31 March 2023 are applicable to the overseas securities offering and listing by the PRC domestic companies.

The Guidelines on the Articles of Association for Listed Companies (the “**Articles Guidelines**”) last amended by the CSRC on 15 December 2023 with effect from the same date provide guidance for the company’s articles of association. Accordingly, the contents as provided in the Articles Guidelines have been included in the Articles of Association of our Company, a summary of which is set out in Appendix V to this document.

Set out below is a summary of the principal provisions of the Company Law, the Overseas Listing Trial Measures and the Articles Guidelines applicable to our Company.

General

A joint-stock limited liability company (hereinafter referred to as “**company**”) refers to a corporate legal person established in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

Incorporation

A company may be incorporated by promotion or subscription. A company may be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must have domicile in the PRC. Companies incorporated by promotion are companies with the registered capital entirely subscribed for by the promoters. Where companies are incorporated by subscription, the promoters are required to subscribe for not less than 35% of the total number of shares of a company unless otherwise stipulated by laws and regulations, and the remaining shares can be offered to the public or specific persons, unless otherwise required by law.

For a company incorporated by promotion, the registered capital has to be the total capital subscribed for by all promoters as registered with the company registration authority. The promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary property shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters’ agreement. After the promoters have subscribed for the capital contribution under the articles of association, a board of directors and a supervisory committee shall be elected and the board of directors shall apply for registration of establishment by filing the articles of association with the company registration authority, and other documents as required by the law or administrative regulations. It shall not raise capital from others before the promoters fully pay the capital subscribed by them; for companies established by public subscription, the registered capital is the amount of total paid-up capital as registered with the company registration authority.

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 shall convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and shall 15 days before the meeting notify all subscribers or make a public announcement of the date of the inaugural meeting.

The inaugural meeting may be convened only with the presence of shareholders holding shares representing more than 50% of the total issued shares of the company. At the inaugural meeting, matters including the adoption of draft articles of association proposed by the promoter(s) and the election of the board of directors and the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall authorize representatives to apply for registration with the company registration authority. The company is formally established and has the status of a legal person after the approval for registration has been given and a business licence has been issued by the relevant registration authority. Where after the incorporation of a company, a promoter fails to pay in full the subscription moneys in accordance with the provisions of the company's articles of association, he shall pay them in full and the other promoters shall bear joint and several liability. Where it is discovered that the actual evaluation of the non-currency property used as capital contributions for the incorporation of the company is obviously less than the evaluation prescribed by the company's articles of association, the promoters shall make up the difference; and the other promoters shall bear joint and several liability.

If the shares required to be issued at the time of the establishment of a company are not fully subscribed, or if, after the full payment for the issued shares, the promoters fail to convene an establishment meeting within 30 days, any subscriber may demand the promoters to refund their subscriptions, plus the interest calculated based on the bank interest rate for the corresponding period.

In cases where the company is not established, the legal consequences shall be borne by the shareholders at the time of establishment; if there are two or more shareholders at the time of establishment, they shall have joint and several claims and bear joint and several liabilities.

If a shareholder at the time of establishment causes harm to another person due to performance of their responsibilities for the establishment of the company, the company or other faultless shareholders may seek to recover any resulting compensation liability borne by them from the shareholder at fault.

Share capital

The promoters may make capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights 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 of the assets contributed must be carried out in accordance with the laws or administrative regulations on valuation without any over-valuation or under-valuation.

Shares shall be issued in a fair and equitable manner. The same class of shares must carry equal rights. Shares of the same class issued at the same time must be issued on the same conditions and at the same price. The same price per share shall be paid by a subscriber, an entity or an individual, and shall be equal to or greater than the nominal value of the share and shall not be less than the nominal value.

A PRC domestic company shall file with the CSRC before offering its shares to the public overseas. Pursuant to the Overseas Listing Trial Measures, the target investors for overseas issuance and listing of a domestic company shall be overseas investors, except as in compliance with the Overseas Listing Trial Measures or otherwise provided by the state.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Under the PRC Company Law, a company shall prepare a shareholder register and place it within its premises which sets forth the following matters:

- (i) the name and domicile of each shareholder;
- (ii) Type and quantity of subscribed shares for each shareholder;
- (iii) For stocks issued in paper form, the stock serial numbers; and
- (iv) the date on which each shareholder purchased the shares.

Increase in share capital

According to the PRC Company Law, if a company proposes to issue new shares, resolutions shall be passed at general meeting in accordance with the articles of association to determine the class, amount and issue price of the new shares.

Save for the above-mentioned shareholder approval requirement, for a public offering of new shares, the PRC Securities Law provides that the company shall:

- (i) have a sound organisational structure with satisfactory operating record;
- (ii) the company is a going concern;
- (iii) the auditors have issued an unqualified audit report on the financial and accounting documents of the company for the past three years;
- (iv) the company and its controlling shareholders and de facto controllers have not had any criminal records in the past three years in relation to corruption, bribery, embezzlement, misappropriation of assets and breach of socialist market economic order; and
- (v) other requirements as prescribed by the securities regulatory authority of the State Council approved by the State Council.

Pursuant to the PRC Company Law, when the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, a company must change its registration with the company registration authority and issue a public notice accordingly.

Reduction of share capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and an inventory of the assets;
- (ii) the reduction of registered capital must be approved by shareholders in general meeting;
- (iii) the company shall inform its creditors of the reduction in registered capital within ten (10) days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days after the resolution approving the reduction has been passed;
- (iv) the creditors of the company may within the statutory prescribed time limit require the company to pay its debts or provide guarantees covering the debts; The creditors shall, within thirty (30) days from the date they receive the written notice, or within forty five (45) days from the date the announcement is made in the case of those who have not received such written notice, have the right to claim full repayment of their debts or provision of a corresponding guarantee from the company; and

- (v) the company must apply to the company registration authority for registration of the reduction in registered capital.

Repurchase of shares

A company may not repurchase its own shares other than for one of the following purposes:

- (i) reducing the registered capital of the company; or
- (ii) merging with another company that hold shares in the company; or
- (iii) applying the shares for the staff shareholding scheme or as share incentives; or
- (iv) shareholders who disagree with the resolutions for the merger and separation of the company made in general meeting may demand the company to purchase their shares; or
- (v) utilising the Shares for conversion of corporate bonds which are convertible into shares issued by the listed companies; or
- (vi) where it is necessary for the listed companies to safeguard its value and shareholders' interests.

Where the company needs to purchase its own shares under any of the circumstances set out in clauses (i) and (ii) under the preceding article, it shall be subject to a resolution of the general meeting. Where the company needs to purchase its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) under the preceding article, it shall be made as prescribed by the articles or under the authorisation by the general meeting and approved by way of a resolution at the board meeting attended by more than two thirds of the directors of the company.

After the company purchases its own shares under the circumstance set out in clauses (i), it shall cancel the purchased shares within 10 days after the purchase; while under either circumstance set out in clauses (ii) or (iv), transfer them or write them off within six months; while under any of the circumstances set out in clauses (iii), (v) or (vi), the aggregate number of shares of the company held by itself shall not exceed 10% of its total shares in issue and the company shall transfer them or write them off within three years.

A listed company purchasing its own shares shall perform the obligation of information disclosure. A listed company purchasing its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) shall carry out trading in a public and centralised manner.

A company may not accept its own shares as the subject matter of a mortgage.

Transfer of shares

Shares may be transferred in accordance with the relevant laws and regulations.

According to the PRC Company Law, a shareholder may transfer his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Stocks may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by the laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders' general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any otherwise stipulated legal provisions on the registration of changes in the share register of listed companies.

According to the PRC Company Law, Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Where any laws, administrative regulations, or the securities regulatory authority under the State Council have other provisions regarding the transfer of shares of a listed company by its shareholders or actual controllers, those provisions shall prevail. Directors, supervisors 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 they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the PRC Company Law and the Articles Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the rights:

- (i) to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting rights;
- (ii) to transfer the shares according to the laws and administrative regulations and the articles of association;
- (iii) to inspect the articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders' general meetings, board resolutions, resolutions of the supervisory board and financial and accounting reports and to make suggestions or inquiries in respect of the company's operations;
- (iv) to petition the people's court to revoke any resolution passed at a shareholders' general meeting or a meeting of board of directors any contents of which is in violation of the articles of association;
- (v) to receive dividends and other types of interest distributing in respect of the number of shares held;
- (vi) to receive residual properties of the company in proportion to their shareholdings upon the terminating or liquidation of the company; and
- (vii) any other shareholders' rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in laws, administrative regulations, regulatory documents and the articles of association.

Shareholders' general meeting

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the supervisory board;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (iv) to review and approve the company's profit distribution proposals 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 company's articles of association; and
- (ix) to exercise any other authority stipulated in the articles of association.

The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

A shareholders' general meeting is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following:

- (i) the number of directors is less than the number stipulated by the laws or less than two-thirds of the number specified in the articles of association;
- (ii) the outstanding losses of the company reach 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 that an extraordinary general meeting shall be convened;
- (iv) the board deems necessary;
- (v) the supervisory board so requests; or
- (vi) any other circumstances as provided for in the articles of association.

A shareholders' general meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board shall convene and preside over such meeting in a timely manner. If the supervisory board fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over such meeting.

In accordance with the PRC Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the PRC Company Law, a single shareholder who holds, or several shareholders who jointly hold, 1% or more of the shares of the company may submit an interim proposal in writing to the board of directors 10 days before the general meeting is held. The board of directors shall, within two days upon receipt of the proposal, notify the other shareholders, and submit the said interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall within the scope of powers of the general meeting, and the proposal shall have a clear agenda and specific matters on which resolutions are to be made.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The general meeting shall not make resolutions on matters that are not clearly listed in the notices given to the shareholders.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Shareholders present at a shareholders' general meeting have one vote for each share they hold, except for shareholders of non-ordinary shares, save that shares held by the company are not entitled to any voting rights. Resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting. 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 must be approved by way of resolution of the general meeting, the directors shall convene a shareholders' general meeting promptly to vote on such matters. An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Minutes shall be prepared in respect of matters considered at the general meeting and the shareholders attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of directors

The board of directors of a company shall consist of three or more members, and may include employee representatives among them. In the case of a company with three hundred or more employees, except when a board of supervisors has been established including a number of employee representatives among its members as required by law, the company's board of directors shall include employee representatives among its members. An employee representative on the board of directors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. 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 results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise the following powers:

- (i) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;
- (ii) to implement the resolution passed by the shareholders at the shareholders' general meeting;
- (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 or dissolution of the company or change of corporate form;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (vii) to decide on the setup of the company's internal management organs;
- (viii) to appoint or dismiss the company's general manager and decide on his/her remuneration and, based on the general manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- (ix) to formulate the company's basic management system; and
- (x) to exercise any other authority stipulated in the articles of association or granted by the shareholders' meeting.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorisation that his/her representative has. The board of directors shall prepare minutes of the meetings of the board of directors and such minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the 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.

Under the PRC Company Law, the following persons may not serve as a director of a company:

- (i) a person who is unable or has limited ability to undertake any civil liabilities;
- (ii) a person who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment was completed, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into solvent liquidation and who was 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 bankruptcy and liquidation of the company or enterprise;
- (iv) Any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the individual was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order; and
- (v) a person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. 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.

Under the PRC Company Law, the board 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 nominated by more than half of the directors shall perform his/her duties.

A 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 board of supervisors by this Law, without establishing a board of supervisor or supervisor.

Supervisory board

A company shall have a supervisory board composed of three or more members. The supervisory board consists of representatives of the shareholders and an appropriate proportion of representatives of the company's staff. The actual proportion shall be determined in the articles of association, provided that the proportion of representatives of the company's staff shall not be less than one-third. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. Directors and senior management shall not act concurrently as supervisors. The supervisory board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory board shall be elected by more than half of the supervisors.

According to the Reply of the Overseas Listing Department of the CSRC and the Production System Department of the State Commission for Restructuring the Economic System on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong (中國證監會海外上市部、國家體改委生產體制司關於到香港上市公司對公司章程作補充修改的意見的函), the chairman of the supervisory board shall be appointed by more than two-thirds of the supervisors.

The chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the chairman of the supervisory board is incapable of performing or is not performing his/her duties, the vice chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the vice chairman of the supervisory board is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over supervisory board meetings. Directors and senior management shall not act concurrently as supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if reelected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor 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 supervisors results in the number of supervisors being less than the quorum.

The supervisory board may exercise its powers:

- (i) to review the company's financial position;
- (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated any laws, regulations, the articles of association or shareholders' resolutions;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (iii) when the acts of a director or senior management personnel are detrimental to the company's interests, to require the director and senior management to correct these acts;
- (iv) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;
- (v) to submit proposals to the shareholders' general meetings;
- (vi) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (vii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operations of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and senior management

A company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall report to the board of directors and exercise functions and powers as specified in the articles of association or as authorized by the board of directors.

The general manager shall be present at meetings of the board of directors. However, the general manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the PRC Company Law, senior management refers to the general manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

Duties of directors, supervisors, general managers and other senior management

Directors, supervisors, the general manager, the deputy manager and senior management are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and carry out their duties in good faith and with due diligence.

Directors, supervisors, senior management are prohibited from accepting bribes or other unlawful income and from misappropriating the company's property.

Directors and senior management are prohibited from:

- (i) Embezzling company property or misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;
- (iii) Personally accepting commissions on transactions to which the company is a party;
- (iv) unauthorised divulgence of confidential information of the company; and
- (v) other acts in violation of their duty of loyalty to the company.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Income generated by directors or senior management in violation of aforementioned provisions shall be returned to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's 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, supervisor or senior management is required to attend a shareholders' general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish all true information and data to the supervisory board, or if a limited liability company has no supervisory board, supervisors, without impeding the discharge of duties by the supervisory board or supervisors.

Where a director or senior management contravenes law, administrative regulation or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company's shares consecutively for over 180 days may request in writing that the supervisory board institute litigation at a people's court on its behalf. Where the supervisory board violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institutes litigation at a people's court on its behalf. If the supervisory board or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court.

Finance and accounting

A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. 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 reports shall be made available for shareholders' inspection at the company 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% or more of the company's registered capital. 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 good 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 profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Profits distributed to shareholders by a resolution of a shareholders' general meeting or the board of directors in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The premium received from the issuance of shares by the company at a price exceeding the face value of the stocks, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items stipulated by the finance authority under the State Council to be included in the capital reserve, shall be included in the capital reserve. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. When using a company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with 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 any individual.

Appointment and retirement of auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a shareholders' general meeting or the board of directors or supervisory board in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conduct a vote on the dismissal of the accounting firm on their respective meetings. 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 falsification of information.

Profit distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the articles of association

Pursuant to the PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Dissolution and liquidation

Pursuant to the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) the shareholders have resolved at a shareholders' general meeting to dissolve the company;
- (iii) the company is dissolved by reason of its merger or division;
- (iv) the business licence of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operations and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering on-going existence of the company a cause for significant losses to the shareholders.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

In cases where a company falls under the circumstances specified in subparagraph (i) or (ii) above and has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the shareholders' 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 shareholders' 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 committee within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors or any other person determined by a shareholders' general meeting. If a liquidation committee is not established within the prescribed period, the company's creditors may file an application with a people's court and request the court to appoint relevant personnel to form a liquidation committee to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

- (i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;
- (ii) to notify the company's creditors or publish announcements;
- (iii) to deal with any outstanding business related to the liquidation;
- (iv) to pay any overdue tax together with any tax arising during the liquidation process;
- (v) to settle the company's financial claims and liabilities;
- (vi) to handle the company's remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee 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 committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall, in making his claim, state all matters relevant to his creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to the shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before settlements are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee 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 such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or a people's court for confirmation of its completion. Following such confirmation, the report shall be submitted to the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to perform their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their wilful or material default.

Liquidation of a company declaring bankruptcy according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas listing

Pursuant to the Overseas Listing Trial Measures, if a PRC domestic company submits an initial public offering application to an overseas regulatory authority or an overseas stock exchange, the issuer shall file with the CSRC within three business days after submitting the application.

Loss of share certificates

If the share certificate(s) is either lost, stolen or destroyed, a shareholder may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to a people's court for a declaration that such certificate(s) will no longer be valid. After such declaration has been obtained, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and termination of listing

The PRC Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in the case of voluntary or mandatory termination of listing, the issuer shall report the specific situation to the CSRC within three business days from the date of the occurrence and announcement of the relevant event.

Merger and division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare their respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, demand the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers within 30 days. Unless an agreement in writing is reached with creditors in respect of the settlement of debts, the liabilities of the company which have accrued prior to such division shall be jointly borne by the separated companies.

The PRC Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issuance and trading of our shares and disclosure of information. In October 1992, the State Council established the Securities Committee (國務院證券委員會) and the CSRC. The Securities Committee (國務院證券委員會) 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 the CSRC. The CSRC is the regulatory arm of the Securities Committee (國務院證券委員會) and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings 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. On 29 March 1998, the State Council consolidated the aforementioned two departments and reformed the CSRC.

On 22 April 1993, the Provisional Regulations Concerning the Issuance and Trading of Shares (股票發行與交易管理暫行條例) were promulgated by the State Council to govern the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settling and transfer of listed equity securities, as well as the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On 25 December 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (國務院關於股份有限公司境內上市外資股的規定). These regulations principally govern the issuance, subscription, trading and declaration of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law took effect on 1 July 1999 and was revised as at 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles regulating, among other matters, the issuance and trading of securities, takeovers of listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises must comply with the relevant regulations of the State Council to, directly or indirectly, issue securities or lists its securities to be traded outside the PRC. Currently, the issuance and trading of foreign issued shares (including H share) are principally governed by the rules and regulations promulgated by the State Council and the CSRC.

On 10 August 2023, the CSRC promulgated the Guidance of H-share Companies Applying for "Full Circulation" Business of Unlisted Shares in China ([2023] No. 50) (H股公司境內未上市股份申請“全流通”業務指引), which came into effect on the same day. This provision is to regulate the listing and circulation (hereinafter referred to as "**Full Circulation**") of unlisted domestic shares of H-share companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders) on the Stock Exchange. Subject to compliance with relevant laws and regulations, as well as the policy requirements of state-owned assets management, foreign investment and industry regulation, the holders of unlisted domestic shares may independently determine the number and proportion of shares for which an application will be filed for circulation, and entrust H-share companies to file with the CSRC. Unlisted domestic joint-stock limited companies may file with the CSRC for "Full Circulation" simultaneously at the time of its overseas initial public offering and listing.

Arbitration and enforcement of arbitral awards

The Arbitration Law of the PRC (中華人民共和國仲裁法) (the “**Arbitration Law**”) was passed on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. It is applicable to contract disputes and other property disputes between natural persons, legal persons and other organisations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case, unless the arbitration agreement is null and void.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award made by the arbitration body shall be final and conclusive and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. The people’s court shall enforce the arbitral award upon receipt of the application. A people’s court may refuse to enforce an arbitral award made by an arbitration tribunal after verification by collegial bench formed by the people’s court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

A party seeking to enforce an arbitral award of PRC Arbitration Tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or participated in 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 10 June 1958 pursuant to a resolution passed by the SCNPC on 2 December 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 recognised and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the State to which the arbitration for enforcement is made. At the time of the PRC’s accession to the New York Convention, the SCNPC declared that (i) the New York Convention will only be applied 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.

According to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排) promulgated by the Supreme People’s Court on 24 January 2000 and became effective on 1 February 2000, and the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (最高人民法院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) (Articles 1 and 4 became effective on 27 November 2020, and Articles 2 and 3 became effective on 19 May 2021) promulgated on 26 November 2020, the courts of Hong Kong agree to enforce the awards made pursuant to the Arbitration Law by the arbitral authorities in the Mainland (the list to be supplied by the Legislative Affairs Office of the State Council (國務院法制辦公室) through the Hong Kong and Macao Affairs Office of the State Council (國務院港澳事務辦公室) and the people’s courts of the Mainland agree to enforce the awards made in the Hong Kong pursuant to the Arbitration Ordinance of the Hong Kong. If the people’s courts of the Mainland find that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against public interests of the Mainland, or the courts of Hong Kong decide that the enforcement of the arbitral awards in Hong Kong will be against public policies of Hong Kong, the awards may not be enforced.

Judicial judgment and its enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland China and of the 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》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, except for judgments in civil and commercial cases that are not applicable under Article 3 of this Arrangement, judgments that can be recognized and enforced in both places are those made by mainland and Hong Kong SAR courts on or after January 29, 2024. The mutually recognized and enforced judgments include monetary judgments and non monetary judgments. Upon implementation of this Arrangement, the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland China 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》) which was adopted by the Judicial Committee of the Supreme People's Court on June 12, 2006 and took effect on August 1, 2008 has been repealed.

This appendix contains a summary of the main provision of the Articles of Association of the Company adopted on May 15, 2025, which will take effect from the date of the listing of H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.

ISSUANCE OF SHARES

The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The subscribers shall pay the same price for each share subscribed.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase of Capital

The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions separately passed at the general meetings:

- (i) by offering shares to unspecified objects;
- (ii) by offering shares to specified objects;
- (iii) by allotting bonus shares to its existing shareholders;
- (iv) by converting common reserve fund into share capital;
- (v) by any other means which is stipulated by law and administrative regulations and approved by the competent authority.

Reduction of Capital

The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The Company shall reduce its registered capital in accordance with the PRC Company Law and other relevant regulations as well as the procedures stipulated in the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its shares except in the following circumstances:

- (i) to reduce its registered capital;
- (ii) to merge with another company that holds the shares;
- (iii) to utilize shares in the employee share ownership scheme or for share incentive;
- (iv) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (v) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (vi) necessary for the Company to protect its value and the shareholders' equity;
- (vii) other circumstances permitted by laws, regulations and regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) of the preceding paragraph, it shall be subject to the resolution of the general meeting; where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The shares repurchased by the Company in accordance with the paragraph 1 shall be processed in the following ways: for the circumstance in item (i), such shares shall be canceled in ten (10) days after the date of repurchase; for the circumstance in item (ii) or (iv), such shares shall be transferred or canceled in six (6) months; for the circumstance in item (iii), (v) or (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled in three (3) years.

TRANSFER OF SHARES

Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in a stock exchange.

The Directors and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

The Company shall not accept its own shares as collateral.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall entitle the following rights:

- (i) to receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) to request, convene, hold, participate or authorize proxies to attend shareholders' general meeting, and to exercise voting rights according to the proportion of shares they hold;
- (iii) to supervise the business operations of the Company and to make suggestions or inquiries;
- (iv) to transfer, give or pledge the shares held by them in accordance with the laws and regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

- (v) to inspect and copy articles of association, all of the register of Shareholders, minutes of shareholders' general meetings, resolutions of board meetings and financial accounting reports of the Company; qualified shareholders may consult the company's accounting books and accounting vouchers;
- (vi) to participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) to require the Company to buy back its shares in the event that shareholders objecting to resolutions of the general meeting concerning merger or division of the Company satisfy the requirements of the Articles of Association and relevant laws and regulations on the procedures for share buy-back by the Company;
- (viii) to inspect the Hong Kong branch of register of Shareholders; however, the Company may, in accordance with equivalent provisions under Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), suspend the registration of shareholders; and
- (ix) other rights set out in laws and regulations and the Articles of Association.

A shareholder who requests to consult or make copies of the relevant materials of the Company shall comply with the provisions of the PRC Company Law, the PRC Securities Law and related laws and administrative regulations. A shareholder requesting for inspection and copying of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Shareholders of the Company shall assume the following obligations:

- (i) to abide by the laws and regulations and the Articles of Association;
- (ii) to make a capital contribution according to the shares they subscribe for and the capital participation method;
- (iii) not to withdraw shares unless otherwise provided by laws and regulations;
- (iv) to abide by laws, administrative regulations and the Articles of Association and exercise the rights of shareholders in accordance with the law, and not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;
- (v) other obligations to be assumed by the Shareholders according to the laws and regulations and the Articles of Association.

If a shareholder abuses his/her shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws. If a shareholder abuses the independent legal person status of the Company or the limited liability of shareholders in order to evade debts and thereby seriously damages the interests of the Company's creditors, he or she shall assume joint and several liability for the Company's debts.

SHAREHOLDERS' GENERAL MEETING**General rules for the Shareholders' General Meeting**

The general meeting is composed of all shareholders. The general meeting acts as the organ of authority of the Company which, according to laws, exercises the following functions and power:

- (i) to elect and replace the directors and decide on matters relating to the remuneration of the directors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the Company's profit distribution plans and loss recovery plans;
- (iv) to decide on the increase or reduction of the Company's registered capital, as well as the issuance of any type of shares, warrants, and other similar securities;
- (v) to decide on the issue of bonds by the Company;
- (vi) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to decide on the appointment or dismissal of the accounting firms that undertakes the auditing of the Company;
- (ix) to review and approve the security-related matters stipulated in Article 50;
- (x) to review the matters of purchase and/or sale by the Company within one year of significant assets exceeding 30% of the latest audited total assets of the Company;
- (xi) to review and approve the related party transaction matters (except for receipt of a donation in the form of cash assets and granting of guarantee by the Company) the amount of which between the Company and any of its related parties is more than RMB30 million and accounts for more than five (5) percent of the absolute value of the latest audited net assets of the Company;
- (xii) to review and approve the change of the use of the raised funds;
- (xiii) to review stock incentive plans and employee stock ownership plans;
- (xiv) to review other matters which, according to laws, administrative regulations, departmental rules or the Articles of Association, are subject to shareholders' approval in general meetings.

The Company shall convene an extraordinary general meeting within two (2) months in any of the following cases:

- (i) When the number of Directors is less than the number prescribed by the PRC Company Law or less than two-thirds (2/3) of the amount required by the Articles of Association;
- (ii) When the Company's uncovered losses amount to one-third (1/3) of the total paid-up share capital;
- (iii) When Shareholders, individually or collectively, holding more than ten percent (10%) of the voting shares of the Company request;
- (iv) When the Board of Directors deems it necessary;

- (v) When the Audit Committee proposes to convene it;
- (vi) Other circumstances as stipulated by laws, regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

The Convening of the General Meeting

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall make such proposal in writing. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company may sign written requests to the Board of Directors for the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five (5) days after making a resolution of the Board of Directors, issue a notice to convene the general meeting, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide feedback within ten (10) days after receiving the request, shareholders, individually or collectively, holding more than ten (10) percent of the shares of the Company shall have the right to propose to the Audit Committee the convening of an extraordinary general meeting, and shall submit their request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall, within five (5) days after receiving the request, issue a notice convening the general meeting, and any changes to the original proposal in the notice shall be subject to the consent of the shareholders concerned.

If the Audit Committee fails to issue a notice of a general meeting within the prescribed period, it shall be deemed not to convene and preside over the general meeting. Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on their own. The shareholding of the convening shareholder shall not be less than ten percent (10%) before the announcement of the resolution of the general meeting.

Notices of the Shareholders' General Meeting

The convener shall notify all shareholders at least twenty (20) days prior to the annual general meeting, and shall notify all shareholders at least fifteen (15) days prior to the extraordinary general meeting.

The notice of the general meeting shall meet the following requirements:

- (i) the time, venue and duration of the meeting;
- (ii) subject matters and proposals submitted for consideration and approval at the meeting;
- (iii) particulars shall be in clear text that all shareholders are entitled to attend general meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;
- (iv) the equity registration date of the shareholders who are entitled to attend on the general meetings;
- (v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;
- (vi) online or other means of voting time and voting procedures;
- (vii) other requirements stipulated by laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Resolutions at the General Meeting

The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders present at the general meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (i) work reports of the board of directors;
- (ii) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (iii) appointment and removal of members of the board of directors, their remuneration and method of payment of their remuneration;
- (iv) all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The following matters shall be resolved by way of special resolution of the general meeting:

- (i) the increase or reduction of the registered capital by the Company, as well as the issuance of any type of shares, warrants, and other similar securities;
- (ii) the merger, spin-off, division, dissolution, or liquidation of the Company;
- (iii) the amendment to the Articles of Association;
- (iv) the amount of purchase and the sale of major assets or the guarantee by the Company within one year exceeds 30% of the latest audited total assets of the Company;

- (v) the share incentive schemes;
- (vi) other matters which the laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be adopted by special resolutions and which the general meeting, by an ordinary resolution, considers to have a material impact on the Company and therefore require to be adopted by a special resolution.

Shareholders may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote.

Shares 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 present at a general meeting.

When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting for a term of three (3) years, and may be re-elected upon the expiration of the term.

The Senior Management Members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as Senior Management Members and Directors who are employee representatives shall not exceed half (1/2) of the total number of Directors of the Company.

Board of Directors

The Company shall have a Board of Directors, which shall consist of nine (9) Directors and shall have one (1) chairman of the Board, and three (3) independent non-executive Directors.

The Board of Directors shall be accountable to the general meeting and exercises the following functions and powers:

- (i) to convene general meetings and report on its work to the general meetings;
- (ii) to implement the resolutions of the general meeting;
- (iii) to determine the business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and loss recovery plans of the Company;
- (v) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (vi) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution, liquidation or change of corporate form of the Company;

- (vii) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorization of the general meeting;
- (viii) to determinate the setup of the Company's internal management organizations;
- (ix) to decide on the appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management as well as their remuneration, reward and disciplinary matters; and to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as well as their remunerations, rewards and punishments according to the nomination of the general manager;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate the amendment to the Articles of Association;
- (xii) to manage the information disclosure of the Company;
- (xiii) to request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (xiv) to listen to the work report of the general manager of the Company and inspect the work of the manager;
- (xv) other functions and powers conferred by laws and regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or the general meetings.

The chairman of the Board shall exercise the following functions and powers:

- (i) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of the resolutions of the Board of Directors;
- (iii) to sign important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;
- (iv) in the event of force majeure emergency such as the occurrence of a major natural disaster, to exercise special disposal authority over the affairs of the Company in accordance with the provisions of the law and the interests of the Company, and to report to the Board of Directors and the general meeting of shareholders of the Company afterwards;
- (v) other functions and powers conferred by the Board of Directors.

The Board of Directors shall convene at least four (4) meetings each year. The notice of a regular Board meeting shall be sent to all Directors at least ten (10) days before the date of the meeting.

Shareholders representing more than one tenth (1/10) of all voting rights, more than one thirds (1/3) of all directors or the audit committee may propose the holding of an interim meeting of the board of directors. The chairman of the board of directors shall, within ten (10) days of receipt of such proposal, convene and preside over the meeting of the Board of Directors.

A meeting of the Board of Directors may only be held if more than half of the Directors are present. Resolutions of the Board of Directors shall be passed by more than half of all Directors.

AUDIT COMMITTEE

The Board of Directors sets up an Audit Committee to exercise the functions and powers of the board of supervisors stipulated in the PRC Company Law.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervision and evaluation of internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for deliberation after the approval of more than half of all members of the Audit Committee:

- (i) to disclose financial information and internal control evaluation reports in financial and accounting reports and periodic reports;
- (ii) to appoint or dismiss the accounting firm that undertakes the auditing of the Company;
- (iii) to appoint or dismiss the chief financial officer of the Company;
- (iv) to make changes in accounting policies, accounting estimates or correction of major accounting errors for reasons other than changes in accounting standards;
- (v) other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

GENERAL MANAGER

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have two (2) deputy general managers who shall be appointed or dismissed by the Board of Directors.

The general manager shall be directly accountable to the Board of Directors and exercise the following functions and powers:

- (i) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on his/her work to the Board of Directors;
- (ii) to organize and implement the Company's annual business plan and investment plan;
- (iii) to formulate the plan for establishment of the Company's internal management organization;
- (iv) to formulate the Company's basic management system;
- (v) to formulate the detailed rules and regulations of the Company;
- (vi) to request the Board of Directors to engage or dismiss deputy general manager and chief financial officer of the Company;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other functions and powers conferred by the Articles of Association and the Board of Directors.

SECRETARY TO THE BOARD

The Company shall have one (1) board secretary, whose responsibilities include preparing general meetings and board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its own financial and accounting systems in accordance with the laws, administrative regulations and the requirements of relevant state departments.

The Company shall publish and disclose its annual report within four (4) months from the ending date of each financial year, its interim report within two (2) months from the ending date of the first half of each financial year, and quarterly reports if required by regulations of the stock exchange where its shares are listed, to the CSRC (if applicable) and the stock exchange where the Company's shares are listed. If the regulatory rules of the stock exchange where the Company's shares are listed provide otherwise, such rules shall prevail. The above-mentioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange(s).

PROFIT DISTRIBUTION

The Company shall implement a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to the reporting of investment and reasonable investment. The cash dividend policy target is steady growth of dividend.

The Company may implement interim cash dividends.

Form of profit distribution: the Company may distribute profits in the form of cash, shares or a combination of cash and shares. Under the premise of ensuring the necessary funds for normal production, operations, and development, the company shall distribute an appropriate proportion of cash dividends.

The Company is not required to distribute profits if:

- (i) the audit report on it for the most recent year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph relating to going concern;
- (ii) the asset-liability ratio at the end of the most recent fiscal year is higher than 70%;
- (iii) the operating cash flow is negative in the most recent fiscal year;
- (iv) any other circumstances that the Company deems inappropriate for distribution occurs.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for any of the following reasons:

- (i) the term of business operation prescribed in the Articles of Association expires or any other circumstance for dissolution prescribed in the Articles of Association occurs;
- (ii) the general meeting resolves to dissolve the Company;
- (iii) dissolution is required due to merger or division of the Company;
- (iv) the Company is revoked of its business license, ordered to close down or annulled according to law due to violation of laws and regulations;

- (v) by articles 231 of PRC Company Law;
- (vi) where the Company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of shareholders, which is unable to be resolved through any other means, shareholders representing more than one tenth (1/10) of all voting rights may apply to the people's court for dissolution of the Company.

Where any of the circumstances prescribed in items (i) and (ii) occurs and has not yet distributed assets to Shareholders, the Company may continue to exist after the amendment to the Articles of Association or by resolution of the general meeting.

If the Company is dissolved under items (i), (ii), (iv) or (v) above, a liquidation committee shall be set up, which shall start liquidation within fifteen (15) days from the date of occurrence of the cause for dissolution. The members of such liquidation committee shall be determined by the Directors or the Shareholders' general meeting.

The liquidation committee shall notify its creditors within a period of ten (10) days since the date it is established, and make announcements in newspapers within sixty (60) days. Creditors shall, within thirty (30) days since the date of receiving the notice, or for creditors who do not receive the notice, within forty five (45) days since the date of the public announcement, report their creditors' rights to the liquidation committee.

If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of bankruptcy.

Upon acceptance of a bankruptcy application by a people's court, the Company's liquidation committee shall refer the liquidation matters to the People's Court.

Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the people's court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) after the PRC Company Law or relevant laws and regulations or regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones;
- (ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Establishment of our Company**

Our Company was established in the PRC as a limited liability company on February 3, 2016 and was converted into a joint stock company with limited liability under the Company Law with effect from November 8, 2024. Our Company has established a principal place of business in Hong Kong at Shop Nos. 202-203, 2nd Floor, Regal Airport Hotel, 9 Cheong Tat Road, Chek Lap Kok, New Territories, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 6, 2025. Ms. Sham Ying Man (岑影文), has been appointed as our authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was 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 V — Summary of Articles of Association” to this prospectus.

2. Changes in the share capital of our Company

As of the date of the establishment, our registered capital was RMB1,000,000. On November 8, 2024, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Upon completion of such conversion, the registered capital of our Company was RMB14,802,382 divided into 14,802,382 shares with a nominal value of RMB1.00 each.

Pursuant to the resolution passed by the then Shareholders on May 15, 2025, each share of our Company with a nominal value of RMB1.00 was subdivided into 10 Shares with a nominal value of RMB0.10 each. Upon completion of such share subdivision, the registered capital of our Company was RMB14,802,382 divided into 148,023,820 Shares with a nominal value of RMB0.10 each.

Assuming the Offer Size Adjustment Option is not exercised, upon completion of the Global Offering and conversion of Unlisted Shares into H Shares, the registered share capital of our Company will be increased to RMB16,248,502 divided into 35,759,570 Unlisted Shares and 126,725,450 H Shares.

Save as mentioned in “4. Resolution of our Shareholders passed on May 15, 2025” below, there has been no alteration in our share capital within the two years immediately preceding the date of this prospectus.

3. Resolutions of our Shareholders passed on May 15, 2025

At the extraordinary general meeting of our Company held on May 15, 2025, among other things, the following resolutions were passed by our Shareholders:

- (a) the Share Subdivision was approved;
- (b) the issue of H Shares, the number of which shall be no more than 25% of the total issued share capital of our Company upon completion of the Global Offering, and the listing of the H Shares on the Stock Exchange were approved;

- (c) subject to the completion of the filing procedure with the CSRC, upon completion of the Global Offering, the conversion of 112,264,250 Unlisted Shares in aggregate into H Shares on a one-for-one basis was approved;
- (d) subject to the completion of the Global Offering, the Articles of Association were approved and adopted, which shall become effective on the Listing Date, and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and
- (e) our Board has been authorized to handle all relevant matters relating to, among other things, the Global Offering, the adjustment of offer size, the issue and over-allotment of H Shares and the Listing.

4. Particulars of our subsidiaries

Set out below is certain information of our subsidiaries as of the Latest Practicable Date:

No.	Name of subsidiaries	Name of shareholder	Percentage of the equity interests held
1	UISEE Zhejiang	Our Company	100%
2	UISEE Shanghai	Our Company	100%
3	UISEE Wuhan	Our Company	100%
4	UISEE Tianjin	Our Company	100%
5	UISEE Beijing	Our Company	100%
6	UISEE Shenzhen	Our Company	100%
7	Yujia Zhejiang	Our Company	100%
8	UISEE Chongqing	Our Company	93.02%
9	UISEE Hong Kong	UISEE Zhejiang	100%
10	UISEE Singapore	UISEE Zhejiang	100%
11	UISEE Qatar	Our Company	100%
12	UISEE Yizhi	Our Company	100%

5. Change in the registered capital of subsidiaries

On April 25, 2025, the registered capital of UISEE Chongqing was increased from RMB50,000,000 to RMB215,000,000.

Save as disclosed above and in “History, Development and Corporate Structure,” there has been no other alteration in the registered capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

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 preceding the date of this prospectus that are or may be material:

- (a) a cornerstone investment agreement dated May 8, 2026 entered into among our Company, Xiongan Autonomous Driving Limited (雄安自動駕駛有限公司) (“**Xiongan Auto Driving**”), CITIC Securities (Hong Kong) Limited, CLSA Limited, BOCOM International Securities Limited, DBS Asia Capital Limited and China Galaxy International Securities (Hong Kong) Co., Limited, pursuant to which Xiongan Auto Driving agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the

nearest whole board lot of 50 H Shares) that may be purchased for an amount of HK\$223,713,000;

- (b) a cornerstone investment agreement dated May 8, 2026 entered into among our Company, CYGG Holding Limited (“CYGG”), CITIC Securities (Hong Kong) Limited, CLSA Limited, BOCOM International Securities Limited, DBS Asia Capital Limited and China Galaxy International Securities (Hong Kong) Co., Limited, pursuant to which CYGG agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 H Shares) that may be purchased for an amount of HK\$7,820,910;
- (c) a cornerstone investment agreement (基石投資協議) dated May 8, 2026 entered into among our Company, Starwin International A LPF (“Starwin International”), CITIC Securities (Hong Kong) Limited, CLSA Limited, BOCOM International Securities Limited, DBS Asia Capital Limited and China Galaxy International Securities (Hong Kong) Co., Limited, pursuant to which Starwin International agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 H Shares) that may be purchased for an amount of HK\$29,697,750; and
- (d) the Hong Kong Underwriting Agreement.








2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, were material to our business:

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
1	驭势 驭势	304309911	7, 9, 12, 35, 37, 39, 42	Our Company	Hong Kong	October 20, 2017	October 19, 2027
2	UISEE	304309902	7, 9, 12, 35, 37, 39, 42	Our Company	Hong Kong	October 20, 2017	October 19, 2027
3	驭势	306374331	7, 9, 12, 37, 42	Our Company	Hong Kong	October 16, 2023	October 15, 2033
4	UISEE	306374340	7, 9, 12, 37, 42	Our Company	Hong Kong	October 16, 2023	October 15, 2033
5	UISEE	36799718	39	Our Company	PRC	November 14, 2019	November 13, 2029
6	UISEE	36816249	42	Our Company	PRC	October 28, 2019	October 27, 2029
7	UISEE	36817771	38	Our Company	PRC	November 21, 2019	November 20, 2029
8	U-Drive	36774565	39	Our Company	PRC	November 21, 2019	November 20, 2029

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
9	UISEE	36792903	37	Our Company	PRC	December 14, 2019	December 13, 2029
10	UISEE	36800406	9	Our Company	PRC	January 21, 2020	January 20, 2030
11	U-Drive	36788151	9	Our Company	PRC	March 28, 2020	March 27, 2030
12	U-Pilot	36774551	39	Our Company	PRC	November 14, 2019	November 13, 2029
13	U-Pilot	36781700	42	Our Company	PRC	February 21, 2020	February 20, 2030
14	U-Pilot	36774542	9	Our Company	PRC	April 14, 2020	April 13, 2030
15	UISEE	36803731	12	Our Company	PRC	November 28, 2019	November 27, 2029
16	UiBOX	59393752	9	Our Company	PRC	May 21, 2022	May 20, 2032
17	UiBOX	59381289	12	Our Company	PRC	March 21, 2022	March 20, 2032
18	UiBOX	59378607	37	Our Company	PRC	March 28, 2022	March 27, 2032
19	UiBOX	59373940	39	Our Company	PRC	March 21, 2022	March 20, 2032
20	UiBox	59490754	9	Our Company	PRC	May 21, 2022	May 20, 2032
21	UiBox	59476894	12	Our Company	PRC	March 21, 2022	March 20, 2032
22	UiBox	59475687	37	Our Company	PRC	March 21, 2022	March 20, 2032
23	UiBox	59468713	39	Our Company	PRC	March 21, 2022	March 20, 2032
24	驭势	72520521	12	Our Company	PRC	December 7, 2023	December 6, 2033
25	驭势	72537673	35	Our Company	PRC	February 21, 2024	February 20, 2034
26	驭势	72525687	37	Our Company	PRC	December 14, 2023	December 13, 2033
27	驭势	72523559	38	Our Company	PRC	December 14, 2023	December 13, 2033

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
28		72523568	39	Our Company	PRC	December 14, 2023	December 13, 2033
29		72519663	41	Our Company	PRC	December 14, 2023	December 13, 2033
30		72515495	42	Our Company	PRC	December 14, 2023	December 13, 2033
31		72541423	7	Our Company	PRC	December 21, 2023	December 20, 2033
32		72520479	35	Our Company	PRC	February 21, 2024	February 20, 2034
33		75316354	9	Our Company	PRC	August 21, 2024	August 20, 2034
34		72523812	41	Our Company	PRC	December 14, 2023	December 13, 2033

(b) Patents

As at the Latest Practicable Date, our Group had registered the following patents which, in the opinion of our Directors, were material to our business:

	Patent	Type	Patent Number	Name of Registered Proprietor	Place of Registration	Date of Registration
1.	Method, device, apparatus and medium for determining the position of a full-trailer articulated vehicle and tractor (全掛汽車列車、拖斗位姿確定方法、裝置、設備和介質)	Invention	2022107237807	UISEE Beijing	PRC	August 27, 2024
2.	Method, apparatus, device and medium for panoramic segmentation of three-dimensional point cloud data (三維點雲數據的全景分割方法、裝置、設備及介質)	Invention	2022103242914	UISEE Beijing	PRC	August 2, 2024
3.	Multi-vehicle collaboration method, device, system, equipment, media and product (多車協同方法、裝置、系統、設備、介質和產品)	Invention	2021111093175	UISEE Beijing	PRC	December 1, 2023

Patent	Type	Patent Number	Name of Registered Proprietor	Place of Registration	Date of Registration
4. Semi-trailer vehicle train, reversing control method, device, equipment and medium (半掛汽車列車、倒車控制方法、裝置、設備和介質)	Invention	2021110161546	UISEE Beijing	PRC	April 11, 2023
5. Decision-making method, device, apparatus and medium for avoiding obstacles (避讓障礙物的決策方法、裝置、設備及介質)	Invention	2021109842683	UISEE Beijing	PRC	September 15, 2023
6. Method, apparatus, computer device, and storage medium for recognizing key target objects (關鍵目標物的識別方法、裝置、計算機設備及存儲介質)	Invention	2021109447970	UISEE Shanghai	PRC	September 26, 2023
7. A vehicle positioning method, apparatus, electronic device and storage medium (一種車輛定位方法、裝置、電子設備和存儲介質)	Invention	2021107200865	UISEE Shanghai	PRC	June 28, 2022 (the PRC); June 1, 2022 (Europe, Japan, Korea, and the U.S.) – June 28, 2041 (the PRC); June 1, 2042 (Europe, Japan, Korea, and the U.S.)
8. Automatic unhooking device, tractor-trailer and vehicle (自動脫掛鉤裝置、牽引車和車輛)	Utility	2021206017571	UISEE Beijing	PRC	November 2, 2021
9. A map matching method, apparatus, electronic device and storage medium (一種地圖匹配方法、裝置、電子設備和存儲介質)	Invention	2020110314570	UISEE Beijing	PRC	September 23, 2022
10. Guardrail estimation method and in-vehicle device based on multi-sensor information fusion (基於多傳感器數據融合的護欄估計方法和車載設備)	Invention	2019800026074	UISEE Shanghai	PRC	January 20, 2023

Patent	Type	Patent Number	Name of Registered Proprietor	Place of Registration	Date of Registration
11. Forward target selection method, apparatus and in-vehicle device (前向目標選擇方法、裝置及車載設備)	Invention	2019111113909	UISEE Beijing	PRC	January 14, 2022
12. A method of upgrading an autonomous driving system, an autonomous driving system and an in-vehicle device (一種自動駕駛系統升級的方法、自動駕駛系統及車載設備)	Invention	2019102072878	UISEE Beijing	PRC	July 2, 2021 (the PRC); May 28, 2019 (Europe, Japan, Korea, and the U.S.) – March 19, 2039 (the PRC); May 28, 2039 (Europe, Japan, Korea, and the U.S.)
13. A method and apparatus for determining network structure accuracy and delay optimization points (一種確定網絡結構精度和延時優化點的方法和裝置)	Invention	201910181390X	UISEE Beijing	PRC	December 14, 2021
14. Visual positioning method and device (視覺定位方法以及裝置)	Invention	2018114338395	UISEE Beijing	PRC	December 14, 2021
15. A visual positioning map loading method, apparatus, system and storage medium (一種視覺定位地圖加載方法、裝置、系統和存儲介質)	Invention	2018113931017	UISEE Beijing	PRC	June 14, 2024
16. A multi-sensor data fusion method, apparatus, in-vehicle device and storage medium (一種多傳感器資料融合方法、裝置、車載設備及存儲介質)	Invention	2018106324591	UISEE Shanghai	PRC	April 16, 2021
17. Threat degree calculation method, target selection method and application in autonomous driving (自動駕駛中的威脅度計算方法、目標選擇方法及應用)	Invention	2017104200373	UISEE Shanghai	PRC	November 20, 2020
18. Method and system for detecting a trailer pulled by a tractor, and a driverless tractor (一種拖車系統位元姿預測方法、裝置及存儲介質)	Invention	2018106643281	UISEE Beijing	PRC	January 29, 2021

(c) Software Copyrights

As of the Latest Practicable Date, we were the registered proprietor of the following software copyrights which, in the opinion of our Directors, were material to our business:

	Software Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Registration
1.	Platform for remote monitoring of autonomous equipment and vehicle operations (v1.0) (用於遠程監控無人設備和車輛運營的平台(v1.0))	2024SR0158793	UISEE Shanghai	PRC	January 24, 2024
2.	Diagnostic tool for autonomous systems (v1.0) (無人駕駛系統診斷工具(v1.0))	2021SR1568866	UISEE Beijing	PRC	October 27, 2021

(d) Domain Names

As of the Latest Practicable Date, our Group had registered the following domain names which, in the opinion of our Directors, were material to our business:

	No.	Domain Name	Name of Registered Proprietor	Date of Registration	Expiry date
	1.	uisee.com	UISEE Beijing	December 18, 2013	December 18, 2027
	2.	uisee.cn	UISEE Beijing	January 3, 2016	January 3, 2030

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**1. Disclosure of interests****(a) Interests and short positions of the Directors and chief executive of our Company in the share capital of our Company and its associated corporations**

Immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Share (without taking into account any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), the interests or short positions of Directors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for

Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to our Company and the Stock Exchange once the H Shares are listed will be as follows:

Interest in Shares of our Company

Director/ Chief Executive	Nature of interest	Number of Shares	Percentage in relevant type of Shares	Percentage in total issued share capital
Mr. Wu	Beneficial owner	8,113,910 H Shares	6.40%	4.99%
		16,227,830 Unlisted Shares	45.38%	9.99%
	Interest in controlled corporation ²	14,111,120 H Shares	11.14%	8.68%
Mr. Zhou	Beneficial owner	1,000,000 H Shares	0.79%	0.62%
		2,527,780 Unlisted Shares	7.07%	1.56%

Interest in shares of associated corporation

Director/ Chief Executive	Associated corporation	Nature of interest	Shareholding
Mr. Wu	UISEE Chongqing	Interest in a controlled corporation ³	6.98%

Notes:

- All interests stated are long positions. The percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals in the table may not be an arithmetic aggregation of the figures preceding them.
- Beijing Simaju is owned as to 80% by Mr. Wu as its general partner. By virtue of the SFO, Mr. Wu is deemed to be interested in the H Shares in which Beijing Simaju is interested.
- UISEE Chongqing is owned as to 93.02% by our Company and 6.98% by UISEE Tianjin Management, which in turn is owned as to 99.98% by Tianjin Damang Technologies Co., Ltd. (天津大莽科技有限公司) (a company wholly owned by Mr. Wu). By virtue of the SFO, Mr. Wu is deemed to be interested in the shares of UISEE Chongqing in which UISEE Tianjin Management and Tianjin Damang Technologies Co., Ltd. are interested.

(b) Substantial Shareholders

Save as disclosed in “Substantial Shareholders,” our Directors are not aware of any persons (other than our Directors and chief executive of our Company) who will, immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option), will have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under 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 types of the issued voting shares of any member of our Group.

2. Particulars of Directors' service contracts and appointment letters

Each of our Directors has entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. Remuneration of Directors and senior management

For the years ended December 31, 2023, 2024 and 2025, the aggregate remuneration (including salaries, performance related bonuses, allowances, benefits in kind, pension scheme contributions and equity-settled share-based payment expense) recorded for our Directors were RMB1.4 million, RMB2.1 million and RMB7.8 million, respectively.

The aggregate amount of salaries, bonuses, allowances, benefits in kind, pension scheme contributions and equity-settled share based payment expense recorded for our Company's five highest paid individuals (who are neither a director nor chief executive of our Company) in respect of the years ended December 31, 2023, 2024 and 2025 was RMB11.7 million, RMB11.9 million and RMB8.3 million, respectively.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than RMB3.0 million.

4. Agency fees or commissions received

Save as disclosed in "Underwriting — Underwriting Arrangements and Expenses — Commission and Expenses," no commissions, discounts, agency fee, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

5. Disclaimers

- (a) Within the two years immediately preceding the date of this prospectus, none of our Directors nor any of the experts referred to under "— E. Other Information — 5. Qualifications and Consents of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.
- (b) None of our Directors nor any of the experts referred to under "— E. Other Information — 5. Qualifications and Consents of Experts" is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole.
- (c) Save as disclosed in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

D. PRE-IPO INCENTIVE SCHEMES

The following is a summary of the principal terms of the Pre-IPO Incentive Schemes, namely the 2017 Incentive Scheme as effective on March 8, 2017, and the 2020 Incentive Scheme as effective on April 29, 2020 which superseded the 2017 Incentive Scheme.

(a) Purpose

The purpose of the Pre-IPO Incentive Schemes is to attract, retain and reward talents for the development of our Company.

(b) Awards

The awards (the “**Awards**”) to be granted under the Pre-IPO Incentive Schemes shall be in the form of options (the “**Options**”) to acquire units (the “**Incentive Units**”) of the 81.47% partnership interest held by Mr. Wu and Mr. Zhou in Beijing Simaju (the “**Incentive Platform**”), the designated shareholding platform for the Pre-IPO Incentive Schemes, which held 11,496,984 Shares for the purpose of the Pre-IPO Incentive Schemes as of the Latest Practicable Date. The number of Options available for grant under the Pre-IPO Incentive Schemes shall not exceed 16,294,928 Incentive Units. Accordingly, each Incentive Unit represents the economic interests (including but not limited to the rights to dividends, profits and distribution but excluding voting rights, rights to participate in the management and other shareholders’ rights over such Shares) over 0.706 Share held by Beijing Simaju.

(c) Eligibility

Any employees (excluding employees under probation or internship), non-employee directors, consultants or service providers of our Group, or other individuals who are considered to have contributed to the development of our Group are participants (“**Eligible Participants**”) eligible to receive awards under the Pre-IPO Incentive Schemes.

(d) Administration

The Pre-IPO Incentive Schemes are administered by a committee comprising three members (the “**Incentive Schemes Committee**”), which has the full discretion and authority to:

- (i) confirm the list of Eligible Participants to be granted Awards;
- (ii) determine the terms of the Awards (including number of Incentive Units, exercise price and vesting schedule thereof);
- (iii) approve the acceleration or deferment of the vesting of the Options;
- (iv) interpret or modify the rules of the Pre-IPO Incentive Schemes;
- (v) determine the repurchase price of the Options; and
- (vi) take any necessary or appropriate action for the purpose of the Pre-IPO Incentive Schemes.

As of the Latest Practicable Date, the members of the Incentive Schemes Committee consist of Mr. Wu (one of our Co-founders and one of our Controlling Shareholders, our Chairman, executive Director and chief executive officer), Mr. Chiang Tsung Che (our executive Director, chief financial officer, Board secretary and joint company secretary) and Mr. Mi Lei (a representative nominated by CAS Star, being the Pre-IPO Investor which holds the largest number of Shares).

(e) Grant of Awards

An Award shall be granted to an Eligible Participant by signing an award agreement (the “**Award Agreement**”) with the Incentive Platform, specifying the number of Incentive Units and any other terms and conditions (including, without limitation, any attainment of performance targets upon which the exercise of the Award shall be conditional) on which the Award is granted. The Award Agreement shall serve as evidence of the grant of the Award to the Eligible Participant (the “**Award Grantee**”), and all Awards shall be granted and vested in accordance with the terms of the rules of the Pre-IPO Incentive Schemes.

(f) Vesting

The Options shall be vested in accordance with one of the following schedules as determined by the Incentive Schemes Committee:

Schedule A

Vesting period	Proportion of the Options to be vested	Date of vesting
First period	12%	First anniversary of the grant date of the Award
Second period	22%	Second anniversary of the grant date of the Award
Third period	22%	Third anniversary of the grant date of the Award
Fourth period	22%	Fourth anniversary of the grant date of the Award
Fifth period	22%	Fifth anniversary of the grant date of the Award

Schedule B:

Vesting period	Proportion of the Options to be vested	Date of vesting
First period	34%	Second anniversary of the grant date of the Award
Second period	22%	Third anniversary of the grant date of the Award
Third period	22%	Fourth anniversary of the grant date of the Award
Fourth period	22%	Fifth anniversary of the grant date of the Award

The vesting of the Options for each vesting period shall be subject to the fulfilment of the following conditions:

- (i) no action being taken by the Award Grantee that causes a material adverse effect on our Group’s business, management, reputation or financial conditions;

- (ii) the Award Grantee continuing to be qualified for his/her current position and not being demoted;
- (iii) no resignation being tendered by the Award Grantee;
- (iv) no breach by the Award Grantee of the terms of the employment agreement, confidentiality and non-competition agreement and intellectual property vesting agreement entered with our Group;
- (v) attainment of performance targets applicable to the Award Grantee; and
- (vi) fulfilment of other conditions set out in the relevant Award Agreement.

Our Company shall have the right to defer the vesting of the Options, or reduce the number of Incentive Units or terminate all or part of the Awards for the relevant vesting period if any of the conditions are not fulfilled.

(g) Term

The Pre-IPO Incentive Schemes will remain in force for 10 years from the date when they became effective. No Awards may be granted from the Listing Date.

(h) Effect of termination of employment or service

If the Award Grantee ceases to be an employee or service provider of our Group:

- (i) by any reason other than death, disability or termination of employment or service on the grounds of misconduct, our Company and the Incentive Platform shall have the right to repurchase any vested Options at a fair market price as determined by the Board in accordance with the terms of the Pre-IPO Incentive Schemes, and any unvested Options will be forfeited and cancelled; and
- (ii) by reason of death, disability or termination of employment or service on the grounds of misconduct, any Options, whether vested or unvested, will be forfeited and cancelled.

(i) Effect of change in control

In case of a change in control of our Company, our Company and the Incentive Platform shall have the right to repurchase any vested Options at a fair market price as determined by the Board in accordance with the terms of the Pre-IPO Incentive Schemes. The Incentive Schemes Committee may also provide for the accelerated vesting of any unvested Options and repurchase of such Incentive Units at a fair market price as determined by the Board in accordance with the terms of the Pre-IPO Incentive Schemes.

(j) Effect of the Global Offering

Upon completion of the Global Offering, the Incentive Schemes Committee may approve the exercise of any vested Options or repurchase of such Incentive Units at a fair market price as determined by the Board in accordance with the terms of the Pre-IPO Incentive Schemes.

(k) Effect of liquidation

In case of a liquidation of our Company, the Incentive Schemes Committee shall have the right to repurchase of any vested Options at a price as approved by the liquidation committee of our Company in accordance with the terms of the Pre-IPO Incentive Schemes.

(l) Exercise of Option

Any vested Option may be exercised at a pre-determined price and within the period set out in the relevant Award Agreement and in accordance with the terms of the Pre-IPO Incentive Schemes in exchange for the corresponding partnership interest in the Incentive Platform.

No Awards shall be exercisable before completion of the Global Offering.

(m) Rights of Award Grantee

An Option, whether vested or unvested, will not convey to an Award Grantee the right to any Shares or partnership interest in the Incentive Platform, unless and until and to the extent the corresponding partnership interest in the Incentive Platform is transferred to such Award Grantee upon exercise of such Option.

(n) Limits on transfers

Except as may be permitted by the Incentive Schemes Committee, no Option shall be assignable, alienable, saleable, pledgeable or transferable by an Award Grantee unless and until and to the extent the corresponding partnership interest in the Incentive Platform is transferred to such Award Grantee upon exercise of such Option.

(o) Outstanding Options

As of the Latest Practicable Date, Options to acquire a total of 16,294,928 Incentive Units had been granted to 301 Award Grantees under the Pre-IPO Incentive Schemes, including (i) 1,148,953 Incentive Units granted to three Directors; (ii) 58,000 Incentive Units granted to one member of our senior management; (iii) 750,000 Incentive Units granted to six former consultants; (iv) 2,096,858 Incentive Units granted to three members of our Core R&D Team; and (v) 12,241,117 Incentive Units granted to 288 employees who are not our Directors, members of our senior management, our existing or former consultants and members of our Core R&D Team.

The exercise of any outstanding Options will only result in the transfer of partnership interests held by Mr. Wu and Mr. Zhou in the Incentive Platform, and will not result in the issue of new Shares or transfer of the 11,496,984 existing Shares held by Beijing Simaju for the purpose of the Pre-IPO Incentive Schemes to the relevant Award Grantee. Accordingly, there will be no dilutive effect on the shareholdings of our Company following the completion of the Global Offering and no impact on the earnings per Share upon the exercise of any such outstanding Options granted under the Pre-IPO Incentive Schemes.

No further Awards will be granted under the Pre-IPO Incentive Schemes after the Listing and the terms of the Pre-IPO Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

The table below sets out the details of Options granted to the connected persons, senior management and consultants of our Company under the Pre-IPO Incentive Schemes:

Name of Award Grantee	Position within our Group	Grant date	Exercise price	Vesting period	Number of outstanding Incentive Units	Number of Shares the economic interests of which the outstanding Incentive Units represent	Percentage of Shares the economic interests of which the outstanding Incentive Units represent ¹
<i>Under the Pre-IPO Incentive Scheme 2017</i>							
1. Chiang Tsung Che	Executive Director, chief financial officer, secretary of our Board and joint company secretary	(1) February 21, 2017 (2) January 2, 2018	(1) RMB0.2 (2) RMB0.52582	Schedule A	(1) 300,000 (2) 16,364	223,213	0.14%
2. Wu Jun	Non-executive Director and former consultant	January 12, 2017	RMB0.01	Schedule A	150,000	105,833	0.07%
3. Wang Feiyue (王飛躍)	Former consultant ²	April 16, 2016	RMB0.01	Schedule A	200,000	141,111	0.09%
4. Yu Fu (于夫)	Former consultant ²	August 1, 2018	RMB0.01	Schedule A	150,000	105,833	0.07%
5. Dongpu Cao (曹東璞)	Former consultant ²	April 10, 2016	RMB0.01	Schedule A	100,000	70,556	0.04%
6. Cheng Mingming (程明明)	Former consultant ²	August 4, 2018	RMB0.01	Schedule A	100,000	70,556	0.04%
7. Li Li (李力)	Former consultant ²	April 16, 2016	RMB0.01	Schedule A	100,000	70,556	0.04%
8. Zhang Zhangshui (張長水)	Former consultant ²	April 16, 2016	RMB0.01	Schedule A	100,000	70,556	0.04%

Name of Award Grantee	Position within our Group	Grant date	Exercise price	Vesting period	Number of outstanding Incentive Units	Number of Shares the economic interests of which the outstanding Incentive Units represent	Percentage of Shares the economic interests of which the outstanding Incentive Units represent ¹
<i>Under the Pre-IPO Incentive Scheme 2020</i>							
1. Zhou Xin	Executive Director and chief products officer	(1) January 2, 2021	(1) RMB1.757	Schedule A	(1) 15,000	52,917	0.03%
		(2) January 2, 2022	(2) RMB1.7043		(2) 25,000		
		(3) January 2, 2023	(3) RMB1.7043		(3) 25,000		
		(4) January 8, 2024	(4) RMB2.262		(4) 10,000		
2. Chiang Tsung Che	Executive Director, chief financial officer, secretary of our Board and joint company secretary	(1) January 10, 2019	(1) RMB1.1757	Schedule A	(1) 200,000	428,688	0.26%
		(2) January 1, 2020	(2) RMB1.1757		(2) 100,000		
		(3) January 2, 2021	(3) RMB1.1757		(3) 30,000		
		(4) January 3, 2021	(4) RMB9.0439		(4) 7,589		
		(5) January 2, 2022	(5) RMB1.7043		(5) 120,000		
		(6) January 2, 2023	(6) RMB1.7043		(6) 100,000		
		(7) January 8, 2024	(7) RMB2.262		(7) 50,000		
3. Mr. Peng Jinzhan	Deputy general manager and head of innovation business division	(1) January 2, 2021	(1) RMB1.757	Schedule A	(1) 15,000	40,922	0.03%
		(2) January 3, 2021	(2) RMB11.757		(2) 3,000		
		(3) January 2, 2022	(3) RMB1.7043		(3) 25,000		
		(4) January 2, 2023	(4) RMB1.7043		(4) 15,000		

Notes:

- On the basis that 11,496,984 Shares will be held by Beijing Simaju for the purpose of the Pre-IPO Incentive Schemes and 162,485,020 Shares will be in issue upon completion of the Global Offering, without taking into account the H Shares to be issued upon exercise of the Offer Size Adjustment Option.
- Each of Wang Feiyue, Yu Fu, Dongpu Cao, Cheng Mingming, Li Li and Zhang Zhangshui were our former consultants who previously served in our science committee and provided us guidance and insights to our scientific and R&D activities during our early years of development from 2016 to 2023.

E. OTHER INFORMATION**1. Estate Duty**

Our Directors have been advised that currently no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the PRC.

2. Sole Sponsor

As of the Latest Practicable Date, (i) approximately 0.91% of the total number of issued Shares was held by CITIC Securities Investment Co., Ltd. (中信証券投資有限公司) (“**CITIC Securities Investment**”), which is a wholly-owned subsidiary of CITIC Securities Company Limited (中信証券股份有限公司) (“**CITIC Securities**”), being a company listed on the Stock Exchange (Stock Code: 6030) and on the Shanghai Stock Exchange (Stock Code: 600030); and (ii) approximately 1.17% of the total number of issued Shares was held by Shaanxi Big Data Industry Investment Fund Partnership (Limited Partnership) (陝西大數據產業投資基金合夥企業(有限合夥)), which is a limited partnership established in the PRC and is owned as to 67% by CITIC Securities. See “History, Development and Corporate Structure” for further details.

The Sole Sponsor is an indirect wholly-owned subsidiary of CITIC Securities. CITIC Securities, CITIC Securities Investment and the Sole Sponsor are thus members of a sponsor group as defined under the Listing Rules. Notwithstanding the aforesaid, (i) none of the Sole Sponsor, its directors or its directors’ close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of our Company; and (ii) the Sole Sponsor, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of US\$500,000 for acting as the sponsor for the Listing.

3. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

4. Promoters

The promoters at the date of establishment of our Company are Mr. Wu, Mr. Jiang, Mr. Zhou, Mr. Peng, Mr. Zhao and Deep Glint.

Save as disclosed in “History, Development and Corporate Structure,” within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters named above in connection with the Global Offering and the related transactions described in this prospectus.

5. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualification
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
King & Wood	Legal advisors to our Company as to PRC law and international sanctions law
ONC Lawyers	Legal advisors to our Company as to Hong Kong laws in relation to the operations of the Group
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Each of the experts named above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

6. Interests of experts in our Company

Except as disclosed in “History, Development and Corporate Structure” and “Underwriting” and save for the Underwriters’ obligations under the Underwriting Agreements, none of the persons named in “— 5. Qualifications and Consents of Experts” above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

7. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

8. Property Valuation

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the

date of the most recent audited consolidated balance sheet of our Group, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets.

9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, 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.

10. Miscellaneous

- (a) Within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) save as disclosed in “Underwriting — Underwriting Arrangements and Expenses — Commission and Expenses,” no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iv) save as disclosed in “Underwriting — Underwriting Arrangements and Expenses — Commission and Expenses,” no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.
- (b) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries.
- (c) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) Our Company has no outstanding convertible debt securities or debentures.
- (f) There is no arrangement under which future dividends are waived or agreed to be waived.
- (g) None of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

11. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (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 prospectus, the English version shall prevail.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were: (a) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 5. Qualifications and Consents of Experts;” and (b) a copy of each of the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts.”

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.uisee.com) up to and including the date which is 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the Accountant’s Report from the Reporting Accountants, the text of which is set out in Appendix I;
- (c) the report from the Reporting Accountants in respect of the unaudited *pro forma* financial information, the text of which is set out in Appendix II;
- (d) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (e) the legal opinion issued by King & Wood, our PRC Legal Advisors, in respect of certain general corporate matters of our Group;
- (f) the legal memorandum issued by King & Wood, our International Sanctions Legal Advisors, in respect of certain matters in connection with international sanctions law, trade restrictions and tariff policies;
- (g) the legal opinion issued by ONC Lawyers, our legal advisors as to Hong Kong laws in relation to the operations of the Group;
- (h) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 5. Qualifications and Consents of Experts;”
- (i) the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts;”
- (j) the service agreements and letters of appointment entered into between our Company and each of our Directors (as applicable) referred to in “Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Directors’ Service Agreements and appointment letters;”
- (k) the industry report issued by Frost & Sullivan; and
- (l) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation.

UISEE

馭勢科技(北京)股份有限公司
UISEE TECHNOLOGIES (BEIJING) CO., LTD.