

## SUMMARY

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*This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read the document in its entirety before making your investment decision. There are risks associated with any investment. Some of the particular risks in investing in our Shares are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to invest in our Shares. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this document.*

## OVERVIEW

We are a global leader in the LiDAR and perception solutions market. By integrating hardware and software, we have differentiated ourselves from most LiDAR companies in the market who only focus on hardware. Combined with visual or other sensors, LiDAR forms perception solutions that endow automobiles and robots with perception capabilities superior to human eyes. We develop our solutions based on chip-driven LiDAR hardware and AI perception software, expanding application scenarios and realizing large-scale commercialization in the industry.

We believe that our market leadership, customer-centric technology and products, and mass production capabilities position us as a global leader of LiDAR and perception solutions.

### Market Leadership

We are the world’s first LiDAR company to achieve mass production of automotive-grade solid-state LiDAR, according to CIC. As of March 31, 2023, we had served the largest number of automotive OEMs and Tier 1 suppliers, obtained the most design wins and achieved SOP for the highest number of vehicle models as compared with other LiDAR companies around the world, according to CIC.

In June 2021, we led the era of mass production for automotive-grade solid-state LiDAR by delivering M1, our flagship LiDAR product, to a North American automotive OEM. According to CIC, we commenced the delivery of mass-produced automotive-grade LiDAR more than one year ahead of any publicly listed LiDAR companies in the world. Our products have earned industry-wide recognition. As of March 31, 2023, we had earned design wins for mass production of LiDAR products for 52 vehicle models with 21 automotive OEMs and Tier 1 suppliers, ranking No. 1 globally, according to CIC. As of the same date, our LiDAR products had been selected by nine of China’s top ten largest automotive OEMs, which include China’s largest automotive OEM and world’s largest NEV OEM, in terms of sales volume in 2022, according to CIC. In addition, we have established cooperation with more than 200 automotive OEMs and Tier 1 suppliers globally. We obtained almost half of the total design-win vehicle models in the automotive LiDAR solutions market as of March 31, 2023, according to CIC.

We have delivered LiDAR products and solutions to the largest number of customers according to CIC. As of March 31, 2023, we had achieved SOP for nine vehicle models for seven of the 21 aforementioned automotive OEMs and Tier 1 suppliers. As of March 31, 2023, we had delivered over 100,000 LiDAR units since our inception. We have widely extended our application use cases

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beyond the automotive industry, such as agricultural robots, inspection robots, V2X solutions and reference solutions. As of March 31, 2023, we had served approximately 2,000 customers in the robotics and other non-automotive industries. According to CIC, we ranked No. 1 globally in terms of cumulative sales volume for customers in the robotics and other non-automotive industries as of December 31, 2022.

### **Customer-centric Technology and Product Approach**

We have adopted a customer-centric approach when developing our technology and products. The development of the LiDAR industry has progressed through two distinct stages, namely the application exploration stage and the large-scale mass production stage. The first stage focuses on product performance. As the industry moves towards large-scale production, customers, particularly those in the automotive industry, are demanding products with superior performance, higher reliability and lower costs. Furthermore, LiDAR’s AI perception software and fusion technology with other sensors also play an increasingly critical role in bringing out its best performance. In order to meet the evolving needs of our customers, we integrate hardware and software in our LiDAR solution offerings.

Our customer-centric approach is built on our chip-driven LiDAR platform as well as industry-leading AI perception software capabilities. By integrating software and hardware, we are able to achieve mutual success for ourselves and our customers and set us apart from our competitors.

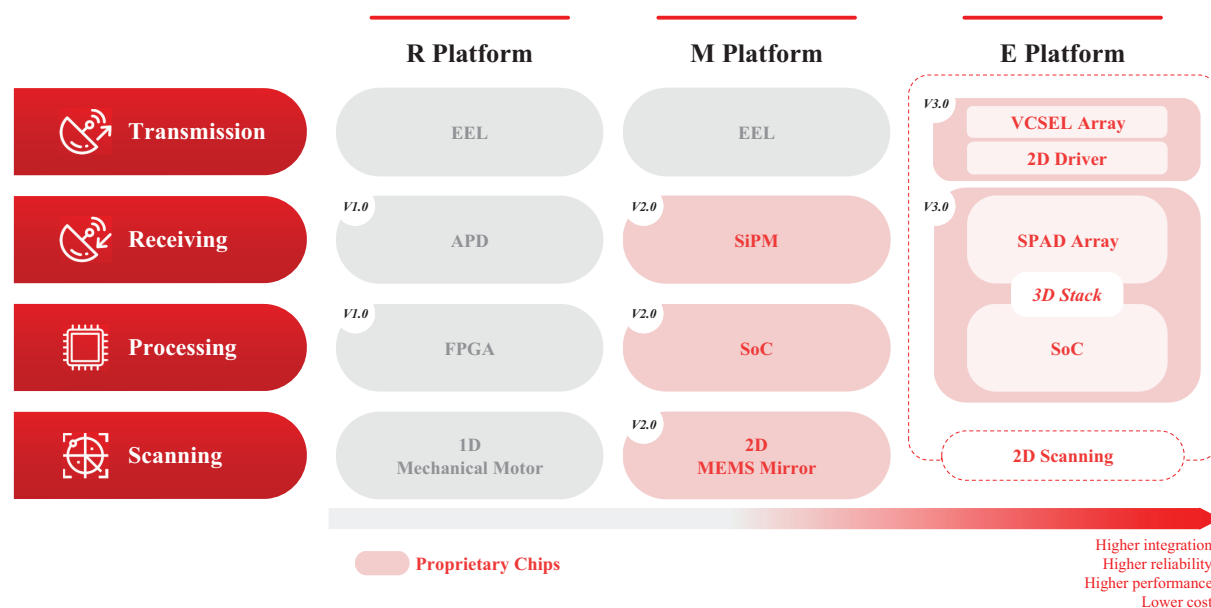
### ***Chip-driven LiDAR Platform***

For our hardware, we focus on developing chip-driven LiDAR platforms based on our proprietary LiDAR-on-chip technology that enables fast and efficient product iterations. At the application exploration stage, we launched our R Platform products using discrete components to meet market requirements for superior performance. To further reduce cost and enhance quality, we subsequently increased our focus on research and development of proprietary chips, leading to the successful development of our M and E Platforms, which became key milestones in our journey towards global recognition.

According to CIC, we were one of the earliest LiDAR companies to develop proprietary chip technology. Since 2017, we have been developing our chip-driven scanning, transmission, receiving and processing systems. The launch of our M series products in June 2021 made us the first LiDAR company in the world to achieve mass production of automotive-grade LiDAR products equipped with in-house developed chips, according to CIC. Subsequently in November 2022, we launched our E series products equipped with in-house chips integrating transmission, receiving and processing systems.

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The following diagram illustrates the roadmap of how LiDAR-on-chip technology is gradually deployed across our LiDAR platforms:



### Industry-leading AI Perception Software

Our industry-leading AI perception software, HyperVision, converts raw sensor data collected through LiDAR and cameras into high-quality perception information that can be directly used by autonomous vehicles and robots. We use advanced AI technology to combine multiple types of sensor data through neural networks to provide a complete set of environment perception information. Different sensors supplement each other and form a “Super Sensor.”

Leveraging our perception software capabilities, we are able to offer customized LiDAR perception solutions to meet diverse customer demands. According to CIC, we are the first LiDAR company in the industry to offer high performance perception solutions. We had collaborated with multiple customers and business partners, including automotive OEM and Tier 1 suppliers, to jointly develop perception software. Our revenue from sales of LiDAR perception solutions accounted for 23.1% of our total revenue in 2022.

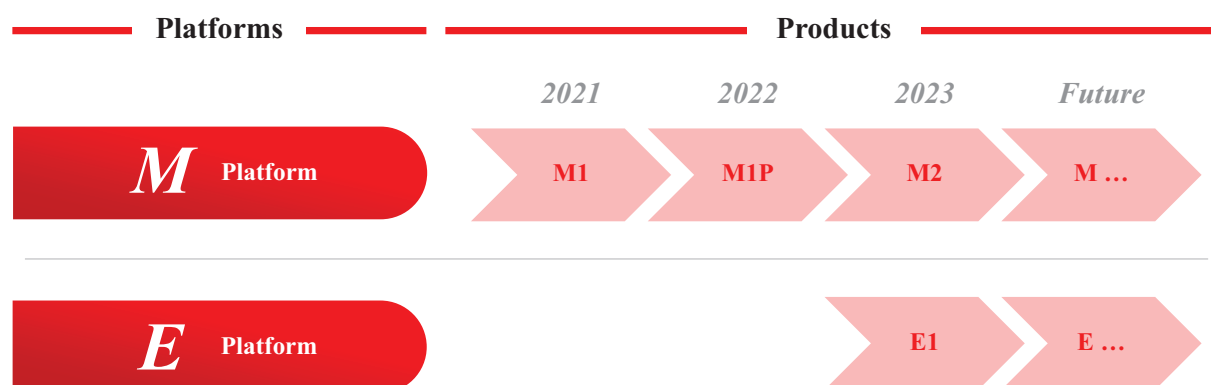
### Highly Iterative Product Development Approach

We have adopted a highly iterative and customer-centric product development approach, especially for ADAS customers who are highly sensitive to project development risks, product quality and cost-efficiency. Through our approach, we are able to (i) reduce R&D risks for new product development, (ii) proven components, equipment and production processes to ensure reliability and maximize economies of scale, and (iii) optimize project development timeframe.

The highly iterative nature of our products is demonstrated by the mass production of M1 in 2021, followed by M1P in 2022; and we plan to begin mass production of M2 in 2023. All of these products are able to achieve performance improvements without significant changes to their physical dimensions or connectors, allowing our customers to easily implement upgrades with minimal

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additional efforts. According to CIC, our M series products were the only products in the world that had achieved such continuous iteration as of March 31, 2023. Our M and E series products will continue to be upgraded in the future, fueling our continued growth and success in the market. The following diagram illustrates our product iteration roadmap for our M and E Platforms:



### Mass Production Capabilities

We have accumulated significant know-how in product verification, engineering and manufacturing, all of which are crucial to the success of large-scale mass production and delivery.

#### *Comprehensive portfolio of certifications*

We have obtained a comprehensive portfolio of certifications, including CNAS, IATF16949, ISO9001, TS22163, ISO45001, ISO14001 and other automotive-grade quality or safety management system certifications. We were also the first to obtain ASPICE CL2 certification in the LiDAR industry in China, according to CIC.

#### *Extensive product verification and validation*

Our large customer base allows us to conduct extensive verification and validation of our products. We have a CNAS-accredited professional LiDAR lab where stringent verifications are conducted throughout the R&D process and the ongoing reliability tests are conducted during the mass production phase.

Our M series products have passed the verification tests of 21 domestic and overseas automotive OEMs and Tier 1 suppliers for the purpose of obtaining design wins.

#### *Resilient supply chain*

We have established a comprehensive supply chain to support large-scale LiDAR production. We have formed strategic cooperation with Texas Instruments (TI) and strong cooperative relationships with a number of overseas and domestic chip suppliers. The core MEMS scanning chip in our mass-produced M series products is developed and packaged in-house, which allows us to effectively control costs and reduce potential supply chain risks. In addition, the core SoC for our E series products is also developed in-house.

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### *State-of-the-art manufacturing facilities*

We operate two in-house manufacturing centers in Shenzhen. Our Honghualing factory occupies approximately 13,000 square meters of space and produces solid-state LiDARs, and has a monthly designed capacity of approximately 46,800 units. Our Shiyan factory mainly produces R Platform LiDARs. We also invested in a manufacturing center through our joint venture Luxsense in Dongguan. We have established a high level of control throughout the entire production process from prototype to mass production. Utilizing our automated intelligent manufacturing and engineering facilities, we are able to achieve high product consistency and effective cost control.

### OUR STRENGTHS

We believe that our competitive strengths are as follows:

- Large and diverse customer base;
- LiDAR-on-chip technology;
- Full-stack perception capabilities;
- Strong mass production capabilities; and
- Visionary management and seasoned R&D team.

### OUR STRATEGIES

The key elements of our growth strategies include:

- Continued investment in our core technologies and refine our product offerings;
- Strengthening manufacturing and supply chain capabilities;
- Strengthening and broadening our customer base; and
- Attracting and retaining talent.

### RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our Shares. Some of the major risks that we face include:

- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- We have a history of net losses, which may continue in the future;
- We have recorded negative operating cash flows in the past, which may reoccur in the future;

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- We recorded net current liabilities;
- The failure to innovate our technology or develop new products to adapt to changing customer needs could harm our growth;
- The LiDAR industry in which we compete is new and rapidly evolving and it is difficult to forecast adoption rates and demand for our products;
- We operate in highly competitive markets. We compete against a large number of both established competitors and new market entrants;
- There is no guarantee that our automotive OEM customers will purchase our products and solutions in any certain quantity or at any certain price even after we obtain design wins, and the period of time from product design to mass production is long and we are subject to the risks of cancelation or postponement of contracts or unsuccessful implementation;
- We are susceptible to supply shortages, long lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs and delay deliveries of our products to customers;
- Pricing pressures may result in lower than anticipated revenue and margins, which may adversely affect our business;
- Our business and financial condition could be materially and adversely affected if we lose any of our major customers or they are unable to make timely payments; and
- If we are unable to manufacture or deliver high quality products on schedule and on a large scale, our business may be materially and adversely affected.

## OUR FOUNDERS AND CONCERT PARTY CONFIRMATION

Dr. Qiu, Mr. Liu and Dr. Zhu are our co-founders. As of the Latest Practicable Date, Dr. Qiu held approximately 11.58% of the Shares through BlackPearl, Dr. Zhu held approximately 6.94% of the Shares through Emerald Forest, and Mr. Liu held approximately 4.25% of the Shares through Sixsense. On April 21, 2023, our Founders, Dr. Qiu, Dr. Zhu and Mr. Liu, entered into the Concert Party Confirmation, to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders’ rights of our Group and aligning their votes in the board and shareholders’ meetings of our Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier). As of the Latest Practicable Date, the Founders held approximately 22.77% of the Shares, and will hold approximately [REDACTED] of the Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). See “History, Reorganization and Corporate Structure.”

## PRE-[REDACTED] INVESTORS

We received several rounds of Pre-[REDACTED] Investments since the establishment of our Group. We have a broad and diverse base of Pre-[REDACTED] Investors, including Cainiao, OFC, Gortune, China Renaissance, GCF and Shanghai Ziyue. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

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### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

#### Summary of the Consolidated Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this document. The results of operations in any year are not necessarily indicative of our future trends.

	For the Year Ended December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
Revenue .....	170,931	331,063	530,322
Cost of sales .....	(95,561)	(190,795)	(569,617)
<b>Gross profit/(loss) .....</b>	<b>75,370</b>	<b>140,268</b>	<b>(39,295)</b>
Research and development expenses .....	(81,534)	(133,037)	(305,941)
Sales and marketing expenses .....	(23,613)	(46,891)	(67,381)
General and administrative expenses .....	(37,603)	(142,374)	(188,352)
Net impairment losses on financial assets .....	(1,732)	(2,884)	(2,502)
Other income .....	8,143	18,761	31,483
Other gains/(losses) — net .....	358	584	(44,118)
<b>Operating loss .....</b>	<b>(60,611)</b>	<b>(165,573)</b>	<b>(616,106)</b>
Finance income/(costs) — net .....	677	(928)	15,445
Fair value changes in financial instruments issued to investors .....	(160,667)	(1,487,788)	(1,484,649)
<b>Loss before income tax .....</b>	<b>(220,601)</b>	<b>(1,654,289)</b>	<b>(2,085,310)</b>
Income tax expenses .....	—	(237)	(803)
<b>Loss for the year .....</b>	<b>(220,601)</b>	<b>(1,654,526)</b>	<b>(2,086,113)</b>

#### Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss as net loss for the period adjusted by adding back share-based compensation, fair value changes in financial instruments issued to investors and listing expenses. The adjustments have been consistently made during the Track Record Period, and such adjustments comply with Guidance Letter HKEX-GL103-19.

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The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the period:

	For the Year Ended December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
<b>Reconciliation of net loss to adjusted net loss:</b>			
Loss for the year	(220,601)	(1,654,526)	(2,086,113)
Add:			
— Share-based compensation	—	59,113	35,086
— Fair value changes in financial instruments issued to investors	160,667	1,487,788	1,484,649
— Listing expenses	—	—	3,558
<b>Adjusted net loss (non-IFRS measure)</b>	<b><u>(59,934)</u></b>	<b><u>(107,625)</u></b>	<b><u>(562,820)</u></b>

See “Financial Information — Non-IFRS Measure.”

## Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this document:

	As of December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
Total current assets	330,117	1,569,239	3,029,363
Total non-current assets	28,158	172,960	398,071
<b>Total assets</b>	<b><u>358,275</u></b>	<b><u>1,742,199</u></b>	<b><u>3,427,434</u></b>
Total current liabilities	122,853	1,280,887	7,594,095
Total non-current liabilities	1,187,292	3,097,231	870,597
<b>Total liabilities</b>	<b><u>1,310,145</u></b>	<b><u>4,378,118</u></b>	<b><u>8,464,692</u></b>
<b>Total deficits</b>	<b><u>(951,870)</u></b>	<b><u>(2,635,919)</u></b>	<b><u>(5,037,258)</u></b>
<b>Total deficits and liabilities</b>	<b><u>358,275</u></b>	<b><u>1,742,199</u></b>	<b><u>3,427,434</u></b>



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

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
<b>Current assets:</b>			
Inventories	53,602	138,583	289,088
Trade and notes receivables	70,604	120,264	206,983
Prepayments, other receivables and other current assets	11,638	679,714	66,480
Financial assets at fair value through other comprehensive income	1,347	3,139	2,469
Financial assets at fair value through profit or loss	80,137	—	307,859
Time deposits	60,066	—	84,573
Restricted cash	—	—	530
Cash and cash equivalents	52,723	627,539	2,071,381
<b>Total current assets</b>	<b>330,117</b>	<b>1,569,239</b>	<b>3,029,363</b>
<b>Current liabilities:</b>			
Trade payables	44,469	70,927	223,849
Contract liabilities	11,197	11,608	19,651
Bank borrowings	4,700	—	—
Lease liabilities	6,008	11,831	17,356
Government grants	1,086	533	—
Financial instruments issued to investors	—	974,046	6,212,044
Other payables and accruals	55,393	211,942	1,121,195
<b>Total current liabilities</b>	<b>122,853</b>	<b>1,280,887</b>	<b>7,594,095</b>
<b>Net current assets/(liabilities)</b>	<b>207,264</b>	<b>288,352</b>	<b>(4,564,732)</b>

We recorded net current liabilities of RMB4,564.7 million as of December 31, 2022, compared to our net current assets of RMB288.4 million as of December 31, 2021, primarily due to (i) an increase of RMB5,238.0 million in the current portion of financial instruments issued to investors, (ii) an increase of RMB909.3 million in other payables and accruals, and (iii) an increase of RMB152.9 million in trade payables, partially offset by (i) an increase of RMB1,443.8 million in cash and cash equivalents, (ii) an increase of RMB307.9 million in financial assets at fair value through profit or loss and (iii) an increase of RMB150.5 million in inventories.

Our net current assets increased from RMB207.3 million as of December 31, 2020 to RMB288.4 million as of December 31, 2021, primarily due to (i) an increase of RMB668.1 million in prepayments, other receivables and other current assets, (ii) an increase of RMB574.8 million in cash and cash equivalents, and (iii) an increase of RMB85.0 million in inventories, partially offset by (i) an increase of RMB974.0 million in the current portion of financial instruments issued to investors, (ii) an increase of RMB156.5 million in other payables and accruals, and (iii) a decrease of RMB80.1 million in financial assets at fair value through profit or loss.

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### Selected items from the Consolidated Statements of Cash Flows

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

	For the Year Ended December 31,		
	2020	2021	2022
	<i>(RMB in thousands)</i>		
Operating loss before changes in working capital	(41,829)	(83,195)	(419,824)
Changes in working capital	(34,052)	(111,821)	(16,613)
Interest received	1,501	1,286	20,491
Interest paid	(824)	(2,559)	(3,040)
Income taxes paid	—	(183)	(725)
Net cash used in operating activities	(75,204)	(196,472)	(419,711)
Net cash (used in)/generated from investing activities	(103,746)	60,380	(569,952)
Net cash generated from financing activities	111,970	711,431	2,416,858
Net (decrease)/increase in cash and cash equivalents	(66,980)	575,339	1,427,195
Cash and cash equivalents at the beginning of the year	120,153	52,723	627,539
Effects of exchange rate changes on cash and cash equivalents	(450)	(523)	16,647
Cash and cash equivalents at the end of year	52,723	627,539	2,071,381

### BUSINESS SUSTAINABILITY

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

Our revenue increased by 93.7% from RMB170.9 million in 2020 to RMB331.1 million in 2021, and further by 60.2% to RMB530.3 million in 2022. Benefiting from the solid foundation we have built and the momentum we have seized, we believe that we are able to maintain sustainability and growth of our business. See “Business — Business Sustainability.”

### [REDACTED]

The numbers in the following table are based on the assumptions that (i) the [REDACTED] had taken place on December 31, 2022 and [REDACTED] Shares were issued and sold in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are issued and outstanding following the completion of [REDACTED].

	Based on an [REDACTED] of HK\$[REDACTED]	Based on an [REDACTED] of HK\$[REDACTED]
Market capitalization <sup>(1)</sup>	[REDACTED]	[REDACTED]
Unaudited pro forma adjusted consolidated net tangible assets per Share <sup>(2)</sup>	HK\$[REDACTED]	HK\$[REDACTED]

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*Notes:*

- (1) The calculation of market capitalization is based on [REDACTED] Shares expected to be issued following the [REDACTED].
- (2) The unaudited pro forma adjusted net tangible per share is arrived at after the adjustment referred to in Appendix II to this document.

### LISTING EXPENSES

Listing expenses represent professional fees, [REDACTED] commission, and other fees incurred in connection with the [REDACTED]. We estimate that our listing expenses will be approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED]) and no exercise of the [REDACTED]), which accounts for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. We estimate the listing expenses to consist of approximately of HK\$[REDACTED] in [REDACTED] fees and HK\$[REDACTED] in non-[REDACTED] fees (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED]). Among the total listing expenses, approximately HK\$[REDACTED] will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the [REDACTED], and the remaining approximately HK\$[REDACTED] will be expensed in our consolidated statements of comprehensive loss.

### FUTURE PLANS AND USE OF [REDACTED]

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

- Approximately [45]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used on research and development to continue building and enhancing our product pipeline as well as team expansion for supporting our R&D initiatives;
- Approximately [20]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our manufacturing, testing and verification capabilities;
- Approximately [20]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our sales and marketing efforts;
- Approximately [5]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for exploring potential strategic partnerships or alliance opportunities; and

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- Approximately [10]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for general corporate purposes to support our business operation and growth.

See “Future Plans and Use of [REDACTED].”

## NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2022, being the end date of the periods reported on in the Accountant’s Report in Appendix I to this document, and there is no event since December 31, 2022 that would materially affect the information as set out in the Accountant’s Report in Appendix I to this document.

## DIVIDEND POLICY

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

## IMPACT OF THE COVID-19 PANDEMIC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the novel coronavirus disease 2019 (the “COVID-19”) outbreak a public health emergency of international concern, and on March 11, 2020, the World Health Organization declared the global COVID-19 outbreak a pandemic. The COVID-19 virus continued to spread rapidly worldwide in 2022, including where we have business operations and where our customers, suppliers and business partners are located. To contain the virus spread within our office premises and manufacturing facilities and protect the well-being of our employees, we adopted various mitigation measures, such as remote working, social distancing and mask wearing, and other site-specific precautionary measures.

Although our offices and manufacturing facilities were able to stay open throughout the pandemic, we experienced certain disruptions and inconvenience in our operations as a result of employee health and safety concerns, travel restrictions, and other actions and restrictions mandated by governmental authorities. On the supply end, our suppliers experienced disruptions and temporary shutdowns, and for a period of time could not meet their contractual obligations toward us. We were able to mitigate such impact as we had previously purchased and stored certain raw materials and

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key components in preparation for the anticipated disruptions and were able to find substitute suppliers. As such, our production and delivery were not disrupted during the Track Record Period. However, our efforts to mitigate the impacts from the COVID-19 pandemic resulted in heightened costs in procuring certain raw materials and components used in our production. In addition, as the pandemic impacted the performance of the end-markets of our products, our production volume did not scale up as anticipated.

As the COVID-19 pandemic has since subsided, we do not anticipate further adverse impact on our business and financial performance.

## RECENT DEVELOPMENTS

In December 2022, Shenzhen Suteng entered into a capital increase agreement with Dongguan Cowell Optic Electronics Co., Ltd., pursuant to which Shenzhen Suteng subscribed for 49.0% of the equity interest of Luxsense at a cash consideration of RMB49.0 million. The transaction was completed in February 2023. Upon completion, Shenzhen Suteng was entitled to certain shareholder’s rights and had its representation in the board of directors of Luxsense. Accordingly, our Group accounts for this investment as an investment in an associate using the equity method. See Note 39 to the Accountant’s Report in Appendix I to this document.

In April 2023, we completed series G-2 of our Pre-[REDACTED] Investments. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

## Recent PRC Regulatory Developments

On February 17, 2023, the CSRC released 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 “Trial Measures”) and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, Domestic Enterprises (as defined in the Trial Measures) that seek to offer and list securities overseas, directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC. See “Regulatory Overview — Regulations on M&A and Overseas Listings.” We are required to file with the CSRC in accordance with the Trial Measures after our application for listing is initially submitted.