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## Application Proof of



## Shanghai Zhida Technology Development Co., Ltd.

上海摯達科技發展股份有限公司

(the “Company”)

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

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# Shanghai Zhida Technology Development Co., Ltd. 上海摯達科技發展股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the  
the [REDACTED] [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to  
reallocation)

Number of [REDACTED] : [REDACTED] H Shares (subject to  
reallocation and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus  
brokerage of 1.0%, SFC transaction  
levy of 0.0027%, AFRC transaction  
levy of 0.00015% and Stock Exchange  
trading fee of 0.00565% (payable in  
full on [REDACTED] in Hong Kong  
dollars and subject to refund)

Nominal value : RMB1.00 per Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



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The [REDACTED] (on behalf of the Hong Kong [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that stated in this Document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of our Company at [www.shzhida.com](http://www.shzhida.com). Further details are set out in the section headed “Structure of the [REDACTED] and How to Apply for [REDACTED]”.

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[REDACTED]

[REDACTED]

**IMPORTANT**

[REDACTED]

## IMPORTANT

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]

## EXPECTED TIMETABLE

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[REDACTED]

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## SUMMARY

*This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the “Risk Factors” section in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].*

## OVERVIEW

### Our Business

We are the world’s largest provider of EV home charging solutions in terms of sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. Starting with offering high-quality smart home EV chargers to both automakers and users, we have since developed a “three-in-one” EV home charging solution consisting of high-quality products, value-added services, and a powerful digital platform.

- **Products:** During the Track Record Period, we delivered a cumulative number of 0.9 million home EV chargers globally and 0.8 million home EV chargers in China. Our market share reached 20.5% in China and 12.2% globally in terms of the sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. From 2021 to 2022, our sale volume of home EV chargers grew at an exponential rate of 205.0%.
- **Services:** To empower homes across the country with our smart home EV chargers and digital energy management services, we have established China’s largest EV charger service network to provide door-to-door installation and after-sales services according to Frost & Sullivan, covering over 360 cities nationwide as of September 30, 2023. During the Track Record Period, we fulfilled a total of 0.6 million installation and after-sales service tasks. Our digital home energy management services also include, among others, community shared charging and EV home charging control. We are also developing a variety of other services to further digitalize home energy management for our users.
- **Digital Platform:** To connect our products and value-added services as part of our integrated energy management solutions, we have constructed a digital platform. This platform is built upon proprietary IoT technology and is empowered by cloud computing, data analytics and cluster deployment, all unified within a unified IT architecture. Our platform digitizes the management of our installation and after-sales network, support our community shared charging services, and more importantly, underpins our “vehicle-to-home” (V2H) and “vehicle-to-energy” (V2E) capabilities to support our growing variety of digital energy management services.

To digitalize, intelligize and globalize our solutions, we have been continuously upgrading our products and services, developing new technology, and expanding across overseas markets. With home energy management becoming more digital and intelligent, we believe EV chargers have the potential to serve as a critical gateway to the widespread adoption of home digital energy solutions. We also believe that these solutions will optimize the ways tens of millions of families decide how to charge, when to charge, and how to save, from apartment blocks with shared car parks to single-family houses with private garages. To embrace this trend and to unlock the next-generation ways to charge and save, we have devoted ourselves to product development, service innovation, and platform digitalization.

We believe we are a trusted partner for leading automakers in China. During the Track Record Period, we provided smart home EV chargers and accessories and/or value-added services to eight of the top ten mainstream automakers in China in terms of sales volume of EVs in the nine months ended September 30, 2023, according to Frost & Sullivan. Through our partnerships with well-known automakers, we have established our brand reputation as a leading provider of EV home charging solutions, while expanding into overseas markets alongside these major automakers. Today, our products and services serve eight countries. In Thailand and Brazil, two fast-growing EV markets outside of China, we are one of the first movers that have established a preeminent presence as a highly recognized provider of smart home EV chargers and services, according to Frost & Sullivan.

## SUMMARY

Drawing upon our brand influence and service capabilities we accumulated through our partnerships with leading automakers, we launched our own retail brand “摯達(Zhida)” in 2020. Since its launch, we have efficiently and rapidly accumulated a vast user base, which lays a solid foundation for us to directly reach and better understand the needs of retail users. We cover retail users through multiple channels domestically and internationally. We operate e-stores on platforms such as Tmall (天貓), Douyin (抖音) and Youzan (有贊) in China, and we plan to expand our footprint on international e-commerce platforms. We are one of the top three brands in terms of retail sales of home EV chargers on e-commerce platforms in both 2022 and the nine months ended September 30, 2023, according to Frost & Sullivan. In addition, we collaborate with distributors in 104 cities in China as of September 30, 2023, to further expand the customer base of our products.

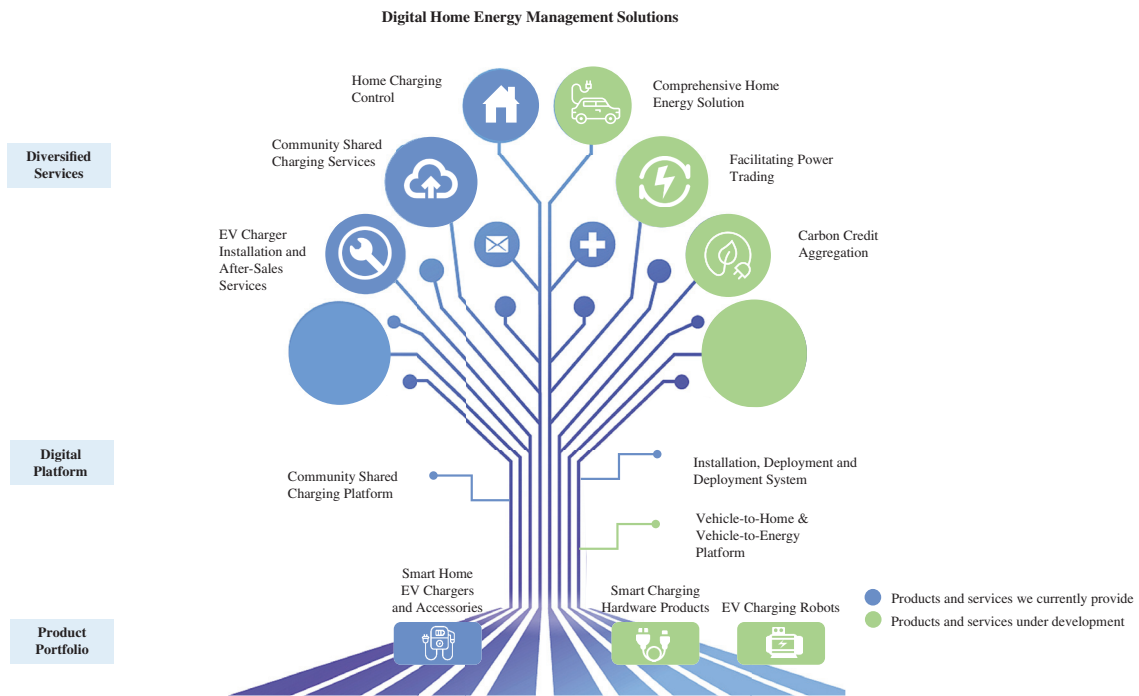
For details, see “Business — Overview.”

### Our Integrated Business Model

In our blueprint for providing digital energy management solutions to homes around the world, we adopt a vertically integrated business model, where we envision our product portfolio to be the “roots” supporting our digital service platform as the “trunk” that underpins a nourishing array of digital home energy management services as the “leaves.”

Under this three-in-one business model as illustrated in the tree diagram below, our product offerings of smart home EV chargers and accessories, and pipeline smart devices, including our EV charging robots and smart charging hardware products, spread their roots to homes around the world as the key entry portals to digital home energy management. The delivery and use of these smart products are empowered by a robust digital platform that connects a vast network of third-party installation and after-sales service providers and supports our community shared charging services. This digital platform, whose development and expansion are predicated on our IoT technologies, also nurtures and enables an expanding web of smart V2H/V2E energy management services.

These products, platform, and services create an omnipresent thriving ecosystem that empowers automakers, energy companies, ultimately benefiting EV owners and their families as the users.



For details, see “Business — Overview — Our Integrated Business Model.”

## SUMMARY

The following table sets forth a breakdown of our revenues generated from sales of products and provision of value-added services during the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
<b>Revenue</b>								
Sales of products . . . . .	190,130	53.2	407,434	58.5	213,240	51.1	242,397	49.9
Provision of value-added services . . . . .	167,477	46.8	289,626	41.5	204,238	48.9	243,424	50.1
<b>Total . . . . .</b>	<b>357,607</b>	<b>100.0</b>	<b>697,060</b>	<b>100.0</b>	<b>417,478</b>	<b>100.0</b>	<b>485,821</b>	<b>100.0</b>

During the Track Record Period, we delivered 0.9 million EV chargers and completed 0.6 million installation and after-sales service tasks. The table below sets forth a breakdown during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,		Total number During the Track Record Period
	2021	2022	2022	2023	
Smart home EV chargers . . . . .	158,967	484,771	218,739	227,860	<b>871,598</b>
Installation and after-sales service tasks . . .	104,679	257,600	169,853	271,983	<b>634,262</b>

### Our Product Offerings

Over the years, we have developed various high-quality models of smart home EV chargers and accessories catering to customer’s EV charging needs. We manufacture our smart home EV chargers either for sales by automakers as part of their vehicles sold to their customers, or under our own brand sold to users through our self-operated retail channels and third-party distributors. Based on our deep understanding of automakers’ specifications, we are capable of customizing our smart home EV chargers to their specific requirements. Substantially all of our revenues generated from our product offerings were derived from sales of smart home EV chargers during the Track Record Period. For details, see “Business — Integrated EV Home Charging Solutions — Our Product Offerings.”

### Our Value-Added Service Offerings

As part of our integrated EV charging solutions and complementary to our products, we offer value-added services to users to help them to unlock the full potential of our product offerings. Such value-added service offerings include EV charger installation and after-sales services provided through third-party service providers connected through our digital platform. Through service providers, we assist users in effortlessly setting up and maintaining their smart home EV chargers. In addition, we also provide a growing range of digital home energy management services, which encompass data analytics, safe charging, and other digital functions that enable users to manage their daily EV charging and home energy management needs more effectively. These services also include providing users with community shared charging through our apps and mini-program. During the Track Record Period, substantially all of the revenues we generated from value-added services were derived from providing users with EV charger installation and after-sales services. For details, see “Business — Integrated EV Home Charging Solutions — Our Value-Added Service Offerings.”

### Our Digital Platform

To seamlessly integrate our products and services and provide users with a one-stop digital home energy management solution, we have built and are continuously developing a digital platform that not only supports EV charger installation and community shared charging, but also turns our smart home EV chargers into the gateway to a growing array of digital home energy management services. Through deployment of reliable third-party service providers

## SUMMARY

through this digital platform, we ensure the timely accessibility and sharing of information by and among us, automakers, users, and service providers, which significantly enhances service quality and efficiency. Leveraging platform-supported community shared charging service, we enable users to locate available EV chargers with ease and promote the sharing of charging resources, thereby optimizing the efficient use of existing infrastructure and contributing to a sustainable EV ecosystem. Our digital platform is strictly segregated for China and overseas markets in compliance with relevant laws and regulations in data security and privacy protection. For details, see “Business — Integrated EV Home Charging Solutions — Our Digital Platform.”

### Our Diversified Sales and Distribution Channels

Our sales and distribution channels consist of direct sales and sales through distributors. Our direct sale channels comprise (i) sales to automakers, including automakers and related customers who enjoy substantially identical price terms as automakers, and (ii) sales to retail customers, mainly through online stores operated by us on major e-commerce platforms. In addition to direct sale channels, we also sell a small portion of our products through partnering with third-party distributors who purchase and resell our products to retail customers. With these diversified sales channels and networks, we are able to expand our user reach across different geographic markets with enhanced operational efficiency. According to Frost & Sullivan, direct sales and distribution are generally in line with the industry norms.

The following table sets forth a breakdown of our revenues generated from sales of products in terms of direct sales and sales through distributors during the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
(unaudited)								
(in thousands, except for percentages)								
<b>By sales channel</b>								
<b>Sales of products</b>								
Direct sales . . . . .	174,216	48.7	362,280	52.0	184,327	44.2	202,609	41.7
Sales to automakers . . .	142,735	39.9	308,630	44.3	152,142	36.5	163,681	33.7
Retail sales . . . . .	31,481	8.8	53,650	7.7	32,185	7.7	38,928	8.0
Sales through distributors . .	15,914	4.5	45,154	6.5	28,913	6.9	39,788	8.2
<b>Provision of value-added services . . . . .</b>								
	<b>167,477</b>	<b>46.8</b>	<b>289,626</b>	<b>41.5</b>	<b>204,238</b>	<b>48.9</b>	<b>243,424</b>	<b>50.1</b>
<b>Total . . . . .</b>	<b>357,607</b>	<b>100.0</b>	<b>697,060</b>	<b>100.0</b>	<b>417,478</b>	<b>100.0</b>	<b>485,821</b>	<b>100.0</b>

We generate revenue through sales of products and services used in China and overseas. During the Track Record Period, our overseas revenue mainly included sales of smart home EV chargers made for Chinese automakers in conformity with overseas product specifications in connection with sales of their EVs to overseas markets. The following table sets forth a breakdown of our revenue by geographic region in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
(unaudited)								
(in thousands, except for percentages)								
<b>By geographic region</b>								
China . . . . .	349,461	97.7	684,150	98.1	412,750	98.9	438,122	90.2
Overseas . . . . .	8,146	2.3	12,910	1.9	4,728	1.1	47,699	9.8
<b>Total . . . . .</b>	<b>357,607</b>	<b>100.0</b>	<b>697,060</b>	<b>100.0</b>	<b>417,478</b>	<b>100.0</b>	<b>485,821</b>	<b>100.0</b>

For details, see “Business — Sales and Marketing — Our Diversified Sales and Distribution Channels.”

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## SUMMARY

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### Manufacturing and Supply Chain

We manufacture our smart home EV chargers and accessories through our self-operated manufacturing facilities. Our integrated production process increases our production efficiency and reduces our dependence on manual labor. We believe that this vertical integration also enables us to adjust our production quickly to respond to changes in market demand for our products. We ensure quality and reliability by developing and producing core components in-house. We believe that our self-developed techniques and active participation in manufacturing equipment development result in innovative, cost-effective, and replicable solutions.

Our principal manufacturing facilities are located in Anhui Province, China, with an aggregate GFA of approximately 38,000 sq.m., which are primarily used for the production of smart home EV chargers and accessories. Since the initial establishment of our manufacturing facilities in Xuancheng city and Anqing city in Anhui, we have been continuously investing in upgrading our equipment and production lines to increase their efficiency, including by establishing an surface-mount technology (“SMT”) and dual in-line package (“DIP”) production line which adopted leading technologies such as the latest Panasonic mounters and printers for ensuring top-quality production. Outside of China, leveraging our success and know-how in building and operating our factories in China, we initiated the preparation work for our factory in Thailand in September 2023, which is scheduled to commence operations in the second quarter of 2024. Our Thailand factory has a designed production capacity of 216.0 thousand EV chargers per year, and we intend to continue to upgrade and expand its production lines depending on the market demand for our products.

Our inventories consist of raw materials, work in progress, finished goods and goods in transit. Our commitment to quality is embodied in our dedicated quality management department, which invests substantial resources into ensuring the superior quality of our products.

For details, see “Business — Manufacturing and Supply Chain.”

### Our Customers and Suppliers

During the Track Record Period, our customers mainly include automakers, retail customers and distributors. Since our inception, we have fostered close partnerships with a growing, large base of leading automakers worldwide. We provide automakers with our smart home EV chargers and accessories, which empowers them to cater to the EV charging requirements of their end customers effectively. We provide automakers with the option to customize their smart home EV chargers to their needs, including both product functions and exterior designs. Our sales to automakers also include sales to their related customers, who were designated by automakers to purchase products from us on their behalf, or recommended by automakers to purchase products from us, enjoying substantially identical price terms as such automakers. Beside the direct sales of smart home EV chargers and accessories to automakers, we also generate revenues from direct sales to retail customers under our own brand name. For details, see “Business — Our Customers.”

During the Track Record Period, our suppliers mainly include (i) raw material suppliers for production and (ii) service suppliers, mainly including third-party installation and after-sales service providers. For the production of our products, our principal raw materials include outer casings, charging guns, electronic components and printed circuit boards (“PCBs”), and packaging and labeling materials. Our service suppliers provide services including installation and after-sales services to our users via our digital platform and service network. For details, see “Business — Our Suppliers.”

### OUR COMPETITIVE STRENGTHS

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

- Largest provider of EV home charging solutions;
- Integrated business model delivering end-to-end solutions;



## SUMMARY

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- Strong brand built upon robust product portfolio;
- Industry-leading manufacturing capabilities;
- Multi-channel distribution enabling effective monetization;
- Diversified digital energy management services empowered by technology; and
- Visionary, insightful, and experienced management team.

For details, see “Business — Our Strengths.”

## OUR STRATEGIES

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

- Expand internationally;
- Upgrade digital platform to foster home energy management ecosystem;
- Accelerate technological innovation to develop smarter products and services; and
- Explore new marketing models to maximize monetization potential.

For details, see “Business — Our Strategies.”

## RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in “Risk Factors.” You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Some of the major risks we face are relating to:

- We experienced rapid growth, and we expect to invest in growth for the foreseeable future. If we fail to manage growth effectively, our business, results of operations, financial condition and prospects could be adversely affected.
- Our future growth and success are dependent upon the continued acceptance and adoption of EVs.
- We face competition as the EV home charging solution market develops and evolves.
- We have a history of losses and operating cash outflow during the Track Record Period, and there is no guarantee that we can achieve and maintain profitability in the future.
- We cannot guarantee that our business initiatives and strategies will be successfully implemented or will generate sustainable revenue or profit.
- The EV charging related technologies are rapidly evolving. If we cannot keep up with the latest development, our business, results of operations, financial condition and prospects may be materially and adversely affected.
- If our products and services do not meet customer expectations in terms of quality, availability and user experience, or if we otherwise fail to increase sales of our products and services to our customers and expand our customer base, our business, results of operations, financial condition and prospects may be adversely affected.

## SUMMARY

- A limited number of customers accounted for a substantial portion of our revenue during the Track Record Period, and many of them are large automakers with substantial negotiating power. Any decreases in our future sales to them could adversely affect our business, results of operations, financial condition and prospects.
- We rely on distributors to expand our sales and distribution network. If we are unable to maintain, expand and manage our sales and distribution network successfully, our business, financial condition, results of operations and prospects would be materially and adversely affected.
- Our nationwide service network relies on third-party service providers to deliver high-standard performance, and we may not be able to manage the expansion of such service network efficiently.

## COMPETITION

Driven by the growing sales volume of EVs, the global sales volume of home EV chargers increased from 0.5 million in 2018 to 3.0 million in 2022, representing a CAGR of 58.9%, according to Frost & Sullivan. In 2027, the global sales volume of home EV chargers is expected to reach 13.1 million, representing a CAGR of 33.9% from 2022 to 2027, according to Frost & Sullivan.

According to Frost & Sullivan, there are approximately 4,000 home EV charger manufacturers in the world, most of which are small and medium-sized manufacturers. In terms of global sales volume of home EV chargers during the Track Record Period, the global top five providers of EV home charging solutions accounted for approximately 45.9%, among which we ranked first, with a market share of approximately 12.2%, according to Frost & Sullivan.

The EV home charging solutions market in China is developing rapidly and the competition landscape is constantly evolving, as driven by technological advancement and business model innovation. This results in the frequent introduction of new products and price competition from our competitors in the EV home charging solution industry. Further, some of our current or potential competitors have greater resources or may be acquired by third parties with greater resources. New competitors or alliances may emerge in the future that have greater market share, more widely adopted technologies, greater marketing expertise and greater financial resources, which could put us at a competitive disadvantage. Future competitors could also be better positioned to serve certain segments of our current or future target markets, which could create price pressure. For details, see “Risk Factors — Risks Related to Our Business and Industry — We face competition as the EV home charging solution market develops and evolves.” For competitive landscape, see “Industry Overview — EV Home Charging Solutions — Competitive Landscape of Global EV home charging Solutions.”

## SUMMARY OF KEY FINANCIAL INFORMATION

### Summary of Our Consolidated Statements of Comprehensive Loss

The table below sets forth our consolidated statements of comprehensive loss for the periods indicated derived from the Accountant’s Report included in Appendix I.

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)			
	(unaudited)			
Revenue . . . . .	357,607	697,060	417,478	485,821
Cost of sales . . . . .	(263,299)	(554,986)	(327,312)	(379,946)
<b>Gross profit . . . . .</b>	<b>94,308</b>	<b>142,074</b>	<b>90,166</b>	<b>105,875</b>
Sales and marketing expenses . . . .	(32,747)	(67,615)	(47,913)	(64,895)
General and administrative expenses . . . . .	(34,884)	(53,695)	(40,510)	(46,942)



## SUMMARY

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)		(unaudited)	
Research and development expenses . . . . .	(25,411)	(34,099)	(24,830)	(26,945)
Net impairment (losses)/reversal on financial assets . . . . .	745	(6,700)	(3,794)	421
Other income . . . . .	4,022	3,150	2,413	4,791
Other gains – net . . . . .	320	757	979	139
<b>Operating loss</b> . . . . .	<u>6,353</u>	<u>(16,128)</u>	<u>(23,489)</u>	<u>(27,556)</u>
Finance income . . . . .	246	1,416	831	1,649
Finance costs . . . . .	(30,797)	(14,338)	(11,585)	(7,460)
Finance costs – net . . . . .	(30,551)	(12,922)	(10,754)	(5,811)
Share of net loss of an associate accounted for using the equity method . . . . .	(477)	–	–	–
<b>Loss before income tax</b> . . . . .	<u>(24,675)</u>	<u>(29,050)</u>	<u>(34,243)</u>	<u>(33,367)</u>
Income tax credit . . . . .	1,353	3,903	5,654	6,807
<b>Loss for the year/period</b> . . . . .	<u>(23,322)</u>	<u>(25,147)</u>	<u>(28,589)</u>	<u>(26,560)</u>
<b>Attributable to:</b>				
Owners of the Company . . . . .	(25,981)	(26,306)	(29,209)	(26,556)
Non-controlling interests . . . . .	2,659	1,159	620	(4)
	<u>(23,322)</u>	<u>(25,147)</u>	<u>(28,589)</u>	<u>(26,560)</u>
<b>Loss per share attributable to the equity holders of the Company</b>				
Basic and diluted loss per share . .	<u>(0.59)</u>	<u>(0.53)</u>	<u>(0.60)</u>	<u>(0.51)</u>

For details, see “Financial Information — Summary of Our Consolidated Statements of Comprehensive Loss.”

### Selected Items from Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix I.

	As of December 31,		As of September 30,
	2021	2022	2023
	RMB in thousands		(unaudited)
Non-current assets . . . . .	45,325	79,794	98,902
Current assets . . . . .	475,818	909,403	764,701
<b>Total assets</b> . . . . .	<b>521,143</b>	<b>989,197</b>	<b>863,603</b>
Non-current liabilities . . . . .	442,016	14,046	6,766
Current liabilities . . . . .	326,370	651,882	560,115
<b>Total liabilities</b> . . . . .	<b>768,386</b>	<b>665,928</b>	<b>566,881</b>
<b>Net current assets</b> . . . . .	<b>149,448</b>	<b>257,521</b>	<b>204,586</b>
<b>Net (liabilities)/assets</b> . . . . .	<b>(247,243)</b>	<b>323,269</b>	<b>296,722</b>
<b>(Deficit)/equity attributable to owners of the Company</b> . . . . .	<b>(261,433)</b>	<b>309,911</b>	<b>283,368</b>
<b>Total (deficit)/equity</b> . . . . .	<b>(247,243)</b>	<b>323,269</b>	<b>296,722</b>
<b>Total equity and liabilities</b> . . . . .	<b>521,143</b>	<b>989,197</b>	<b>863,603</b>

For details, see “Financial Information — Discussion of Selected Items from The Consolidated Statements of Financial Position.”

## SUMMARY

### Selected Consolidated Statements of Cash Flow Data

The following table presents our consolidated cash flow data for the years presented.

	Years Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)		(unaudited)	
<b>Net cash (used in)/generated from operating activities . . . . .</b>	(96,388)	(133,215)	(37,808)	21,498
<b>Net cash (used in)/generated from investing activities . . . . .</b>	(223)	(59,520)	(34,382)	23,217
<b>Net cash generated from/(used in) financing activities . . . . .</b>	195,704	283,003	165,569	(21,993)
<b>Net increase in cash and cash equivalents . . . . .</b>	99,093	90,268	93,379	22,722
Cash and cash equivalents at the beginning of the year/period . . .	15,847	114,940	114,940	205,195
Effects of foreign exchange rate changes on cash and cash equivalents . . . . .	—	(13)	1	(248)
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	<u>114,940</u>	<u>205,195</u>	<u>208,320</u>	<u>227,669</u>

For details, see “Financial Information — Liquidity and Capital Resources.”

### Current Assets and Current Liabilities

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

	As of December 31,		As of September 30,	As of January 31,
	2021	2022	2023	2024
	(RMB in thousands)		(unaudited)	
<b>Current assets</b>				
Inventories . . . . .	95,228	138,023	124,451	130,107
Trade and notes receivables . .	244,449	516,440	395,775	463,120
Other current assets . . . . .	19,791	17,762	15,802	34,557
Financial assets at fair value through profit or loss . . . . .	1,410	31,983	1,004	—
Cash and cash equivalents . . .	114,940	205,195	227,669	190,255
<b>Total current assets . . . . .</b>	<u>475,818</u>	<u>909,403</u>	<u>764,701</u>	<u>818,039</u>
<b>Current liabilities</b>				
Trade payables . . . . .	190,537	351,735	259,380	288,404
Other payables and accruals . .	12,213	17,101	27,342	21,569
Borrowings . . . . .	114,233	253,282	244,260	295,051
Lease liabilities . . . . .	2,315	7,286	6,601	6,966
Contract liabilities . . . . .	1,308	5,375	6,382	12,575
Provisions . . . . .	4,361	13,061	14,280	14,407
Current income tax liabilities . . . . .	1,403	4,042	1,870	1,870
<b>Total current liabilities . . . . .</b>	<u>326,370</u>	<u>651,882</u>	<u>560,115</u>	<u>640,842</u>
<b>Net current assets . . . . .</b>	<u>149,448</u>	<u>257,521</u>	<u>204,586</u>	<u>177,197</u>

Our net current assets decreased from RMB204.6 million as of September 30, 2023 to RMB177.2 million as of January 31, 2024, primarily due to (i) an increase in borrowings from RMB244.3 million as of September 30, 2023 to RMB295.1 million as of January 31, 2024, (ii) a decrease in cash and cash equivalents from RMB227.7 million as of September 30, 2023 to

## SUMMARY

RMB190.3 million as of January 31, 2024, (iii) an increase in trade payables from RMB259.4 million as of September 30, 2023 to RMB288.4 million as of January 31, 2024; partially offset by an increase in trade and notes receivables from RMB395.8 million as of September 30, 2023 to RMB463.1 million as of January 31, 2024.

For details, see “Financial Information — Discussion of Selected Items from The Consolidated Statements of Financial Position — Current Assets and Current Liabilities.”

### KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	Year Ended/As of December 31,		Nine Months Ended/As of September 30,	
	2021	2022	2022	2023
			(unaudited)	
Gross profit margin <sup>(1)</sup> . . . . .	26.4%	20.4%	21.6%	21.8%
Current ratio <sup>(2)</sup> . . . . .	145.8%	139.5%	N/A	136.5%
Gearing ratio <sup>(3)</sup> . . . . .	N/A	82.2%	N/A	85.1%

#### Notes:

- (1) Gross profit margin equals gross profit divided by revenue for the period.
- (2) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (3) Gearing ratio equals total debt divided by our total equity as of the end of the period. Total debt includes lease liabilities and borrowings. Our gearing ratio as of December 31, 2021 was negative and not meaningful due to our deficit as of the same date and thus not presented.

Our gross profit margin reached 26.4%, 20.4%, 21.6% and 21.8% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. Such decreasing trend during the Track Record Period was mainly driven by leading automakers’ ability to negotiate for lower prices due to their substantial purchase amounts and industry influence.

Our current ratio reached 145.8%, 139.5% and 136.5% as of December 31, 2021 and 2022, and September 30, 2023, respectively. Such decrease during the Track Record Period was mainly driven by increase in the borrowings adjusted based on our operation need.

Our gearing ratio reached 82.2% and 85.1% as of December 31, 2022 and September 30, 2023, respectively. The increase from December 31, 2022 to September 30, 2023 was mainly driven by the decrease in our total equity, partially offset by the decrease in the borrowings as adjusted based on our operation need.

For details, see “Financial Information — Key Financial Ratios.”

### BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We had achieved sustained business growth but were loss-making during the Track Record Period. The following table sets forth certain financial data during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	RMB	RMB	RMB	RMB
			(unaudited)	
	(in thousands, except for percentages)			
Revenue . . . . .	357,607	697,060	417,478	485,821
Gross profit . . . . .	94,308	142,074	90,166	105,875
Gross profit margin . . . . .	26.4%	20.4%	21.6%	21.8%
Net loss . . . . .	(23,322)	(25,147)	(28,589)	(26,560)
Net loss margin . . . . .	(6.5)%	(3.6)%	(6.8)%	(5.5)%
Net cash (used in)/generated from operations . . . . .	(96,388)	(133,215)	(37,808)	21,498

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## SUMMARY

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### Reasons for Historical Loss

Our net losses incurred during the Track Record Period were primarily attributable to the following reasons:

- Gross profit margin fluctuations influenced by market dynamics.
- Increased cost of sales and operating expenses.
- Material finance costs in 2021.

### Path to Profitability

We are strategically navigating a robust path to profitability, anchored in a dynamic revenue model and rigorous cost management that allows us to maximize profitability within the burgeoning EV charging sector. We believe the strategy and the measure that we will take will support our sustainable growth and help us to achieve profitability. Specifically, we will focus our efforts to achieve profitability through the following:

- Rapid revenue growth through both customer base and geographic expansion
  - *Steady growth in EV charger sales to domestic automakers.* With the overall market growth and our continued efforts in fortifying the business relationship with automakers, we expect our revenue from EV charger sales to domestic automakers to grow steadily in the future.
  - *Accelerated growth in retail EV charger sales.* We have seen significant growth in retail sales since 2020, and expect this trend to continue, improving overall gross profit margins.
  - *Rapid expansion in overseas markets.* We plan to expand our global presence, which is expected to accelerate overseas revenue growth, primarily driven by increased sales to Chinese automakers expanding overseas.
- Efficient management of operating expenses
  - *Research and development expenses.* We plan to increase R&D expenses in line with revenue growth, but expect R&D expenses as a percentage of total revenue to decrease in the long run as a result of our cost management efforts.
  - *Sales and marketing expenses.* Our substantial investments in sales and marketing have led to increased sales and market share in the past, and future efforts will focus on assessing the impact and efficiency of our sales and marketing activities, and taking rigorous improvement measures.
  - *General and administrative expenses.* We anticipate a continued decrease in general and administrative expenses as a percentage of revenue, driven by economies of scale and digitization of operations.

For details, see “Financial Information,” and “Business — Business Sustainability and Path to Profitability.”

### Working Capital

As of September 30, 2023, we had RMB227.7 million in cash and cash equivalents. Taking into account the estimated net [REDACTED] from the [REDACTED], cash and cash equivalents on hand, available banking facilities and cash flows from our operations, the Directors believe that our Group has sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

For details, see “Financial Information — Liquidity and Capital Resources — Working Capital.”

## SUMMARY

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[REDACTED]

### OUR SHAREHOLDING STRUCTURE

#### Our Controlling Shareholders

Immediately prior to the [REDACTED], our Company is owned by Dr. Huang (i) directly as to approximately 28.68%, and (ii) indirectly through Tongdu E-Commerce as to approximately 15.78%, Tongdu Intelligent as to approximately 4.13% and Tongdu Technology, the Employee Incentive Platform, as to approximately 0.28%. Dr. Huang, our Founder, chairman of the Board and Executive Director, is the sole general partner of each of Tongdu E-Commerce and Tongdu Intelligent, and controls the sole general partner of Tongdu Technology, namely Tongdu Enterprise. He is responsible for the day-to-day management and exercise of the voting rights attaching to the Shares held by each of Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology. As such, each of Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise is a close associate of Dr. Huang. Dr. Huang and these entities controlled by him form a group of Controlling Shareholders of our Company for the purpose of the Listing Rules. As of the Latest Practicable Date, the group of Controlling Shareholders were in aggregate entitled to control the exercise of approximately 48.87% of the voting rights of our Company.

Immediately following the completion the [REDACTED], the group of Controlling Shareholders will be, in aggregate entitled to control the exercise of approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is not exercised) or approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is exercised in full) of our Company and thus remain as a group of Controlling Shareholders.

#### Pre-[REDACTED] Investments

We conducted multiple series of Pre-[REDACTED] Investments from August 2015 to October 2022 with the Pre-[REDACTED] Investors, including but not limited to, Anhui Zhongding, Jingzhou Zhida, Shanghai China Power Investment, Jintong Capital, BYD, etc. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

[REDACTED]

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## SUMMARY

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[REDACTED]

### DIVIDEND

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and up to the date of this Document, we did not declare any dividends to our Shareholders.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. Pursuant to the Articles of Association, our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders’ interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. Under PRC law, dividends may be paid only out of distributable profit, which is our profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. For details, see “Risk Factors — Risks Related to Doing Business in the Country where We Mainly Operate in — Payment of dividends is subject to restrictions under PRC law.” In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

For details, see “Financial Information — Dividend.”

### FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] fees and [REDACTED] and estimated [REDACTED] expenses payable by us in the [REDACTED], assuming no [REDACTED] is exercised and based on the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED]. Based on the same indicative [REDACTED], the additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be HK\$[REDACTED].

- Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for research and development to enrich our product and service offerings, enhance our digital platform and research and development capabilities.
- Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for our overseas expansion.
- Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used for upgrading our existing factories and adding production lines for new and existing products.
- Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for mergers or acquisitions activities to enhance our capabilities in providing energy management services.
- Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for general corporate purposes, including working capital needs.

For details, see “Future Plans and Use of [REDACTED].”



## SUMMARY

[REDACTED]

Based on the mid-point [REDACTED] of HK\$[REDACTED] (being the mid-point of our [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), the total [REDACTED] (including [REDACTED]) payable by our Company are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming the [REDACTED] is not exercised, representing [REDACTED]% of the gross [REDACTED] from this [REDACTED]. These [REDACTED] expenses mainly comprise professional fees paid and payable to the professional parties, and [REDACTED] payable to the [REDACTED], for their services rendered in relation to the [REDACTED] and the [REDACTED]. The following table sets forth a breakdown of the [REDACTED] for the [REDACTED] based on the mid-point [REDACTED] of HK\$[REDACTED].

<u>[REDACTED]</u>	<u>Based on an [REDACTED] of HK\$[REDACTED] (HKD in thousands)</u>
[REDACTED] related expense . . . . .	[REDACTED]
Non-[REDACTED] related expense . . . . .	[REDACTED]
Legal and audit expenses . . . . .	[REDACTED]
Other expenses . . . . .	[REDACTED]
<b>Total . . . . .</b>	<b>[REDACTED]</b>

As of September 30, 2023, we have incurred [REDACTED] for the [REDACTED]. We estimate that an additional [REDACTED] of RMB[REDACTED] (including [REDACTED] of RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]), assuming the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]), accounting for [REDACTED]% of our gross [REDACTED], will be further incurred by us, of which RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]) is expected to be charged to our consolidated statement of comprehensive (loss)/income and RMB[REDACTED] million (equivalent to approximately HK\$[REDACTED]) is expected to be charged against equity upon the [REDACTED].

For details, see “Financial Information — [REDACTED].”

## NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since September 30, 2023, being the end of the period reported on the Accountant’s Report included in Appendix I; and there has been no event since September 30, 2023 which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

## DEFINITIONS

*In this Document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this Document.*

“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“AIC”	Administration of Industry & Commerce* (工商行政管理機關) of the PRC (now known as the Administration for Market Regulation* (市場監督管理局)) or, where the context so requires, the State Administration for Industry & Commerce of the PRC (中華人民共和國工商行政管理總局) or its delegated authority at the provincial, municipal or other local level
“Anhui Zhongding”	Anhui Zhongding Sealing Parts Co., Ltd. (安徽中鼎密封件股份有限公司), a joint stock company established in the PRC on October 23, 1998, and our Pre-[REDACTED] Investor
“Anqing Zhida”	Anqing Zhida Intelligent Charging Equipment Co., Ltd.* (安慶摯達智能充電設備有限公司), a limited liability company incorporated under the laws of the PRC on August 18, 2021, and a directly wholly-owned subsidiary of our Company
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors



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## DEFINITIONS

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“Business Day” a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China” or “PRC” the People’s Republic of China which, for the purpose of this Document and for geographical reference only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

“close associate(s)” has the meaning ascribed thereto under the Listing Rules

“Companies Ordinance” the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

“Companies (Winding Up and Miscellaneous Provisions) Ordinance” the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Company,” “our Company” or “the Company” Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展股份有限公司), a joint stock limited liability company established in the PRC on September 29, 2022, or, where the context requires (as the case may be), its predecessor, Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展有限公司), a company established in the PRC with limited liability on November 25, 2010

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Huang, Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise. See “Relationship with Our Controlling Shareholders”

[REDACTED]

“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)
“Director(s)”	the director(s) of our Company
“Dr. Huang”	Dr. Huang Zhiming (黃志明), our founder, chairman of the Board, Executive Director, chief executive officer, and our Controlling Shareholder
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法)

[REDACTED]

## DEFINITIONS

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“Extreme Conditions” any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong and/or that may affect the [REDACTED]

[REDACTED]

“Group,” “our Group,” “we” or “us” our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)

“H Share(s)” ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [REDACTED] for and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange

[REDACTED]

## DEFINITIONS

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[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

## DEFINITIONS

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“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated and issued by International Accounting Standards Board and the International Accounting Standards
“Independent Third Party(ies)”	any entity(ies) or person(s) which/who, to the best knowledge of our Directors having made due and careful enquiries, is/are not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

## DEFINITIONS

“Jingzhou Zhida” Jingzhou Zhida Electric Vehicle Co., Ltd.\* (荊州智達電動汽車有限公司), a company established in the PRC with limited liability on November 29, 2017, and our Pre-[REDACTED] Investor

[REDACTED]

“Latest Practicable Date” [February 20], 2024 being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”

the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Stock Exchange
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“MIIT” Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

“Ministry of Finance” or “MOF”      Ministry of Finance of the PRC (中華人民共和國財政部)

“MOFCOM” Ministry of Commerce of the PRC (中華人民共和國商務部)

## DEFINITIONS

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“NDRC” 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)

“Nomination Committee” the nomination committee of the Board

[REDACTED]

“PBOC” People’s Bank of China (中國人民銀行), the central bank of the PRC

“PRC Company Law” Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Advisor”	Commerce & Finance Law Offices, our legal advisor as to PRC laws
“Pre-[REDACTED] Investments”	the investments in our Company undertaken by the Pre-[REDACTED] Investors, the details of which are set out in the section headed “History, Development and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the pre-[REDACTED] investors as described in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”

[REDACTED]

“Province”	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
“Qualified Institutional Buyer” or “QIB”	a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board



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## DEFINITIONS

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“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“Sanming Xunda”	Sanming Xunda New Energy Automobile City Operation Co., Ltd.* (三明訊達新能源汽車城市運營有限公司), a limited liability company incorporated under the laws of the PRC on March 30, 2016, and a non-wholly owned subsidiary of our Company
“Sanming Zhida”	Fujian Sanming Zhida Technology Co., Ltd.* (福建三明市摯達科技有限責任公司), a limited liability company incorporated under the laws of the PRC on January 27, 2022, and a directly wholly-owned subsidiary of our Company
“SAT”	State Administration of Taxation of the PRC (國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	Securities and Futures Commission of Hong Kong
“Shanghai China Power Investment”	Shanghai China Power Investment Ronghe New Energy Investment Management Center (Limited Partnership)* (上海中電投融和新能源投資管理中心(有限合夥)), a limited partnership established in the PRC on October 16, 2015, and our Pre-[REDACTED] Investor
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
“Shanghai Zhitong”	Shanghai Zhitong New Energy Technology Co., Ltd.* (上海摯同新能源科技有限公司), a limited liability company incorporated under the laws of the PRC on October 26, 2023, and a directly wholly-owned subsidiary of our Company

## DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program to be developed by the Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Sole Sponsor”	the sole sponsor as named in the section headed “Directors, Supervisors and Parties Involved in the [REDACTED]”

[REDACTED]

“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tongdu E-Commerce”	Shanghai Tongdu Electronic Commerce Center (Limited Partnership)* (上海同篤電子商貿中心(有限合伙)), a limited partnership established in the PRC on September 14, 2015, one of our Controlling Shareholders

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## DEFINITIONS

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“Tongdu Enterprise”	Shanghai Tongdu Enterprise Management Co., Ltd.* (上海同篤企業管理有限責任公司), a company established in the PRC with limited liability on June 27, 2022, the general partner of Tongdu Technology, and one of our Controlling Shareholders
“Tongdu Intelligent”	Shanghai Tongdu Intelligent Technology Partnership (Limited Partnership)* (上海同篤智能技術合夥企業(有限合夥)), formerly known as Shanghai Tongdu Intelligent IoT Technology Partnership (General Partnership)* (上海同篤智能網聯技術合夥企業(普通合夥)), a limited partnership established in the PRC on February 23, 2018, and one of our Controlling Shareholders
“Tongdu Technology” or “Employee Incentive Platform”	Shanghai Tongdu Technology Partnership (Limited Partnership)* (上海同篤科技合夥企業(有限合夥)), a limited partnership established in the PRC on September 5, 2022, the pre-[REDACTED] employee incentive platform of our Group, and one of our Controlling Shareholders
“Track Record Period”	the two financial years ended December 31, 2022 and the nine months ended September 30, 2023
[REDACTED]	
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not [REDACTED] on any stock exchange
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar” or “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

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## DEFINITIONS

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[REDACTED]

“Wuxi Zhida”	Wuxi Zhida IOT Technology Co., Ltd.* (無錫摯達物聯科技有限公司), a limited liability company incorporated under the laws of the PRC on September 29, 2017, and a directly wholly-owned subsidiary of our Company
“ZD Singapore”	ZD Energy Pte. Ltd., a limited liability company incorporated under the laws of Singapore on July 7, 2022, and a directly wholly-owned subsidiary of our Company
“ZD Energy”	ZD Energy (Thailand) Co., Ltd., a limited liability company incorporated under the laws of Thailand on July 27, 2023, and a wholly-owned subsidiary of our Company
“ZD Trading”	ZD Trading (Thailand) Co., Ltd., a limited liability company incorporated under the laws of Thailand on August 23, 2023, and a wholly-owned subsidiary of our Company
“Zhida Auto Supporting”	Shanghai Zhida New Energy Automobile Public Supporting Development Co., Ltd.* (上海摯達新能源汽車公共配套發展有限公司), a limited liability company incorporated under the laws of the PRC on September 15, 2015, and a directly wholly-owned subsidiary of our Company
“Zhida Jidian”	Shanghai Zhida Mechanical and Electrical Engineering Co., Ltd.* (上海摯達機電工程有限公司), a limited liability company incorporated under the laws of the PRC on October 22, 2014, and a directly wholly-owned subsidiary of our Company
“Zhida Technology”	Shanghai Zhida Technology Service Co., Ltd.* (上海摯達技術服務有限公司), a limited liability company incorporated under the laws of the PRC on July 7, 2008, and a directly wholly-owned subsidiary of our Company

## DEFINITIONS

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“Zhida Zhongding”

Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd\* (安徽摯達中鼎汽車充電設備有限公司), a limited liability company incorporated under the laws of the PRC on January 26, 2015, and a non-wholly owned subsidiary of our Company

*For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.*

\* *For identification purposes only*

## GLOSSARY OF TECHNICAL TERMS

*This glossary contains definitions of certain terms used in this Document in connection with us and our business. Some of these may not correspond to standard industry definitions.*

“AC”	alternating current, an electric current which periodically reverses direction and changes its magnitude continuously with time
“CAGR”	compound annual growth rate
“DC”	direct current, an electric current which flows only in one direction
“EV”	electric passenger vehicles
“EV home charging solutions”	comprehensive EV charging solutions provided to households, including both product offerings and value-added service offerings, providing a safe and intelligent charging experience as well as efficient and intelligent energy management
GBT 31950	Integrity management system of enterprise, which prepared by State Administration for Market Regulation, Standardization Administration of the People’s Republic of China
GBT 39604	Social responsibility management systems, which prepared by State Administration for Market Regulation, Standardization Administration of the People’s Republic of China
“GFA”	gross floor area
“IATF16949”	International technical specification of automotive industry quality management system, which prepared by IATF (International Automotive Task Force) and ISO (International Organization for Standardization)
“IoT”	internet of things, the extension of internet connectivity into physical devices and everyday objects
ISO 20000	International standard for information technology service management, which prepared by ISO (International Organization for Standardization)
ISO 20400	International standard focuses on sustainable procurement, guiding organizations to incorporate sustainability into their procurement processes, which prepared by ISO (International Organization for Standardization)

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## GLOSSARY OF TECHNICAL TERMS

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ISO 22301	International standard for business continuity management systems, which prepared by ISO (International Organization for Standardization)
ISO 27001	International standard for information security management systems, which prepared by ISO (International Organization for Standardization)
ISO 27701	International standard providing guidance on establishing, implementing, maintaining and continually improving a Privacy Information Management System, which prepared by ISO (International Organization for Standardization)
ISO 37001	International standard for anti-bribery management systems, which prepared by ISO (International Organization for Standardization)
“TILVA”	TILVA Certification Technology (Shanghai) Co., LTD, an independent third-party certification body, registered by the State Administration for Industry and Commerce, approved by the National Certification and Accreditation Administration Committee (Approval Number: CNCA-R-2014-170), and accredited by the China National Accreditation Service for Conformity Assessment (Certificate Number: CNAS C167-P)
“PCB”	printed circuit board, a medium used to connect or “wire” components to one another in a circuit
“V2E”	vehicle-to-energy, the diversified digital energy services provided based on the business scenarios of bidirectional interaction between EV and energy sources, which effectively leverages the flexibility of EV power batteries connected to EV chargers as both controllable loads and mobile energy storage systems, and also integrates the energy sources of EV home users to establish a digital home energy ecosystem
“V2H”	vehicle-to-home, a technology that allows EVs to power homes by using the EV power batteries to store and transmit energy supplied from the grid or from renewable energy sources, such as photovoltaics, solar or wind power, which can then be used to power homes when needed, such as during a blackout or when electricity prices are high
“ZQHX”	ZQHX Certification Center Co., Ltd, a comprehensive certification service organization, approved by the China National Accreditation Service for Conformity Assessment and the Certification and Accreditation Administration of the People’s Republic of China

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## FORWARD-LOOKING STATEMENTS

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

This Document contains forward-looking statements and information relating to us and our subsidiary 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 Document, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us 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 risk factors as described in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;



## FORWARD-LOOKING STATEMENTS

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- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and geographic expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, [REDACTED] volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors”.

In this Document, statements of or references to our intentions or those of our Directors were made as of the date of this Document. Any such information may change in light of future developments.

## RISK FACTORS

*An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and prospects. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements” in this Document.*

### RISKS RELATED TO OUR BUSINESS AND INDUSTRY

*We experienced rapid growth, and we expect to invest in growth for the foreseeable future. If we fail to manage growth effectively, our business, results of operations, financial condition and prospects could be adversely affected.*

We experienced rapid growth in our revenue during the Track Record Period. Our revenue increased from RMB357.6 million in 2021 to RMB697.1 million in 2022, and increased from RMB417.5 million in the nine months ended September 30, 2022 to RMB485.8 million in the nine months ended September 30, 2023. We may not be able to grow at the historical rate or as expected, or at all. Our future operating results depend to a large extent on our ability to manage our expansion and growth successfully. Risks that we face in effectively managing our growth include, among others:

- executing our strategies and business initiatives successfully;
- establishing or expanding design, manufacturing, sales and service facilities as well as service network;
- managing a larger organization with a growing number of employees;
- controlling expenses and investments in anticipation of expanded operations;
- implementing and enhancing administrative infrastructure, systems and processes;
- improving our operational, financial and management controls, compliance programs and reporting systems; and
- addressing new market and potentially unforeseen challenges as they arise.

## RISK FACTORS

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If we fail to manage our growth effectively, our revenue may decline or fail to grow, our industry leadership position, our business, results of operations, financial condition and prospects may be adversely affected.

***Our future growth and success are dependent upon the continued acceptance and adoption of EVs.***

Our future growth is dependent upon the continued acceptance and adoption of EVs by households. The market for EVs is still rapidly evolving, characterized by rapidly evolving technologies, competitive pricing, evolving industry standards and changing user demands and behaviors, changing levels of concern related to environmental issues, and governmental initiatives related to climate change and the environment generally. Although the demand for EVs has grown in recent years, there is no guarantee of continuing growth for future demand. Demand for EVs is volatile, being affected by numerous factors, such as:

- perceptions about EV features, quality, safety, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of EVs;
- perceptions about the limited range over which EVs may be driven on a single battery charge, and concerns about running out of power while in use;
- government regulations and economic incentives, including adverse changes in, or expiration of, favorable tax incentives related to EVs, subsidies related to EVs, EV charging stations or de-carbonization generally;
- competition, including from other types of alternative fuel vehicles and high fuel-economy internal combustion engine vehicles (“ICE”), and development in alternative energies such as hydrogen and other new technologies;
- volatility in the cost of oil and gasoline;
- concerns regarding the stability of the electrical grid and availability of public charging facilities;
- development of EV battery, including the potential decline of EV battery’s ability to hold a charge over time;
- development of EV charging technologies;
- concerns regarding the convenience and cost of charging EVs as well as availability of other services for EVs;
- users’ environmental consciousness;
- increases in fuel efficiency;

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## RISK FACTORS

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- conditions in the automotive industry in general;
- macroeconomic factors;
- relaxation of government mandates or quotas regarding the sale of EVs; and
- concerns about the future viability of EV manufacturers and their ability to maintain the cost-efficiency and competitiveness of EVs.

Although China is currently one of the world’s major automotive markets, there have been fluctuations in terms of year-over-year growth in sales volume recently for passenger vehicles in general as well as for EVs. It cannot be predicted how the demand for EVs will develop in the future. General economic factors, such as decrease of household income or China’s economic growth, may adversely affect such demand. Certain EV manufacturers operating in China have suffered declining performance or financial difficulties as a result of the market slowdown. If the EV market evolves at a slower pace than anticipated, or if there is a decline in the demand for EVs, or if the driving and charging behaviors of EV drivers do not align with our expectations, the demand for EV chargers and home charging solutions, including ours, will be affected. As a result, our business, results of operations, financial condition and prospects would be harmed.

In addition, our revenues are driven in large part by EV drivers’ driving and charging behavior. Potential shifts in behavior may include but are not limited to changes in annual vehicle miles traveled, preferences for public or private charging or use of battery swapping stations, demand from rideshare or urban delivery fleets, and the emergence of autonomous vehicles or new forms of mobility. For example, the possibility of a transition to public charging or battery swap as the primary mode of charging, following a change in end user preference, technology improvements, legislative initiatives or otherwise, cannot be ignored. Such industry change, if realized, will adversely and materially affect our business. We may not be able to timely forecast such shifts and promptly adapt our products and services. If we fail to do so, our business, results of operations, financial condition and prospects will be adversely affected.

***We face competition as the EV home charging solution market develops and evolves.***

The EV home charging solution market in China is developing rapidly and the competition landscape is constantly evolving. This results in the frequent introduction of new products and price competition from our competitors in the EV home charging solution industry. Further, some of our current or potential competitors have greater resources or may be acquired by third parties with greater resources. New competitors or alliances may emerge in the future that have greater market share, more widely adopted technologies, greater marketing expertise and greater financial resources, which could put us at a competitive disadvantage. Future competitors could also be better positioned to serve certain segments of our current or future target markets, which could create price pressure.

## RISK FACTORS

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In addition, some of our customers, including automakers, have established or may establish in the future their own EV charging products and services that are competitive with ours. Such customers may have significant development resources, which may allow them to acquire or develop independently, or partner with others on developing, competitive products and services. As a result, some of our customers may choose to not work with us unless our products and services are significantly better than the products developed by them internally or that we offer our products and services at a competitive price. If our competitors could provide similar products and services with similar quality, convenience and price as we do, we may have to lower prices for our products and services, all of which could lead to reduced revenues and profitability.

***We have a history of losses and operating cash outflow during the Track Record Period, and there is no guarantee that we can achieve and maintain profitability in the future.***

We have a history of losses. We incurred net losses of RMB23.3 million, RMB25.1 million, RMB28.6 million and RMB26.6 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. Our net losses may continue or increase, and we may not be able to achieve or maintain profitability in the future. Our revenues may not increase sufficiently to offset the increase in our expenses as we continuously develop our products and services, conduct marketing and sales activities to increase our brand awareness, hire additional personnel, broaden our customer base and expand overseas. Moreover, as a [REDACTED] company, we may incur certain legal, accounting and other expenses that we did not previously incur as a private company. These efforts may be more costly than we expect. We may continue to incur losses in the future, and we cannot assure you that we will eventually achieve profitability in a sustainable manner.

We also experienced significant cash outflows from operating activities. We had net cash used in operating activities of RMB96.4 million and RMB133.2 million in 2021 and 2022, respectively. In the nine months ended September 30, 2022 and 2023, we had net cash used in operating activities of RMB37.8 million and net cash generated from operating activities of RMB21.5 million, respectively. Although we had positive cash flow in the nine months ended September 30, 2023, we cannot guarantee that we will continuously improve our cash position. If our cost of continuing operations increases in the future or our cash generated from operating activities does not meet our expectation, our operating cash position could worsen, and our business, results of operations, financial condition and prospects could be adversely affected because of the limited amount of cash available to meet the cash needs for operating our business and to fund our investments in our business expansion.

If our operating cash outflow position continues or worsens, we could have a net current liabilities position in the future, which would expose us to liquidity risk. Our future liquidity and ability to make additional capital investments necessary for our operations and business expansion will depend primarily on our ability to maintain sufficient cash generated from operating activities and to obtain adequate external financing. There can be no assurance that we will be able to renew existing bank facilities or obtain other sources of financing.

## RISK FACTORS

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***We cannot guarantee that our business initiatives and strategies will be successfully implemented or will generate sustainable revenue or profit.***

We are committed to making our products, platform, and services more global, more digitized, and more intelligent. For details, see “Business — Our Strategies.” The success of our growth initiatives, strategies and operating plans depends on various factors, such as market conditions, competition, regulatory requirements, technological changes, economic conditions and customer preferences. These factors may be difficult to predict or control, and if they do not develop as we expect, our growth initiatives, strategies and operating plans may not be successful in enhancing our business as anticipated. Furthermore, the execution of these plans may require significant investments of capital, resources and management time, and we may face challenges in implementing them effectively or within the expected time frame. As a result, we may experience delays, cost overruns or other obstacles that may limit our ability to realize the full benefits of these initiatives. If we are unable to successfully execute our growth initiatives, strategies and operating plans, or if the benefits we realize are less than our estimates, our business, results of operations, financial condition and prospects may be adversely affected.

***The EV charging related technologies are rapidly evolving. If we cannot keep up with the latest development, our business, results of operations, financial condition and prospects may be materially and adversely affected.***

The EV home charging solution industry is subject to rapid technological changes and is evolving quickly in terms of technological innovation. Our technological capabilities and development of products and services are critical to our success. As EV and EV charging technologies progress, we need to upgrade our technologies, products, and services to ensure compatibility with new EV and EV charging technologies.

We need to keep investing resources, including financial and human resources, in research and development to lead technological advances in order to make our products and services competitive in the market. Our research and development expenses were RMB25.4 million, RMB34.1 million, RMB24.8 million and RMB26.9 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. We expect to continue to incur significant research and development expenses in the foreseeable future as part of our efforts to design, develop, and market new solutions and enhance products and services such as EV charging robots, smart charging hardware products, and comprehensive V2H/V2E energy management services. For details, see “Business — Our Strategies — Accelerate Technological Innovation to Make Smarter Products and Services” and “Future Plans and Use of [REDACTED] — Use of [REDACTED].” However, our capital and operating expenditure invested in research and development may not yield the expected results. New technologies in our industry could render our technologies or our solutions obsolete or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability, and market share. If we are unable to keep up with advances in EV charging technology, we may suffer a decline in our competitive position.

## RISK FACTORS

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Moreover, our future growth will be affected by our ability to penetrate new markets, adapting existing solutions to new applications and customer requirements, and introduce new solutions that are accepted by the market. Any delays in our development and adoption of new technologies could make our solutions less competitive in the market, adversely affecting market acceptance of our products and services. We cannot guarantee that we will be able to launch new products and services with advanced technologies in a timely manner, or at all, or achieve market acceptance. If we are unable to devote adequate resources to innovate our technologies and introduce new products and services to meet customer requirements on a timely basis or to remain competitive with technological alternatives, we could lose our market share, our revenue will decline, and our reputation and our business, results of operations, financial condition, and prospects could be adversely affected.

***If our products and services do not meet customer expectations in terms of quality, availability and user experience, or if we otherwise fail to increase sales of our products and services to our customers and expand our customer base, our business, results of operations, financial condition and prospects may be adversely affected.***

We may fail to provide high-quality products and services if we fail to continue to innovate on product design, maintain a widespread service network, handle customer complaints properly or offer appropriate after-sale services, or if there are technical errors or other incidents affecting our solutions, among others. If we do not quickly resolve such issues, our ability to retain customers or sell additional products and services to existing customers could suffer, and our brand and reputation could be harmed, which in turn could adversely affect our business, results of operations, financial condition and prospects. Moreover, we believe home EV charging is highly scenario-specific, and our ability to offer functions that tailor to different charging needs is highly critical in our ability to attract and retain customers. If we cannot offer functions that cater to our customers’ evolving demand, or our competitors are better at addressing these requirements, we may lose our customers and our business, results of operations, financial condition and prospects may be adversely affected. In addition to failing to provide satisfactory products and services to our customers, we may not be able to maintain our relationship with them for various other reasons and factors, which include, but not limited to, the customers’ own business model and the change thereof, the availability of comparable solutions from competitors at a lower cost, and any macroeconomic factors. Any adverse development in these respects may adversely affect our customer base, and in turn affect our business, results of operations, financial condition and prospects.

Our ability to achieve broader market acceptance, increase revenue and market share, and achieve and sustain profitability will depend, to a significant extent, on our ability to effectively increase sales of our products and services to our customers and expand our customer base. Sales and marketing expenses represent a significant percentage of our total revenue. In 2021, 2022, the nine months ended September 30, 2022 and 2023, our sales and marketing expenses amounted to RMB32.7 million, RMB67.6 million, RMB47.9 million and RMB64.9 million. Our operating results will suffer if sales and marketing expenditures do not contribute significantly to increasing revenue as we anticipate. Additionally, our brand promotion and marketing activities may not be well received by customers and may not result



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in the levels of sales that we anticipate. If we fail to conduct our sales and marketing activities in a cost-effective way, we may incur considerable marketing expenses, which could adversely affect our business, results of operations, financial condition and prospects. We may need to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to introduce new marketing approaches in a cost-effective manner and to retain existing customers or attract new ones to our products and services could reduce our market share and materially and adversely affect our business, results of operations, financial condition and prospects.

***A limited number of customers accounted for a substantial portion of our revenue during the Track Record Period, and many of them are large automakers with substantial negotiating power. Any decreases in our future sales to them could adversely affect our business, results of operations, financial condition and prospects.***

In 2021, 2022, and the nine months ended September 30, 2023, the aggregate revenue generated from our five largest customers who are leading Chinese automakers were RMB211.9 million, RMB459.3 million and RMB343.7 million, respectively, representing 59.3%, 65.8% and 70.7% of our revenue, respectively. Sales to our largest automaker customer for the same periods were RMB75.1 million, RMB267.1 million and RMB153.6 million, representing 21.0%, 38.3% and 31.6% of our revenue, respectively. For details, see “Business — Our Customers.” We cannot guarantee that we will always receive the best treatment in our collaborations with these customers who have substantial negotiating power.

In addition, we aim to drive sales of products with higher profit margin in the long term. Thus, we plan to increase direct sales to retail customers and expand overseas sales. For details, see “Business — Business Sustainability and Path to Profitability.” However, we cannot guarantee that such growth initiatives, strategies, and operating plans will successfully enhance our business as anticipated. Their execution may require significant investments and may face implementation challenges, potentially leading to delays or cost overruns. If these initiatives fail to meet our estimates, it may adversely affect our profit margin and financial performance.

It is likely that we will continue to be dependent upon a limited number of customers for a meaningful portion of our revenues in the foreseeable future. The loss of one or more major customers or a reduction in purchase from any major customer would reduce our revenues, and adversely affect our business, results of operations, financial condition and prospects.

***We rely on distributors to expand our sales and distribution network. If we are unable to maintain, expand and manage our sales and distribution network successfully, our business, financial condition, results of operations and prospects would be materially and adversely affected.***

We rely on distributors to expand our sales and distribution network for sales of our products. In 2021, 2022 and the nine months ended September 30, 2022 and 2023, our revenue from sales of products generated through distributors was RMB15.9 million, RMB45.2 million, RMB28.9 million and RMB39.8 million, respectively, accounting for 4.5%, 6.5%, 6.9% and



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8.2%, respectively, of our total revenue during the same periods. See “Business — Sales and Marketing — Distributorship” for details. Given their revenue contribution, any decrease in sales from, or loss of, one or more of our distributors without a corresponding increase in sales from other distributors due to the changes of nature in the distributors’ business models or for any other reasons would adversely affect our business, results of operations, financial condition and prospects.

In particular, our sales volumes would be influenced by the performance of our distributors in marketing our products. The effectiveness of our distributors in selling and distributing our products may be affected by a number of factors, many of which are out of our control, including:

- the availability of suitable distributors;
- the existence and availability of suitable regions and locations for expansion of our sales and distribution network;
- the ability to negotiate favorable cooperation terms with our distributors;
- our ability to maintain and expand our distribution network;
- our distributors’ strategies in promoting our products;
- our distributors’ own business and financial performance;
- our distributors’ abilities to expand their customer base and penetrate into new markets with reduced risk of channel stuffing;
- our distributors’ strategies to extend geographical coverage of our products; and
- our distributors’ willingness to maintain relationships with us.

We are also exposed to the risk that distributors may seek to impose unfavorable terms on us in the future, such as longer credit periods. Credit arrangement with our distributors adds pressure on our working capital and exposes us to the risks of default and bad debts. Any disruption in our relationships with our distributors could affect our ability to maintain and grow our sales volume, which could materially and adversely affect our business, results of operations and financial position. We cannot give assurance that we will be able to achieve our expansion goals or effectively integrate any new distributors into our existing sales and distribution network. If we encounter difficulties in maintaining, expanding or optimizing our sales and distribution network, our growth prospects may be limited, which could in turn adversely affect our business, financial condition, results of operations and prospects.

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***Our nationwide service network relies on third-party service providers to deliver high-standard performance, and we may not be able to manage the expansion of such service network efficiently.***

We rely on third-party service providers to deliver high-standard performance across our nationwide installation and after-sales service network. We may not be able to identify, attract and retain sufficient service providers with the requisite experience and resources to provide service that meet our quality standard. Our service providers may face various challenges during service provision, including but not limited to technical issues, management problems, and poor customer service quality. Although we implement service standards and quality control measures, we may not have effective control over the operations of the service providers. Despite our efforts in quality control, we cannot assure you that our service providers consistently provide such high-quality services. Any failure of our installation and after-sales service providers to provide high-standard performance may adversely affect our reputation, and in turn adversely affect our business, results of operations, financial condition and prospects.

As of September 30, 2023, our service network consisted of 142 installation and after-sales service providers covering over 360 cities in China. We plan to expand our service network in overseas markets through collaboration with local service providers. The expansion may not have the desired effect of increasing sales and enhancing our brand recognition in a cost-efficient manner. We may need to invest significant capital and management resources to manage existing installation and after-sales service providers and enter into collaboration with new ones, and there can be no assurance that we will be able to improve the operational efficiency of our installation and after-sales service network.

***Higher labor costs and inflation may adversely affect our provision of installation and after-sales services, and therefore adversely affect our business, results of operations, financial condition and prospect.***

Rising labor costs driven by factors such as inflation, changes in minimum wage regulations, labor market dynamics, or increased competition for skilled labor in the industry, could exert upward pressure on the fees that our installation and after-sales service providers charge us, which may increase our cost in the provision of value-added services such as the installation and after-sales service, and therefore adversely affect our business, results of operations, financial condition, and prospects.

While we strive to manage and mitigate the impact of these rising labor costs through operational efficiencies, process improvements, or technological innovations, these measures may not be sufficient to maintain our competitiveness and financial performance. There is no guarantee that we will succeed in effectively managing the impact of rising labor costs. Furthermore, the increased costs for labor might necessitate adjustments in our service pricing, potentially making our value-added services less competitive in the market. If we attempt to pass on these increased labor costs to our customers through higher service fees, we may experience reduced demand or loss of market share.

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***Our services are subject to safety risks, and any accidents that occur during the performance of our services may expose us to civil, labor, environmental and criminal liabilities and adversely affect our business, results of operations, financial condition and prospects.***

The provision of EV charger installation and after-sales services to our customers involves operational risks such as equipment defects or malfunctions and misconduct by installation and after-sales service providers. The professionals of our installation and after-sales service providers may work in potentially dangerous conditions, which exposes us to potential liability, in line with applicable occupational safety standards, for personal injury and other accidents, business interruptions and the damage or destruction of property. Our safety protocols and training may not be adequate to prepare our professionals to perform the necessary activities during the provision of service without causing damage or accidents. Although we seek to minimize our exposure to operational risks through comprehensive training, compliance and response and recovery programs, including internal safety protocols in accordance with the applicable legal and regulatory requirements, we cannot guarantee that irregularities will not arise or that external factors will not cause accidents. In addition, our insurance coverage may not be adequate to cover all of the potential liability if there were safety accidents during the installation process. In addition, any accidents involving our products and services can cause our reputation to be questioned and subject us to the filing of lawsuits and administrative proceedings and launch of regulatory investigations against us, with possible imposition of fines or other penalties. Further, a major safety accident, even if we are not at fault, may bring enhanced scrutiny and regulation of our business, with a corresponding increase in operating expense. Any accidents that occur during the performance of our services may damage our reputation and result in significant costs and, consequently, adversely affect our business, results of operations, financial condition and prospects.

***We may be liable for personal and property damages caused by the use of our products.***

We may be liable for personal and property damages due to damages by the use of our products. We may incur significant time and expenses to respond to customers’ claims against us, and we may not be able to successfully obtain indemnification from upstream suppliers for all, or any, claims from customers. Although we maintain insurance policy covering personal and property damages caused by the use of our products, insurance coverage might be insufficient to fully cover all damages sought and the claim process might be prolonged. As a result, any material product liability claim or litigation could have a material and adverse effect on our business, results of operations, financial condition and prospects. Even unsuccessful claims could result in the expenditure of funds and managerial efforts in defending them and could have a negative impact on our reputation.

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***Our provisions for warranties may be insufficient to cover future warranty claims, which could adversely affect our business, results of operations, financial condition and prospects.***

We generally provide a warranty period ranging from 12 months to 36 months for our EV chargers and accessories. We accrue provisions for warranties for products still under warranty period at the end of each reporting period, which includes our best estimate of the projected costs to repair or replace items that fail to perform satisfactorily under warranties. The amount of provisions for warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate. We have limited experience with warranty claims regarding our products or with estimating provisions for warranties. In 2021, 2022 and the nine months ended September 30, 2022 and 2023, we recorded provisions for warranties of RMB9.8 million, RMB26.0 million, RMB13.5 million and RMB11.6 million, respectively. We cannot assure you that such provisions will be sufficient to cover future claims. We could, in the future, become subject to significant and unexpected warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our business, results of operations, financial condition and prospects.

***Maintaining the trusted brand image of our products and services is critical to our success, and any failure to do so could severely damage our reputation and brand, which would have a material adverse effect on our business, results of operations, financial condition and prospects.***

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with our customers and other participants within the EV charging ecosystem. Any loss of trust in our products and services could harm the value of our brand, which could reduce our revenue and profitability. Our ability to maintain our position as a trusted brand for EV charging products and services is based in large part upon the high quality of our products and services, users’ satisfaction with our products and services, and the increasing brand awareness through marketing and brand promotion activities. Any public perception that our products and services are defective or otherwise unsatisfactory, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new users or retain our current users. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our products and services, it may be difficult to maintain and grow our user base and customer base, and our business and growth prospects may be materially and adversely affected.

***Our business, results of operations, financial condition and prospects could be adversely affected if we are unable to adequately manage our inventory.***

Our inventories consist primarily of raw materials, work in progress, finished goods and goods in transit. As of December 31, 2021 and 2022 and September 30, 2023, we had inventories of RMB95.2 million, RMB138.0 million and RMB124.5 million, respectively.

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We assess impairment to inventories at each period during the Track Record Period and may make provision to write down our inventories to the net realizable value if they become obsolete, out-of-season or are damaged or their prices went down and their net realizable value is lower than the costs. In 2021, 2022, and the nine months ended September 30, 2023, we recognized inventory provision of RMB1.8 million, RMB0.7 million and RMB0.4 million, respectively. However, we cannot assure you that we will not experience material write-offs in the future. In 2021, 2022 and the nine months ended September 30, 2023, our average inventory turnover days were 84 days, 80 days and 97 days, respectively. The fluctuation and extension of inventory turnover may have a material and adverse effect on our cash flow and liquidity position. It is crucial that we monitor these metrics closely to ensure the financial health of our organization. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Assets — Inventories” for details.

In addition, it may be difficult to accurately forecast demand and determine appropriate levels of inventory we should maintain. Any change in customer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales, which may in turn lead to decline in inventory value or inventory write-off. In the case of overestimation of customer demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-downs of inventories. In addition, if we are required to lower sale prices to boost demand for our product sales to reduce inventory level, our profit margins might be negatively affected. In the case of underestimation of customer demand, we may not be able to fulfill all the orders we receive to maximize our revenue. Any of the above may adversely affect our business, results of operations, financial condition and prospects.

***We rely on a limited number of suppliers for our production. A significant interruption in the operations of our suppliers could potentially affect our operations and any material misconduct or disputes involving our suppliers could adversely affect our business, results of operations, financial condition and prospects.***

We rely on suppliers for certain equipment and other materials which we use in our operations. In 2021, 2022, and the nine months ended September 30, 2023, purchases from our five largest suppliers in aggregate accounted for 19.8%, 17.9% and 25.7% of our total purchases, respectively, and purchases from our largest supplier accounted for 5.9%, 4.0% and 12.9% of our total purchases for the same periods, respectively. For details, see “Business — Our Suppliers.” Certain of our suppliers are subject to various regulations and are required to obtain and maintain various qualifications, government licenses and approvals. If any of these suppliers loses its qualification or eligibility because of its failure to comply with regulatory requirements, we may not be able to find alternative suppliers in a timely manner or at all. As we continue to expand overseas, some of our suppliers may be located outside China or may import certain equipment and materials from manufacturers located outside China and resell to us. As a result, trade or regulatory embargoes imposed by foreign countries or China could also result in delays or shortages that could adversely affect our business. Moreover, general economic conditions could also adversely affect the financial viability of our suppliers, resulting in their inability to provide materials and services used in our operations. In addition, suppliers may fail to supply products that meet our quality standards. If we are unable to identify alternative

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materials or suppliers and secure approval for their use in a timely manner, our business, results of operations, financial condition and prospects could be adversely affected. Any change in suppliers could require significant effort or investment in circumstances where the items supplied are integral to product performance or incorporate unique technology, and the loss of any existing supply contract could have an adverse effect on us.

***Increases in costs, shortage of raw materials, disruption of supply or manufacturing could have an adverse impact on our sales of products, and therefore adversely affect our business, results of operations, financial condition and prospects.***

We incur costs related to procuring raw materials required to manufacture our EV chargers and accessories. We may experience cost increases, supply interruption and/or shortages relating to raw materials, which could adversely affect our business, results of operations, financial condition and prospects. We use various raw materials in our production, such as outer casings, charging guns, electronic components and PCBs. The prices for these raw materials fluctuate, and their available supply may be unstable, depending on market conditions and global demand for these materials, including as a result of increased production of EV chargers by our competitors, and could adversely affect our business, results of operations, financial condition and prospects.

In addition, as we continue to increase our production, we may experience shortage of certain raw materials or other bottlenecks in our supply chain. We are exposed to multiple risks relating to raw materials, including but not limited to an increase in the cost, or decrease in the available supply, of materials used in our production; disruption in the supply of raw materials due to quality issues or recalls by suppliers; and the inability or unwillingness of our current suppliers to manufacture such raw materials required to support the growth of the EV industry as demand for EV chargers increases.

Furthermore, changes in economic conditions may result in significant increases in freight charges and material costs. Substantial increases in the prices for our raw materials would increase our operating costs and could reduce our margins if we cannot recoup the increased costs through increasing EV charger prices. Any attempts to increase product prices in response to increased material costs could result in decrease in sales and therefore adversely affect our brand, and our business, results of operations, financial condition and prospects.

In addition, we may experience disruptions in our manufacturing facilities due to factors such as equipment failures, labor shortages, or natural disasters, which may delay our production and delivery, leading to sales loss, increased costs, and damaged customer relationships. Furthermore, limitations in our production capacity may pose a risk to our ability to meet order demands and growth. As product demand increases, our facilities may struggle to scale production accordingly, which may result in longer lead times, lost sales, and customer dissatisfaction. Any such events may adversely affect our business, results of operations, financial condition, and prospects.



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***We rely on the service of certain key members of our executive management team, qualified executive management, technical, engineering and sales personnel, and other key employees. The loss of any of them may adversely affect our business, results of operations, financial condition and prospects.***

Our continued success is and will continue to depend to a significant extent on the efforts and abilities of us to retain the key members of our executive management team, and to make sure each of them is and will continue to be actively engaged in our management and determines our strategic direction. The departure of any of the key individuals from or their reduced attention to us could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are and will continue to be dependent upon the services of members of our executive management team. Our future performance will also depend on their continued services and continuing contributions to formulate and execute our business plan and to identify and pursue new opportunities and service innovations. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, results of operations, financial condition and prospects.

Our success also depends, in part, on the continuing ability to identify, hire, attract, train and develop and retain highly qualified personnel. Competition for employees can be intense and the ability to attract, hire and retain them will depend on our ability to provide competitive compensation. We may not be able to attract, assimilate, develop or retain qualified personnel in the future. The inability to recruit and retain qualified personnel in the future could have an adverse effect on our business, results of operations, financial condition and prospects.

***The EV market in China has benefited from the availability of rebates, tax credits and other incentives from governments, and any reduction, modification, or elimination of such benefits could cause reduced demand for EVs and EV charging products and services, which would adversely affect our financial results and business operations.***

The PRC government has been implementing strict vehicle emission standards for ICE vehicles. Certain municipal governments in China impose quotas and lottery or bidding systems to limit the number of license plates issued to ICE vehicles but exempt qualified EVs from these restrictions to incentivize the development of the EV market. The PRC government also provides incentives to end users and purchasers of EVs and EV charging stations in the form of tax exemptions, subsidies, other financial incentives and preferential utility rates for charging facilities. The EV market relies on these governmental rebates, tax credits and other financial incentives to significantly lower the effective price of EVs and EV charging services to end-users. However, these incentives may expire on a particular date when the allocated funding is exhausted, or be reduced or terminated as a matter of regulatory or legislative policy. For example, the PRC central government has recently implemented a phase-out schedule for the subsidies provided for purchasers of certain EVs. On December 31, 2021, the Ministry of Finance, the Ministry of Industry and Information Technology (the “MIIT”), the Ministry of

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Science and Technology and the National Development and Reform Commission jointly issued the Notice on the Promotion and Application of Financial Subsidy Policies for New Energy Vehicles in 2022. According to the notice, the subsidy for new energy vehicle purchases terminated on December 31, 2022, and vehicles registered after December 31, 2022 will no longer be entitled to any government subsidy. The termination or scaling back of any governmental support or incentive could adversely affect the growth of the EV market and our business, results of operations, financial condition and prospects.

***Any of our expansion into international markets will expose us to additional tax, compliance, market and other risks and there can be no assurance that any such expansion will be successful.***

We have expanded and plan to continue to expand our operation into international markets. Our operations in international markets are expected to expose us to various risks, including but not limited to those arising from:

- operating our business across a significant distance, in different languages and among different cultures;
- differing demand dynamics for our products and services;
- competition with local competitors which may have greater resources and more favorable market positions;
- establishing relationships with local automobile enterprises, regulators and commercial partners;
- building manufacturing facilities in overseas markets;
- establishing service networks in overseas markets;
- compliance with applicable laws and regulations, including laws and regulations with respect to privacy, intellectual property, data protection, consumer protection, anti-corruption, trade barriers and economic sanctions, and the risk of penalties if our practice is deemed to be noncompliant;
- obtaining required government approvals, licenses or other authorizations;
- varying levels of internet adoption and infrastructure;
- foreign exchange controls and exchange rate fluctuations;
- public health emergencies and containment measures;
- potentially adverse tax consequences;



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- higher costs of doing business internationally, including increased accounting, travel, infrastructure, and legal compliance costs;
- the effectiveness of training, motivation and management of our employees;
- the diversity of customers preferences and demand and our ability to anticipate or respond to such preferences and demand;
- changes in the political and economic environments in the countries where we operate, and the imposition of new duties or other protectionist measures; and
- the occurrence of acts of terrorism or similar events, conflicts, civil unrest or situations of political instability.

These or other factors may deter our international expansion plans, distract our management attention, or cause us to incur significant costs in these markets, which could have an adverse effect on our business, results of operations, financial condition and prospects.

***Our overseas operations may subject us to governmental economic sanctions and export controls laws, which could subject us to liability and impair our ability to compete in overseas markets.***

Our overseas operations may subject us to various applicable sanctions and export controls regulations. We have sold our products to Chinese automakers in connection with their EV sales to foreign countries and regions. In the event that any of these countries or regions imposes economic sanctions or enforces import restriction or tariffs in relation to our products, our business, results of operations, financial condition and prospects may be adversely affected. In the event that any of the countries or regions where we procure materials from imposes export controls, tariffs, trade restrictions or other trade barriers on any of the raw materials or components supplied to us, we may not be able to obtain a steady supply of necessary components or raw materials at competitive prices, and our business, results of operations, financial condition and prospects may be materially and adversely affected.

Exports of our products must be made in compliance with various economic sanctions and export controls laws in different jurisdictions. For example, U.S. economic sanctions prohibit the provision of products and services to certain countries or regions, governments, and persons targeted by U.S. sanctions. European Union sanctions also have similar regime to prohibit the provision of products and services to countries or regions, governments and persons on their respective target list. We take precautions to prevent our products from being provided to any target of these sanctions. However, we cannot assure you that our products and services would not be provided to those targets through independent distributors despite such precautions. Any such provision could have negative consequences, including government investigations, penalties and reputational harm. We could be subject to future enforcement

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action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business, results of operations, financial condition and prospects.

***We may need to raise additional funds and these funds may not be available when needed on favorable terms, if at all.***

We may need to raise additional capital in the future to further scale and expand our business. We may raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from government or financial institutions. There is no certainty that additional funds will be available on favorable terms when required, or at all. If additional funds cannot be obtained when needed or on favorable terms, our business, results of operations, financial condition and prospects could be adversely affected. If we raise funds through the issuance of debt securities or through loan arrangements, the terms of which could require significant interest payments, contain covenants that restrict our business, or other unfavorable terms. In addition, to the extent we raise funds through the sale of additional equity securities, our shareholders would experience additional dilution.

***We may not be able to repay our debts, and we may incur more debts.***

As of December 31, 2021 and 2022, and September 30, 2023, we have recorded borrowings under current liabilities of RMB114.2 million, RMB253.3 million and RMB244.3 million, respectively. This in turn may require us to seek adequate financing from sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to repay our debts and incurring more debts can have a material adverse effect on our prospects.

A large balance of indebtedness may require that we devote our financial resources to servicing such debt rather than funding our operating activities, which constrains our capital flexibility and may in turn adversely affect our business growth. It may also be a challenge for us to service our interest and principal repayments in a timely manner or at all, which could trigger cross-defaults with other debt, as applicable, as well as limit our ability to obtain further debt financing. Given our historical reliance on external financing, such developments could have a material adverse effect on our business, results of operations, financial condition and prospects.

***We are exposed to credit risks related to our trade and note receivables.***

We face credit risks attributable to our trade and note receivables due from our customers for goods sold or services performed in the ordinary course of our business. We generally allow a credit period to our automaker customers ranging from 15 to 90 business days after invoicing them, who contributed a substantial portion of our revenue during the Track Record Period. Our trade and note receivables as of December 31, 2021 and 2022, and September 30, 2023 amounted to RMB244.4 million, RMB516.4 million and RMB395.8 million, respectively. In 2021, 2022 and the nine months ended September 30, 2023, our average trade receivable

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turnover days were 186 days, 194 days and 243 days, respectively. The fluctuation and extension of trade receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Assets — Trade and Notes Receivables” for details. Our senior management regularly reviews the recoverability of overdue balances for trade and notes receivables and may provide for impairment when appropriate. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

***If we fail to obtain and maintain the requisite licenses, permits, registrations and filings applicable to our business according to evolving legal requirements, our business, results of operations, financial condition and prospects may be adversely affected.***

Under mainland China laws and regulations, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation, including without limitation, the Business License, Construction Enterprise Qualification Certificate and Safety Production License. As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations, and there is no legal impediment to the renewal of such licenses, approvals and permits. For details, see “Business — Licenses and Permits”. As a fast-growing company that is continuously exploring new approaches to conduct our business and capture growth opportunities, we may become subject to additional license, approval and other requirements as we develop and expand our business scope and engage in different business activities. We may fail to meet such requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be materially affected.

In addition, certain licenses, permits or registrations we hold are subject to periodic renewal. If we fail to maintain or renew one or more of our licenses and certificates when their current term expires, or obtain such renewals on a timely manner, our operations could be disrupted. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the PRC government, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. If any of these risks materializes, our business, results of operations, financial condition and prospects may be adversely affected.

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*We may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorized use of our technology and intellectual property rights. Any such events could harm our competitive position and also subject us to litigations brought by third parties, which could adversely affect our business, results of operations, financial condition and prospects.*

Our intellectual property is an essential asset of our business, and such intellectual property forms an essential part of our asset. Failure to adequately protect such intellectual property rights could result in our competitors offering similar services, potentially resulting in the loss of our competitive advantage and a decrease in our revenue, which would adversely affect our business, results of operations, financial condition and prospects. Our success depends on the ability to protect our core technology and intellectual property. We expect to rely on a combination of intellectual property rights, such as patents, trademarks, copyrights and trade secrets (including know-how), in addition to employee and third-party nondisclosure agreements, intellectual property licenses and other contractual rights, to establish, maintain, protect and enforce our rights in our technology, proprietary information and processes. Intellectual property laws and our procedures and restrictions will provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. While we are expected to take measures to protect our intellectual property, such efforts may be insufficient or ineffective, and any of our intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Other parties may also independently develop technologies that are substantially similar or superior. We may also be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. However, the measures we will take to protect our intellectual property from unauthorized use by others may not be effective and there can be no assurance that our intellectual property rights will be sufficient to protect against others offering products, services or technologies that are substantially similar or superior to those of ours and that compete with our business.

Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property. Any litigation initiated concerning the violation by third parties of our intellectual property rights is likely to be expensive and time-consuming and could lead to the invalidation of, or render unenforceable, our intellectual property, or could otherwise have negative consequences for us. Furthermore, it could result in a court or governmental agency invalidating or rendering unenforceable our patents or other intellectual property rights upon which the suit is based. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we fail to detect unauthorized use of our intellectual property. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management’s attention and resources, could delay the introduction and implementation of new technologies. Moreover, policing unauthorized use of

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technologies, trade secrets and intellectual property may be difficult, expensive and time-consuming. If we fail to meaningfully establish, maintain, protect and enforce our intellectual property and proprietary rights, our management’s attention could be distracted and our business, results of operations, financial condition and prospects could be adversely affected.

***We may need to defend against intellectual property infringement or misappropriation claims, which may be time-consuming and expensive.***

From time to time, the holders of intellectual property rights may assert their rights and urge us to take licenses, and may bring suits alleging infringement, misappropriation or other violation of such rights. There can be no assurance that we will be able to mitigate the risk of potential suits or other legal demands by competitors or other third parties. Accordingly, we may consider entering into licensing agreements with respect to such rights, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur, and such licenses and associated litigation could significantly increase our operating expenses. In addition, if we are determined to have or believe there is a high likelihood that we have infringed upon, misappropriated or otherwise violated a third party’s intellectual property rights, we may be required to cease making, selling or incorporating certain key components or intellectual property into the service and solution we offer, to pay substantial damages and royalties, to redesign our services, and to establish and maintain alternative branding. In addition, to the extent that our customers and business partners become the subject of any allegation or claim regarding the infringement, misappropriation or other violation of intellectual property rights related to our services, we may be required to indemnify such customers and business partners. If we were required to take one or more such actions, our business, results of operations, financial condition and prospects could be adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs, negative publicity and diversion of resources and management attention.

***We rely on unpatented proprietary technology, trade secrets, processes and know-how.***

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. We expect to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors, scientific advisors and third parties. However, there is no guarantee that we will enter into such agreements with each party that has or may have had access to our trade secrets or proprietary information and, even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We will have limited control over the protection of trade secrets used by our third-party suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third

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parties. To the extent that our employees, consultants, contractors and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that trade secret. If any of our trade secrets were to be disclosed (whether lawfully or otherwise) to or independently developed by a competitor or other third party, our business, results of operations, financial condition and prospects will be adversely affected.

***Our technologies could have undetected defects, errors or bugs in hardware or software, which could reduce market adoption, damage our reputation with current or prospective customers and drivers, and expose us to legal claims that could adversely affect our business, results of operations, financial condition and prospects.***

We may be subject to claims that our products have malfunctioned, and persons were injured or purported to be injured due to latent defects. Any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, to the extent that such malfunctions are related to components or services obtained from third-party vendors, such vendors may not assume responsibility for such malfunctions. Any of these events could adversely affect user experience. As a result, our brand and reputation could be adversely affected, which could in turn adversely affect our business, results of operations, financial condition and prospects.

Our platform is intricate and may contain latent defects or errors that may be difficult to detect and remediate. Our platform may not operate smoothly at all times. For example, it could encounter failure of or delay in payment processing on the internet. Our platform also may not interoperate with the various mobile operating systems and internet platforms. We are continuing to evolve the features and functionality of our platform through updates and enhancements, and as we do so, we may introduce additional defects or errors that may not be detected until after deployment to customers. In addition, if our services, including any updates or patches, are not implemented or used correctly or as intended, inadequate performance and disruptions in service may result.

Any defects or errors in our products and services, or the perception of such defects or errors, or other performance problems could result in any of the following, each of which could adversely affect our business, results of operations, financial condition and prospects:

- expenditure of significant financial and product development resources, including recalls, in efforts to analyze, correct, eliminate or work around errors or defects;
- loss of existing or potential customers or business partners;
- interruptions or delays in sales;
- delayed or lost revenue;



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- delay or failure to attain market acceptance;
- delay in the development or release of new functionality or improvements;
- negative publicity and reputational harm;
- sales credits or refunds;
- exposure of confidential or proprietary information;
- diversion of development and customer service resources;
- breach of warranty claims;
- legal claims under applicable laws, rules and regulations; and
- the expense and risk of litigation.

We also face the risk that any contractual protections we seek to include in our agreements with customers are rejected, not implemented uniformly or may not fully or effectively protect us from claims by customers, business partners or other third parties. In addition, any insurance coverage or indemnification obligations of suppliers or other upstream parties for our benefit may not adequately cover all such claims or cover only a portion of such claims. A successful product liability, warranty, or other similar claims could have an adverse effect on our business, results of operations, financial condition and prospects. In addition, even claims that ultimately are unsuccessful could result in expenditure of funds in litigation, divert management’s time and other resources and cause reputational harm.

***Computer malware, viruses, ransomware, hacking, phishing attacks and other network disruptions could result in security and privacy breaches, loss of proprietary information and interruption in service, which would adversely affect our business, results of operations, financial condition and prospects.***

Computer malware, viruses, physical or electronic break-ins and similar disruptions could lead to interruption and delays in our services and operations and loss, misuse or theft of data. Computer malware, viruses, ransomware, hacking, phishing attacks or denial-of-service attacks, against online networks have become more prevalent and may occur on our systems. Any attempts to disrupt our services or systems could harm our business, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy, result in fines, penalties or other liabilities and damage our reputation or brand. Insurance may not be sufficient to cover significant expenses and losses related to cyber-attacks and similar disruptions. Even with the security measures implemented by us, such as managed security services that are designed to detect and protect against cyber-attacks and similar disruptions, and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, could be vulnerable to security

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breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, or other events. Efforts to prevent cyberattacks and similar disruptions are expensive to implement and, as the regulatory framework for data privacy and security worldwide continues to evolve and develop, we may incur additional significant costs to comply with new or existing laws, regulations and other obligations, and we may not be able to cause the implementation or enforcement of such preventions or compliance with such laws and regulations with respect to our third-party vendors. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, an inability to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses, harm our reputation, brand and ability to attract customers.

We may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors and capacity constraints. We rely on data carrier networks to support reliable operation, management and maintenance of our charger network, charging session management, driver authentication, and payment processing, all of which depend on reliable connections with wireless communications networks. As a result, our operations depend on a handful of public carriers and are exposed to disruptions related to network outages and other communications issues on the carrier networks. If our services are unavailable when users attempt to access them, they may seek other services, which could reduce demand for our solutions from customers.

There are a variety of factors ranging from human error to data corruption that could materially impact the efficacy of any processes and procedures designed to enable us to recover from a disaster or catastrophe, including by lengthening the time services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular cyber-attack, disaster or catastrophe or other disruption, especially during peak periods, which could cause additional reputational damages, or loss of revenues, any of which would adversely affect our business, results of operations, financial condition and prospects.

***We rely on third-party cloud service providers to operate certain aspects of our service. Interruptions, delays in service or inability to increase capacity with our cloud service providers could impair the use of our services and subject us to liability, which could adversely affect our business, results of operations, financial condition and prospects.***

We currently serve customers from third-party cloud service providers. All our services are housed in third-party data centers operated in China and Singapore, and we employ redundant backup cloud service providers for all services. Any outage or failure of such cloud service providers could negatively affect our product connectivity and performance. Furthermore, we depend on connectivity from our products to our cloud service providers through cellular service and virtual private networking providers. Any incident affecting the cloud service providers’ or cellular and/or virtual private networking services providers’ infrastructure or operations, whether caused by fire, flood, storm, earthquake, power loss,



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telecommunications failures, breach of security protocols, computer viruses and disabling devices, failure of access control mechanisms, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events could negatively affect the use, functionality or availability of our products and services.

Any damage to, or failure of, our systems, or those of our third-party cloud service providers, could interrupt or hinder the use or functionality of our solutions. Impairment of or interruptions in our solutions may reduce revenue, subject us to claims and litigation, cause customers to terminate their subscriptions, and adversely affect renewal rates and our ability to attract new customers. Our brand and reputation will also be harmed if customers and potential customers believe our services are unreliable. Any such events could adversely affect our business, results of operations, financial condition and prospects.

***Our sales and results of operations are subject to seasonal variations.***

Our product sales are dependent on EV sales. In China, the automotive industry typically promotes sales in the fourth quarter of the year, leading to an increase in EV purchases during this period, according to Frost & Sullivan. Consequently, the demand for our products and services is higher in the fourth quarter of the year. We expect the impact of seasonality on our business to remain in the future, although by leveraging our adjustments in production capacity and inventory, we generally do not experience material seasonal fluctuations with respect to our results of operations and financial conditions for our Group as a whole. As a result of these seasonal variations, we believe that comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance.

***We are subject to risks relating to litigation and disputes, which could adversely affect our business, results of operations, financial condition and prospects.***

We may be subject to claims, litigation and disputes and various legal and administrative proceedings, and, as a result, penalties and new claims may arise in the future. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time consuming or disruptive to our operations and distracting to management.

Our Directors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, there were no legal or administrative proceedings pending or threatened against us or any of our Directors that could, individually or in the aggregate, have a material effect on our business, financial condition or results of operations. However, new legal or administrative proceedings and claims may arise in the future and the current legal or administrative proceedings and claims we face are subject to inherent uncertainties. If one or more legal or administrative matters were resolved against us or an indemnified third party for

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amounts in excess of our management’s expectations, our business, results of operations, financial condition and prospects could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific performance against us that could materially and adversely affect our business, results of operations, financial condition and prospects. For further details regarding our legal proceedings and compliance matters, see “Business — Legal Proceedings and Compliance.”

***We depend on the information systems of our own and those of third parties for the effective delivery and performance of our products and services, and the overall effective and efficient functioning of our business. Failure to maintain or protect our information systems and data integrity effectively could adversely affect our business, results of operations, financial condition and prospects.***

We depend on our information systems for the effective and efficient functioning of our business, as well as for accounting, data storage, compliance, purchasing and inventory management. Our and our business partners’ information systems may be subject to computer viruses, ransomware or other malware, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, damage or interruption from fires or other natural disasters, hardware failures, telecommunication failures and user errors, among other malfunctions and other cyber-attacks. We and our business partners could be subject to an unintentional event that involves a third-party gaining unauthorized access to our systems, which could disrupt our operations, corrupt our data or result in release of confidential information. Any attempts by cyber attackers to disrupt our or our business partners’ services or systems, if successful, could harm our business, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy, subject us to substantial fines, penalties, damages and other liabilities under applicable laws and regulations, lead to a loss of protection of our intellectual property or trade secrets and damage our reputation. Additionally, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy and even then may not be able to be remedied in full. We may have been and going forward will continue to be the target of events of this nature as cybersecurity threats have been rapidly evolving in sophistication and becoming more prevalent in the industry. Third parties upon whom we rely or with whom we have business relationships, including our customers, collaborators, suppliers, and others are subject to similar risks that could potentially have an adverse effect on our business.

In the event we or our business partners experience significant disruptions, we may, despite having developed emergency plans for security incidents, be unable to repair such systems in an efficient and timely manner. Accordingly, such events may disrupt or reduce the efficiency of our entire operation and harm our business, results of operations, financial condition and prospects. Insurance may not be sufficient to cover significant expenses and losses related to cyber-attacks. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance. Efforts to prevent cyber attackers from entering computer systems are expensive to implement, and we may not be able to cause the implementation or enforcement of such preventions with respect to our third-party vendors.

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Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses, harm our reputation, brand and ability to attract customers.

If our services are unavailable due to information system errors when our customers and end users attempt to access them, they may seek other services, which could reduce demand for our service and offerings. Processes and procedures designed to enable quick recovery from a disaster or catastrophe and continued business operations and with tested capability under controlled circumstances, are in place. However, there are several factors ranging from human error to data corruption that could materially impact the efficacy of such processes and procedures, including by lengthening the time services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular disaster or catastrophe, especially during peak periods, which could cause additional reputational damages, or loss of revenue, any of which could adversely affect our business, results of operations, financial condition and prospects.

***We may be unable to detect, deter and prevent all instances of fraud or other illegal actions and misconducts committed by our employees, suppliers, distributors or other third parties.***

We may be exposed to fraud, bribery or other misconduct committed by our employees, suppliers, distributors or any other third parties that could subject us to financial losses, liabilities and sanctions imposed by governmental authorities, which may adversely affect our reputation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, and other misconduct involving employees, suppliers, distributors and other third parties that had a material and adverse impact on our business, results of operations, financial condition and prospects. However, we cannot assure you that there will not be any such instances in the future and we may be unable to prevent, detect or deter all such instances of misconduct. Any such misconduct committed against our interests, which may include undetected past acts or future acts, may have a material and adverse effect on our business, results of operations, financial condition and prospects.

***If we need to recognize significant impairment losses on other receivables, our results of operations and financial condition may be adversely affected.***

As of December 31, 2021 and 2022, and September 30, 2023, we recorded other receivables of RMB8.5 million, RMB9.8 million and RMB9.5 million, respectively. We may be subject to impairment losses on other receivables if the actual recoverability is lower than the expected level, which could adversely affect our cash flow and our ability to meet our working capital requirements, thereby adversely affecting our business, results of operations, financial condition and prospects.

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***We may face risk regarding the recoverability of deferred income tax.***

In the application of our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Therefore, actual results may differ from these accounting estimates. As of December 31, 2021 and 2022, and September 30, 2023, we recorded deferred income tax assets of RMB16.1 million, RMB24.0 million and RMB35.1 million, respectively. In 2021, 2022, the nine months ended September 30, 2022 and 2023, we recognized deferred income tax of RMB3.2 million, RMB7.9 million, RMB7.0 million and RMB11.1 million, respectively. Based on our accounting policies, deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where we are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. The realization of deferred tax assets mainly depends on our management’s judgment as to whether future taxable amounts will be available to utilize those temporary differences and losses. Management will continuously conduct review and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred income tax assets to be recovered. If sufficient profits or taxable temporary differences are not expected to be generated or are less than expected, a material reversal of deferred income tax assets may arise in future periods.

***We are subject to online payment processing related risks.***

We accept payments through major third-party online payment channels in China such as Alipay and WeChat pay, as well as bank transfers and credit cards. We may also be susceptible to fraud, user data leakage and other illegal activities in connection with the various payment methods we offer. In addition, our business depends on the billing, payment and escrow systems of the third-party payment service providers to maintain accurate records of payments by customers and collect such payments. If the quality, utility, convenience or attractiveness of these payment processing and escrow services declines, or if we have to change the pattern of using these payment services for any reason, the attractiveness of our products and services could be adversely affected. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and become unable to accept payments from our customers through the online payment methods that we currently adopt, and our business, results of operations, financial condition and prospects could be adversely affected.

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***Some of our leased properties have title defects and did not complete registration procedures at relevant authorities.***

As of the Latest Practicable Date, with respect to one of our leased properties used as non-headquarter office space in the PRC, the lessor has not provided valid title certificate, valid title certificate for commercial purpose or relevant authorization document evidencing right to lease the property to us. As a result, we cannot assure you that we will not be subject to any challenges, lawsuits or other actions taken against us with respect to the property defect and property leased by us for which the relevant lessor does not hold valid title certificate. If such property was successfully challenged, it may be subject to suspension of use and the lease may be void and no more binding, and we may be forced to relocate our operation on the affected property. In addition, under the relevant PRC law, all lease agreements are required to be registered and filed with the relevant land and real estate administration bureaus. However, as of the Latest Practicable Date, the lease agreements with respect to 13 of our leased properties had not been registered or filed with the relevant land and real estate administration bureaus in the PRC because the relevant lessors failed to provide necessary documents for us to register or file the leases with the local government authorities. As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. However, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements. See “Business — Properties” for details.

***Acquisitions or strategic investments could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute shareholder value and adversely affect our business, results of operations, financial condition and prospects.***

As part of the business strategy, we expect to make acquisitions of, or investments in, businesses, services or technologies that are complementary to our business. The process of identifying and consummating acquisitions, investments, and the subsequent integration of new assets and businesses into our own business, requires attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the expected financial results. Acquisitions or investments could also result in the use of cash, potentially dilutive issuances of equity securities, the occurrence of goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business or investment. We may also incur costs and management time on transactions that are ultimately not completed. In addition, our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product, technology or investment, including issues related to intellectual property, product quality or product architecture, regulatory compliance practices, revenue recognition or other accounting practices or issues with employees or customers.

Our future acquisitions or investments may not ultimately strengthen our competitive position or achieve our goals and business strategy. We may be subject to claims or liabilities assumed from an acquired company, product, or technology. Acquisitions or investments we

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complete could be viewed negatively by our customers, investors, and securities analysts. We may incur costs and expenses necessary to address an acquired company’s failure to comply with laws and governmental rules and regulations. Additionally, we may be subject to litigation or other claims in connection with the acquired company, including claims from terminated employees, former shareholders or other third parties, which may differ from or be more significant than the risks its business faces. An acquired company may also need to implement or improve its controls, procedures and policies, and we may face associated risks if any of those controls, procedures or policies are insufficiently effective. We may also face retention or cultural challenges associated with integrating employees from the acquired company into our organization. If we are unsuccessful at integrating acquisitions or investments, in a timely manner, our business, results of operations, financial condition and prospects could be adversely affected. Any integration process may require significant time and resources, which may disrupt our ongoing business and divert management’s attention, and we may not be able to manage the integration process successfully or in a timely manner. We may not successfully evaluate, integrate or utilize the acquired technology or personnel, realize anticipated synergies from the acquisition or investment, or accurately forecast the financial impact of an acquisition or investment transaction or the related integration of such acquisition or investment, including accounting charges and any potential impairment of goodwill and intangible assets recognized in connection with such transaction. We may have to pay cash, incur debt, or issue equity or equity-linked securities to pay for any acquisitions or investments, each of which could adversely affect our financial condition. Furthermore, the sale of equity or issuance of equity-linked debt to finance any such transaction could result in dilution to our shareholders. The occurrence of any of these risks could adversely affect our business, results of operations, financial condition and prospects.

***If we fail to comply with environmental protection, fire protection, drainage or health and safety laws and regulations, we could become subject to fines and penalties or incur costs that could have an adverse effect on our business, results of operations, financial condition and prospects.***

We are subject to numerous environmental protection, fire protection, drainage or health and safety laws and regulations, including the Environmental Protection Law and of the PRC and Fire Protection Law of the PRC. As advised by our PRC counsel, we have been compliant with such laws and regulations in all material aspects. However, the cost of compliance with such laws and regulations is substantial. In addition, as we continue to expand our charging network and business scale, we cannot assure you that there will not be violations or suspected violations in the charging terminals that result in us becoming subject to governmental investigations or penalties, which may include cessation of operation, fines, and confiscation of illegal gains. Any potential failure to comply with environmental, fire protection, drainage or health and safety laws and regulations and failure to adequately protect the health of our employees could have an adverse impact on our business, results of operations, financial condition and prospects.



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***Our risk management and internal control systems may not be adequate or effective in all respects, which may adversely affect our business, results of operations, financial condition and prospects.***

We seek to establish risk management and internal control systems consisting of an organizational framework, policies, procedures and risk management methods that are appropriate for our business operations and seek to continue to improve these systems. Our risk management and internal controls depend on their effective implementation by our employees. Due to the significant size of our operations, we cannot assure you that such implementation will not involve any human errors or mistakes, which may adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of products and services in the future, the diversification of our products and service offerings will require us to continue to enhance our risk management capabilities. If we fail to timely adapt our risk management policies and procedures to our changing business, our business, results of operations, financial condition and prospects could be adversely affected.

***We may be adversely affected by any negative publicity concerning us and our business, shareholders, affiliates, directors, officers, other employees, business partners, other third parties as well as the industry in which we operate, regardless of its accuracy, that could harm our reputation and in turn adversely affect our business, results of operations, financial condition and prospects.***

Our ability to attract and retain customers is highly dependent upon the public perceptions of our products and services, trustworthiness and business practices. Negative perceptions or publicity about us and our business, shareholders, affiliates, directors, officers, employees, business partners, other third parties as well as the industry in which we operate, even if related to isolated incidents, could erode trust and confidence and damage our reputation among existing and potential customers. In turn, this could decrease the demand for our products and services, increase regulatory scrutiny and detrimentally effect our business. In addition to traditional media, there has been an increasing use of social media platforms and similar devices in China, including instant messaging applications, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. Negative publicity concerning these parties could be related to a wide variety of matters, including, but are not limited to:

- alleged misconduct or other improper activities committed by our directors, officers, and employees, as well as our business partners;
- false or malicious allegations or rumors about us or our directors, shareholders, affiliates, officers and employees;
- complaints by our customers about our products and services;
- security breaches of private customer or transaction data;
- employment-related claims relating to alleged employment discrimination, wage and hour violations; and
- governmental and regulatory investigations or penalties resulting from our failure to comply with applicable laws and regulations.

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The availability of information on instant messaging applications and social media platforms is virtually immediate as is its impact without affording us an opportunity for redress or correction. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our company, shareholders, directors, officers and employees may be posted on such platforms at any time. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition and results of operations.

Furthermore, our brand name and our business may be harmed by aggressive marketing and communication strategies by competitors and third parties. We may be subject to government or regulatory investigation or third-party claims as a result and we may be required to spend significant time and incur substantial costs to react to and address these consequences. There is no assurance that we will be able to effectively refute each of the allegations within a reasonable period of time, or at all. Additionally, public allegations, directly or indirectly, against us or our business partners, may be posted online by anyone on an anonymous basis. The availability of information on social media platforms is virtually immediate, as is its impact. Social media platforms may not necessarily filter or check the accuracy of information before publishing them and we are often afforded little or no time to respond. As a result, our reputation may be adversely affected and our ability to attract and retain customers and maintain our market share and our financial conditions may suffer.

***Any discontinuation, reduction or delay of any government grants or preferential tax treatments would have a material and adverse impact on our business.***

During the Track Record Period, we benefited from government grants and preferential tax treatments, many of which are non-recurring in nature or are subject to periodic review. We recorded government grants under other income of RMB4.0 million, RMB3.2 million, RMB2.4 million and RMB4.8 million, respectively, in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. The subsidy income was mainly related to incentives provided by governments in the PRC based on the amounts of value added tax paid, and subsidies provided by local governments for economic recovery. For details, see Note 6 to the Accountant’s Report set forth in Appendix I. In addition, we receive preferential tax treatment. Our subsidiaries in the PRC are generally subject to PRC corporate income tax, which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations during the Track Record Period. During the Track Record Period, several of our subsidiaries in the PRC were qualified as small and micro enterprises under the PRC corporate income tax regime, which enjoyed a 50% to 87.5% reduction in certain statutory taxable income, with a preferential income tax rate of 20%. In addition, we and one of our subsidiaries in the PRC were qualified as high and new technology enterprise during the Track Record Period, and were subject to a reduced preferential enterprise income tax rate of 15% for a three-year period starting from the year in which they obtained such qualification. For details, see Note 12 to the Accountant’s Report set forth in Appendix I. There can be no assurance we will continue to receive preferential tax treatment. Any discontinuation, reduction or delay of any government grants or preferential tax treatments would have a material and adverse impact on our business.



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## RISK FACTORS

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***We are subject to various risks relating to third-party settlement arrangements by our customers in the past.***

During the Track Record Period, a small number of customers settled transactions with us through the accounts of third parties (the “Third-Party Settlement Arrangement”). In 2021, 2022 and the nine months ended September 30, 2023, the aggregate amount of payment from designated third parties to us represented less than 0.2% of our total revenue in each of period. See “Business — Risk Management and Internal Control — Third-Party Settlement Arrangement” for details. We are subject to various risks relating to such Third-party Settlement Arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors; and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party settlements or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our business, results of operations, financial condition and prospects may as a result be adversely affected.

***We currently have limited business insurance coverage.***

We currently have limited business insurance coverage. If we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our business, results of operations, financial condition and prospects may be adversely affected. Even if the amounts and claims are within the limits and scope of our insurance coverage, the insurance provider may not be able to make the compensation payment to us in a timely manner.

***Any occurrence of a natural disaster, widespread health epidemic or other outbreaks beyond our control could have an adverse effect on our business, results of operations, financial condition and prospects.***

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The outbreak of any severe epidemic disease, such as avian flu, H1N1 flu, SARS or, most recently, COVID-19, may disrepute our business operations, which could negatively affect our supply chain management, and our business, results of operations, financial condition and prospects.

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## RISK FACTORS

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***Share-based payment may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial condition.***

We adopted an employee incentive scheme in October 2022. In 2021, 2022, the nine months ended September 30, 2022 and 2023, we incurred share-based compensation of nil, RMB114 thousand, nil and RMB306 thousand, respectively. As of the Latest Practicable Date, all Shares subject to the employee incentive scheme have been granted to, vested and subscribed for by the participants thereof, and no further Shares will be granted under such scheme following the [REDACTED]. For details, see “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes.”

To further incentivize our employees and non-employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have an adverse effect on our financial condition.

### **RISKS RELATED TO DOING BUSINESS IN THE COUNTRY WHERE WE MAINLY OPERATE IN**

***Adverse changes in economic, political and social conditions could have a material adverse effect on our business, results of operations, financial condition and prospects.***

Substantially all of our revenue is derived from our businesses in the PRC. Accordingly, our business, results of operations, financial condition and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may have a negative effect to us, such as demand for our products and services and our ability to maintain our operations may suffer, which will consequently have a material adverse effect on our business, results of operations, financial condition and prospects.

***We are required to complete filing procedures with the CSRC for the [REDACTED] and [REDACTED] of our Shares on the Hong Kong Stock Exchange.***

On July 6, 2021, the relevant PRC government authorities issued Opinions on Severely Cracking Down on Illegal Securities Activities According to Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas [REDACTED] by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-[REDACTED] companies. See the section headed “Regulations — Regulations on Internet Information Security and Privacy Protection” for details.

On December 24, 2021, the CSRC promulgated the Administrative Provisions of the State Council for Domestic Enterprises Issuing Securities and Listing Overseas (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the

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## RISK FACTORS

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“Draft Administrative Provisions”) and the Administrative Measures on Recordation of Domestic Enterprises Issuing Securities and Listing Overseas (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (together with the Draft Administrative Provisions, the “Draft Regulations on Listing”) for public comments, which require, among others, that PRC domestic enterprises that seek to [REDACTED] and [REDACTED] securities in overseas markets, either directly or indirectly, to file the required documents with the CSRC within three Business Days after its [REDACTED] for overseas [REDACTED] is submitted.

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the 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 relevant five guidelines, effective on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to [REDACTED] and [REDACTED] securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information.

In addition, the Overseas Listing Trial Measures also provide that domestic companies must file with the CSRC within three business days for its follow-on [REDACTED] of securities after it is [REDACTED] in an overseas market. If we fail to complete such filing with the CSRC, in a timely manner or at all, for any future securities [REDACTED] or any other financing activities which are subject to the filing requirements under the Overseas Listing Trial Measures, our ability to raise or utilize funds and our operations could be materially and adversely affected.

In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirement on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for the [REDACTED], we cannot assure you that we could obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business as well as our ability to complete the [REDACTED].

***Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your [REDACTED].***

During the Track Record Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the net [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the [REDACTED] from the [REDACTED]. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the renminbi will not

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## RISK FACTORS

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appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the renminbi and other currencies in the future.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

***Policies related to currency conversion in the PRC may impact our ability to effectively utilize our cash, potentially affecting the value of your [REDACTED].***

Conversion of Renminbi into foreign currencies and remittance foreign currency out of the PRC under certain circumstances shall be conducted in accordance with certain laws and regulations with respect to foreign exchange. Since revenue of our PRC subsidiaries are primarily in Renminbi, converting it into foreign currencies must comply with applicable laws and regulations.

Under current PRC foreign exchange regulations, certain current account transactions like profit distributions, interest payments, and trade-related expenses can be conducted in foreign currencies without prior approval from the State Administration of Foreign Exchange (SAFE), as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments, and repayment of borrowings are subject to foreign exchange policies and require prior approval from SAFE or registration with SAFE or authorized banks. If the foreign exchange control system affects our access to sufficient foreign currency to meet our currency needs, we may face challenges in paying our expenses as they become due.

***Policies on foreign investment in the PRC may adversely affect our business, results of operations, financial condition and prospects.***

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed to additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》), the “Negative List”) issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 12 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. As of the Latest Practicable Date, our main business in China does not fall within the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards. Also, as the Negative List may be updated from time to time in the future. If we cannot obtain approval from relevant approval authorities to engage in a business in China that becomes prohibited or restricted for foreign investors, we may need

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## RISK FACTORS

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to sell or restructure our business which has become restricted or prohibited for foreign investment. If we need to adjust our corporate structure or business line as a result of changes in government policy on foreign investment, our business, results of operations, financial condition and prospects may be adversely affected.

***Our operations are subject to and may be affected by changes in PRC tax laws and regulations.***

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, results of operations, financial condition and prospects, as well as our reputation. Furthermore, PRC tax laws and regulations may be adjusted from time to time. For example, under the Individual Income Tax Law of the People’s Republic of China (the “IIT Law”) (《中華人民共和國個人所得稅法》), which was amended on June 30, 2011 and came into effect on September 1, 2011, foreign nationals who have domiciles in the PRC, or have no domicile in China but have resided in the PRC for one year or more, would be subject to PRC individual income tax at progressive rates on their income gained within or outside the PRC. The Standing Committee of NPC has approved the amendment of the IIT Law, which became effective on January 1, 2019. Under the amended IIT law, foreign nationals who have no domicile in China but have resided in the PRC for a total of 183 days or more in a tax year would be subject to PRC individual income tax on their income gained within or outside the PRC. Our ability to attract and retain highly skilled foreign scientists and research personnel to work in China may be materially affected by such tax regulations, which may in turn have a material adverse effect on our business, results of operations, financial condition and prospects. The PRC tax laws and regulations may change from time to time in the future and may also have an adverse effect on our business, results of operations, financial condition and prospects.

***If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our results of operations and financial condition could be adversely affected.***

Operating in the EV home charging solution industry, we enjoy various types of preferential tax treatment according to the prevailing mainland Chinese tax laws. Our mainland Chinese entities may, if they meet the relevant requirements, qualify for certain types of preferential treatment, including tax relief for high-tech enterprises and Tax incentives for small and micro enterprises.

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If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could adversely affect our results of operations and financial condition. For details, see “Financial Information — Description of Key Components of Comprehensive Income — Taxation — PRC.”

***The relevant competent authorities may require us to pay additional social insurance fees or housing provident fund or impose late payment penalties on us.***

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan should be calculated based on the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. During the Track Record Period and as of the Latest Practicable Date, we had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. As a result, we may be required by competent authorities to pay the outstanding amount, and may be subject to late payment penalties or enforcement application made to the court. As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. If these enforcement actions were taken by relevant authorities, our financial position and results of operations could be materially and adversely affected. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to this non-compliance incident nor had any competent government authorities required us to settle the outstanding amount of social insurance payments and housing provident fund contributions. We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us. Such action may have an adverse impact on our results of operations and financial condition.



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*PRC cybersecurity and data security measures and regulations could affect our business. Failure to comply with applicable data protection laws and regulations could subject us to regulatory actions and other legal liabilities and adversely affect our reputation. In providing our services, a challenge we face is the compliance and secured collection, storage and transmission of confidential information.*

We acquire certain personal information of our customers and users, such as telephone number and address, during the course of our business. For more details, please refer to the paragraphs headed “Business — Intellectual Property Rights — Information Technology System” and “Regulations — Regulations on Internet Information Security and Privacy Protection.”

On December 28, 2021, the CAC and other regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures, which stipulate that (i) critical information infrastructure operators (“CIIO”) purchasing network products and services which affects or may affect national security, must file for the cybersecurity review; (ii) the internet platform operators holding personal information of more than one million users seeking a [REDACTED] in a foreign country must file for the cybersecurity review; and (iii) where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a review in accordance with the Cybersecurity Review Measures. As of the Latest Practicable Date, we had not been identified as a CIIO under current effective PRC laws and regulations. Our PRC Legal Advisors conducted consultation via the hotline published by the CAC on a named basis on behalf of us on February 6, 2024, with a staff of the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the “CCRC”), whose name used before was 中國網絡安全審查技術與認證中心. The CCRC is a competent authority on this consultation, because it is entrusted by the Cybersecurity Review Office under the CAC with authority to accept and review of application materials and to set up a hotline for consultation regarding the cybersecurity review, according to the official announcement by the CAC. Based on such consultation, our PRC Legal Advisor advised us that we do not need to proactively file for the cybersecurity review, given Hong Kong is part of PRC and does not belong to any “foreign country” as contemplated in the Cybersecurity Review Measures. Our PRC Legal Advisor also advised us that we are not obliged to file for the cybersecurity review when purchasing network products and services in accordance with the Cybersecurity Review Measures, on the basis that (i) as the Regulations on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (“CIIO Regulation”) stipulate that the competent authorities and the supervision and administration departments of the important industries and sectors involved in Article 2 (“Protection Departments”) of the CIIO Regulation shall be responsible for the security protection of critical information infrastructures, and the Protection Departments shall be responsible for organizing the recognition of the critical information infrastructures within the industries and sectors according to the recognition rules, and shall inform the recognized CIIO accordingly; and (ii) as of the Latest Practicable Date, we had not received any notification from relevant regulatory authorities of being identified as a CIIO. In addition, during the Track Record Period and up to the Latest Practicable Date, we

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have not received any inquiry, notice, warning from any PRC government authorities, and had not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding cybersecurity review. As the Cybersecurity Review Measures have been released recently, some provisions and implementation standards in the measures are still subject to the further guidance by relevant authorities. The relevant authorities have discretion in the interpretation and enforcement of such regulations, and we will closely monitor and assess any development in the rule-making process. If we become subject to cybersecurity review or investigations launched by PRC regulators in the future, any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with the related laws and regulations may result in fines or other penalties, including suspension of relevant business, website closure, removal of our mini-programs from the relevant distribution platforms, and revocation of prerequisite licenses, as well as reputational damage or legal proceedings or actions against us, which may have a material adverse effect on our business, financial condition or results of operations.

We have adopted internal measures to ensure our compliance with relevant laws and regulations, but we cannot assure you that we will always be able to comply with the regulatory requirements in connection with cybersecurity, data and privacy protection in the PRC in all aspects, and a non-compliance may lead to regulatory actions against us, even not material. Even if we endeavor to comply with relevant laws and regulations and ensure those internal policies and measures to be effective and adequate, we may not always be able to do so, as these laws and regulations are relatively new and are subject to the interpretation and implementation by relevant government authorities in practice. Any resulting non-compliance may lead to regulatory actions, investigations or litigations against us. Even if these actions, investigations or litigations do not result in any liability to us, we could incur significant costs in investigating and defending against them and could be subject to negative publicity about our privacy and data protection practices, which may affect our reputation in the marketplace. Our potential risks related to our collection and use of data and information system could require us to implement measures to reduce our exposure to liability, which may require us to expend substantial resources and limit the attractiveness of our services to our patients and partnered hospitals. As a result, our business, results of operations financial condition and prospects could be materially and adversely affected.

***You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in the jurisdictions where we operate or our management named in the document based on foreign laws.***

The recognition and enforcement of judicial decisions and arbitral awards across different jurisdictions usually involve certain difficulties. If there is a treaty or agreement on mutual legal assistance signed between countries or regions belonging to different jurisdictions, it is necessary to carry out the required processes and procedures for the recognition and enforcement of a foreign legal instrument in accordance with the relevant treaty or agreement, and the recognition and enforcement of the foreign legal instrument can only be carried out upon the approval of the local relevant competent authority. Such process may be complicated and time-consuming with a possibility of non-recognition or non-enforcement. If there is no such treaty or agreement, the application for the recognition and enforcement of a foreign legal instrument can usually only be made through the principle of reciprocity, which may be even more difficult or impossible.



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On July 14, 2006, the Supreme People’s Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “Arrangement”). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (《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”). The New Arrangement will broaden the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties’ agreement. The New Arrangement replaced the Arrangement when the former became effective on January 29, 2024. We cannot assure you that any action brought in China by holders of H Shares to enforce a Hong Kong arbitration award made in favor of holders of H Shares would succeed.

Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

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## RISK FACTORS

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Disputes between holders of H Shares and us, our Directors, supervisors, senior officers or holders of non-[REDACTED] shares, arising out of our Articles of Association or the rights or obligations conferred or imposed upon by the PRC Company Law and related rules and regulations concerning our affairs, including the transfer of our H Shares, are to be resolved through arbitration rather than by a court of law. A claimant may elect to submit a dispute to arbitration organizations in Hong Kong or in China. Awards that are made by the PRC arbitral authorities recognized under the Arbitration Ordinance of Hong Kong can be enforced in Hong Kong. Hong Kong arbitration awards may be recognized and enforced by PRC courts, subject to the satisfaction of certain PRC legal requirements. However, we cannot assure you that any action brought in China by any holder of H Shares to enforce a Hong Kong arbitral award made in favor of holders of H Shares would succeed.

*Holders of our H Shares may be subject to PRC income tax obligations.*

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《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》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforementioned provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises [REDACTED] on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the [REDACTED] of H shares.

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For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《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》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ approval.

Despite the arrangements mentioned above, the PRC tax laws and regulations as well as the interpretation and application of such laws and regulations may change from time to time in the future which may adversely affect the value of your [REDACTED] in our H Shares.

***Payment of dividends is subject to restrictions under PRC law.***

Under PRC law, dividends may be paid only out of distributable profit, for which the PRC laws do not specify the applicable accounting principles. Distributable profit is our profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. Our PRC Legal Advisor is of the view that after making up losses and appropriation of statutory reserves, we may distribute after-tax profits.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which may significantly affect the amount of capital available to support the development and growth of our business.

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## RISK FACTORS

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Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

### **RISKS RELATED TO THE [REDACTED]**

*There has been no prior public market for our H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.*

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company, the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Share may drop below the [REDACTED] at any time after completion of the [REDACTED].

*The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.*

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the [REDACTED] of other companies with business operations located mainly in mainland China that have [REDACTED] their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] volumes for our H Shares. A number of mainland China-based companies have [REDACTED] their securities, and some are in the process of preparing for [REDACTED] their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their [REDACTED]. The [REDACTED] performances of the securities of these companies at the time of or after their [REDACTED] may affect the overall [REDACTED] sentiment towards mainland China-based companies [REDACTED] in Hong Kong and consequently may impact the [REDACTED] performance of our H Shares. Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and [REDACTED] volume of the H Shares in the short term following the [REDACTED] may be significantly affected. These factors may significantly affect the [REDACTED] and volatility of our H Shares, regardless of our actual operating performance.

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## RISK FACTORS

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***Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.***

The [REDACTED] 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 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.

***You will incur immediate and substantial dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.***

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. Purchaser of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

***Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.***

Immediately upon the completion of the [REDACTED], without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], our Controlling Shareholders will collectively control approximately [REDACTED]% of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

## RISK FACTORS

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*There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publication.*

This Document, particularly the section headed “Industry Overview,” contains information and statistics relating to the EV home charging solution industry that we obtained from various 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. However, we cannot guarantee the quality or reliability of such source materials. The information from official governmental sources has not been independently verified by us, the Sole Sponsor, [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up to date. In any event, you should consider carefully the importance placed on such information or statistics.

*You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].*

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this Document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and you should not rely on such information.

## INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

## INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]



## **INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**[REDACTED]**

## **INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**[REDACTED]**

## INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

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## WAIVERS

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

### WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

We do not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group’s management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of our Group are primarily based in China. Our Directors consider that either by means of relocation of our existing Executive Directors or the appointment of Executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and our Shareholders as a whole.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives are Dr. Huang and Ms. Au Wing Sze (區詠詩) (“**Ms. Au**”). Each of our authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by phone and email. Each of the authorized representatives is authorized to communicate on our behalf with the Stock Exchange;
- (b) each of the authorized representatives has means to contact all of 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. To enhance communication between the Stock Exchange, our authorized representatives and our Directors, we have implemented a policy that (i) each Director has provided their respective contact details (including phone number and e-mail address) to the authorized representatives; (ii) in the event that a Director

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## WAIVERS

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expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone;

- (c) 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;
- (d) we have appointed Shenwan Hongyuan Capital (H.K.) Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Stock Exchange when the authorized representatives are not available. Our Company shall ensure that our authorized representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in the Listing Rules;
- (e) we have provided the Stock Exchange with the names, mobile phone numbers, office phone numbers, fax numbers and email addresses of at least two of the Compliance Adviser’s officers who will act as our Compliance Adviser’s contact persons between the Stock Exchange and our Company. We will inform the Stock Exchange as soon as practicable in respect of any change of authorized representatives and/or the Compliance Adviser;
- (f) each of our Directors has provided their respective mobile phone numbers, office phone numbers, email addresses and fax numbers (if applicable) to the Stock Exchange;
- (g) we will appoint other professional advisors (including legal advisors in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (h) our Company has designated our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the authorized representatives and our Company’s professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our Executive Directors to further facilitate communication between the Stock Exchange and our Company.

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## WAIVERS

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### WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

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

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Jiang Yuxiao (蔣宇驍) (“**Mr. Jiang**”), as one of our joint company secretaries. Mr. Jiang has extensive experience in financing and investment services. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Mr. Jiang, who is the secretary of Board and who has day-to-day knowledge of the Company’s affairs. Mr. Jiang has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Jiang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Au Wing Sze (區詠詩) (“**Ms. Au**”), an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Jiang for an initial period of three years from the [REDACTED] to enable Mr. Jiang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

## WAIVERS

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Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Jiang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Au will work closely with Mr. Jiang to jointly discharge the duties and responsibilities as company secretary and assist Mr. Jiang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Au will also assist Mr. Jiang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Au is expected to work closely with Mr. Jiang and will maintain regular contact with Mr. Jiang, the Directors, the Supervisors and the senior management of our Company. The waiver will be revoked immediately if Ms. Au ceases to provide assistance to Mr. Jiang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company. In addition, Mr. Jiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Jiang will also be assisted by (a) the Compliance Adviser of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

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

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
<i><b>Executive Directors</b></i>		
Dr. Huang Zhiming (黃志明)	Room 1102, No. 12 Lane 10, Weide Road Yangpu District, Shanghai PRC	Chinese
Mr. Li Xinrui (李欣瑞)	Room 402, No. 15 Lane 1199, Jiangwancheng Road Yangpu District, Shanghai PRC	Chinese
<i><b>Independent Non-Executive Directors</b></i>		
Ms. Sun Zhili (孫枝麗)	Room C2, The Repulse Bay Apartments, No. 101 Repulse Bay Road, Repulse Bay Hong Kong	Chinese (Hong Kong)
Ms. Wu Yushan (吳瑜珊)	Room 503, 13-43 Wanshou Road Siming District, Xiamen PRC	Chinese
Dr. Lu Ming (陸銘)	Room 1401, No. 26 Lane 2828, Chuanzhou Highway Pudong New District, Shanghai PRC	Chinese
<b>SUPERVISORS</b>		
Mr. Shen Qi (沈琪)	Room 1201, No. 11 Lane 815, Taolin Road Pudong New District, Shanghai PRC	Chinese
Ms. Dai Can (戴燦)	Room 7B, Building 1 Block 1, Hongshu Lvzhou Futian District, Shenzhen, Guangdong PRC	Chinese
Mr. Liu Xi (劉希)	Room 205, Building 8 No. 1088 Pingxingguan Road Jing'an District, Shanghai PRC	Chinese

For details with respect to our Directors and Supervisors, see “Directors, Supervisors and Senior Management.”



**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**PARTIES INVOLVED IN THE [REDACTED]**

**Sole Sponsor**

**Shenwan Hongyuan Capital (H.K.) Limited**  
Level 6, Three Pacific Place  
1 Queen’s Road East  
Hong Kong

[REDACTED]

**Legal Advisors to our Company**

*As to Hong Kong law and United States law*

**Davis Polk & Wardwell**

10th Floor, The Hong Kong Club Building  
3A Chater Road  
Hong Kong

*As to PRC law*

**Commerce & Finance Law Offices**

12-14/F, China World Tower 2  
No. 1 Jianguomenwai Ave  
Beijing  
PRC

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**Legal Advisors to the Sole Sponsor  
and the [REDACTED]**

*As to Hong Kong law and United States law*

**Paul Hastings**

22F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

*As to PRC law*

**Hylands Law Firm**

11F Fortune Financial Center  
No. 5 Dongsanhuan Zhong Road  
Chaoyang District, Beijing  
PRC

**Reporting Accountant and Auditor**

**PricewaterhouseCoopers**

*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
22/F, Prince’s Building  
Central  
Hong Kong

**Industry Consultant**

**Frost & Sullivan (Beijing) Inc., Shanghai  
Branch Co.**

Room 2504  
Wheelock Square  
1717 Nanjing West Road  
Shanghai  
PRC

**Compliance Adviser**

**Shenwan Hongyuan Capital (H.K.) Limited**

Level 6  
Three Pacific Place  
1 Queen’s Road East  
Hong Kong

**[REDACTED]**

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## CORPORATE INFORMATION

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<b>Registered Office</b>	Room 1001-1, No. 127, Guotong Road Yangpu District, Shanghai PRC
<b>Headquarters and Principal Place of Business in the PRC</b>	Room 1001-1, No. 127, Guotong Road Yangpu District, Shanghai PRC
<b>Principal Place of Business in Hong Kong</b>	31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
<b>Company’s Website</b>	<u><a href="http://www.shzhida.com">www.shzhida.com</a></u> <i>(The information contained in this website does not form part of this Document)</i>
<b>Joint Company Secretaries</b>	<b>Mr. Jiang Yuxiao (蔣宇驍)</b> Room 1001-1, No. 127, Guotong Road Yangpu District, Shanghai PRC  <b>Ms. Au Wing Sze (區詠詩)</b> <i>An associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom</i> 31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
<b>Authorized Representatives</b>	<b>Dr. Huang Zhiming (黃志明)</b> Room 1102, No. 12 Lane 10, Weide Road Yangpu District, Shanghai PRC  <b>Ms. Au Wing Sze (區詠詩)</b> 31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong

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## CORPORATE INFORMATION

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### Audit Committee

Ms. Wu Yushan (吳瑜珊) (*Chairperson*)

Ms. Sun Zhili (孫枝麗)

Dr. Lu Ming (陸銘)

### Remuneration Committee

Ms. Sun Zhili (孫枝麗) (*Chairperson*)

Dr. Huang Zhiming (黃志明)

Dr. Lu Ming (陸銘)

### Nomination Committee

Dr. Huang Zhiming (黃志明) (*Chairperson*)

Ms. Sun Zhili (孫枝麗)

Dr. Lu Ming (陸銘)

[REDACTED]

### Principal Bank

**Industrial and Commercial Bank of  
China Shanghai Wujiaochang Branch**

Floor L1, No. 1099 Xiangyin Road

Yangpu District, Shanghai

PRC

## INDUSTRY OVERVIEW

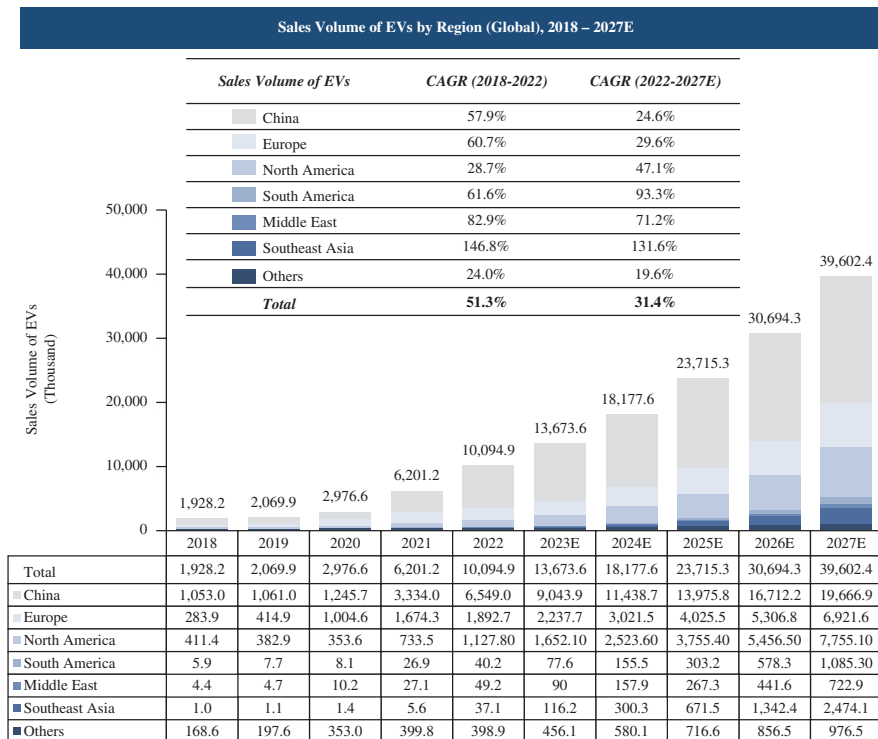
*The information and statistics set out in this section have been extracted, in part, from various official governmental and official publications and a market research report prepared by Frost & Sullivan (the “F&S Report”) and commissioned by us. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring no material omission of the information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Neither our Company nor any of the Relevant Persons (which, for the purpose of this paragraph, excludes Frost & Sullivan) has independently verified such information and statistics from official government sources, and no representation is given as to its accuracy.*

### OVERVIEW OF GLOBAL EV INDUSTRY

#### Global Sales Volume of EVs by Region

Owing to the decarbonization goals of the global automobile industry, the improvement of EV technologies, and the development of EV charging infrastructure, the global EV market has been experiencing rapid development. From 2018 to 2022, the global sales volume of EVs increased from approximately 1.9 million to 10.1 million, representing a CAGR of 51.3%. During the same period, the sales volume of EVs in China, Europe, North America, South America, Middle East and Southeast Asia grew at a CAGR of 57.9%, 60.7%, 28.7%, 61.6%, 82.9% and 146.8%, respectively.

By the end of 2027, the global sales volume of EVs is anticipated to increase to approximately 39.6 million, representing a CAGR of 31.4% from 2022 to 2027. From 2022 to 2027, the sales volume of EVs in China, Europe, North America, South America, Middle East and Southeast Asia is expected to grow at a CAGR of 24.6%, 29.6%, 47.1%, 93.3%, 71.2% and 131.6%, respectively.



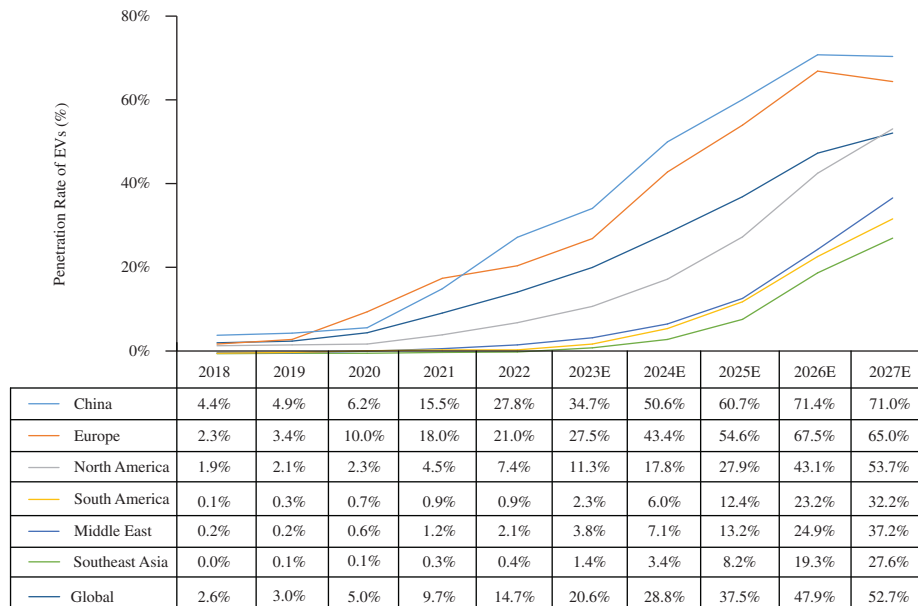
Source: Frost & Sullivan Analysis

## INDUSTRY OVERVIEW

### Global Penetration Rate of EVs by Region

Along with the development of global EV market, the penetration rate of EVs in terms of sales volume globally rapidly increased from approximately 2.6% in 2018 to approximately 14.7% in 2022. By the end of 2027, it is expected to reach 52.7%. In major regions of the world, such as China, Europe, North America, South America, Middle East and Southeast Asia, the penetration rate of EVs in terms of sales volume has rapidly increased from 4.4%, 2.3%, 1.9%, 0.1%, 0.2% and 0.0% in 2018 to approximately 27.8%, 21.0%, 7.4%, 0.9%, 0.9% and 0.4% in 2022, respectively.

Penetration Rate of EVs by Region (Global), 2018 – 2027E



Source: Frost & Sullivan Analysis

## EV HOME CHARGING SOLUTIONS

### Market Definition and Overview

EV home charging solutions mainly refer to comprehensive EV charging solutions provided to households, including both product offerings and value-added service offerings, providing a safe and intelligent charging experience as well as efficient and intelligent energy management. Specifically, the product offerings of EV home charging solutions mainly include home EV chargers and related accessories including portable EV chargers, whilst the value-added service offerings mainly include installation and after-sales services of home EV chargers, and digital energy management services during charging process, such as smart remote control, safe charging, off-peak charging and data analytics.

Compared to regular home EV chargers, smart home EV chargers, equipped with technologies such as IoT, can be controlled via mobile apps for real-time monitoring and management around the clock and make EV home charging more convenient, efficient and secure. In this way, smart home EV chargers serve as a gateway to digital energy management services to EV home users.

## INDUSTRY OVERVIEW

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### Advantages of EV Home Charging

#### *For EV Home Users*

*Low costs.* Home EV chargers, which typically utilize household electricity, offer a more cost-effective solution due to lower electricity rates. They also enable users to plan efficient and personalized charging schedules by calculating peak and off-peak charging periods, thereby reducing home energy costs. On the other hand, public EV chargers often use commercial electricity, which comes with relatively higher rates. Furthermore, as the charging speed increases, the charging cost of public EV chargers will escalate.

*Convenience.* Home EV chargers are usually installed near the users’ homes or parking lots, allowing users to charge their EVs in close proximity to their homes. Home EV chargers, compared to public ones, provide superior convenience by eliminating the need for trips to public charging stations and the uncertainty of waiting for available spaces.

*Safety.* Since EVs need to withstand large current and voltage when charging, it is easy to cause safety accidents if the charging facilities are of poor quality or improperly operated. In general, home EV chargers are AC chargers, which have a relatively low charging power, and more stable current and voltage, making them safer and more reliable during the charging. EV home charging can also reduce damage to the battery and extend its service life. In addition, home EV chargers also have a variety of safety protection functions such as over-current, over-voltage and short circuit protection, among others, which effectively avoids safety accidents caused by improper operation or equipment failure.

#### *For Providers of EV Home Charging Solutions*

*Lower investment.* Public DC chargers, due to their complex technology and equipment, have high production and installation costs. Operating public charging stations also demands significant investment in site leasing, civil construction, equipment, and security systems. In contrast, home EV chargers, which are typically AC chargers, require less investment.

*Provision of smart charging experiences.* With innovative business layout of EV home charging solutions, market participants can access a broad spectrum of EV home users, which allow them to collect, integrate, and analyze relevant data to provide smart charging experiences to EV home users, supporting the development of home energy management services, and further driving vertical integration in EV home charging.

*Resilience against alternative energy substitution.* While alternative energy sources like hydrogen are advancing, their use in vehicles is expected to increase. However, since home users cannot store hydrogen and other alternative energy, this type of alternative energy will likely be more prevalent in the public sector. Thus, infrastructure such as public charging stations are more likely to be replaced by alternative energy. EV home charging, due to its key role in home energy management, remains resilient against risks of substitution by alternative energies.

### Pain Points of EV Home Charging Solutions

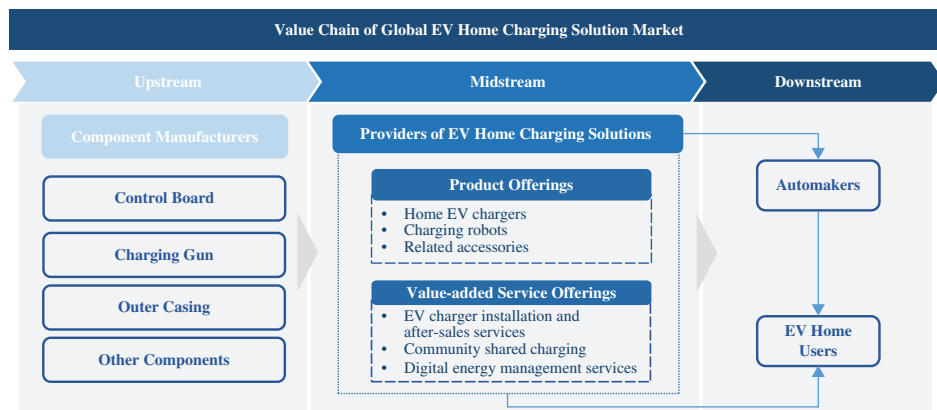
*Installation and after-sales challenges.* Many EV home users lack the knowledge to install home EV chargers and need professional services. Automakers also face challenges in finding reliable after-sales installation service providers across different regions. Therefore, providers of EV home charging solutions with robust service networks can offer timely installation and after-sales services, aiding automakers in expanding their business rapidly in new and overseas markets.

## INDUSTRY OVERVIEW

*Growing demand for smart charging.* There is a growing demand among EV home users for features like data visualization, remote control, smart charging and discharging control, real-time alerts, fault diagnosis, and charging schedule planning. To meet these rising needs and improve user experience, providers of EV home charging solutions offer digital platforms to help users manage their charging process intelligently and efficiently and reduce energy costs.

### Value Chain of Global EV Home Charging Solutions

The global EV home charging solutions encompass a value chain that includes upstream component manufacturers, midstream providers of EV home charging solutions, and downstream automakers and EV home users. The providers of EV home charging solutions can sell home EV chargers to automakers or directly to EV home users through retail channels, providing products and value-added services. While some automakers have started producing or assembling home EV chargers, most of them are gradually withdrawing from the market as they often lack the quality value-added services that professional providers of EV home charging solutions with strong service networks and digital platforms can offer. Additionally, some energy enterprises have entered the home energy management ecosystem by partnering with the providers of EV home charging solutions, adopting innovative business models such as commission based on the energy consumed during EV home charging.



Source: Frost & Sullivan Analysis

### Market Size of Global EV Home Charging Solutions

#### Global and China's Sales Volume of Home EV Chargers

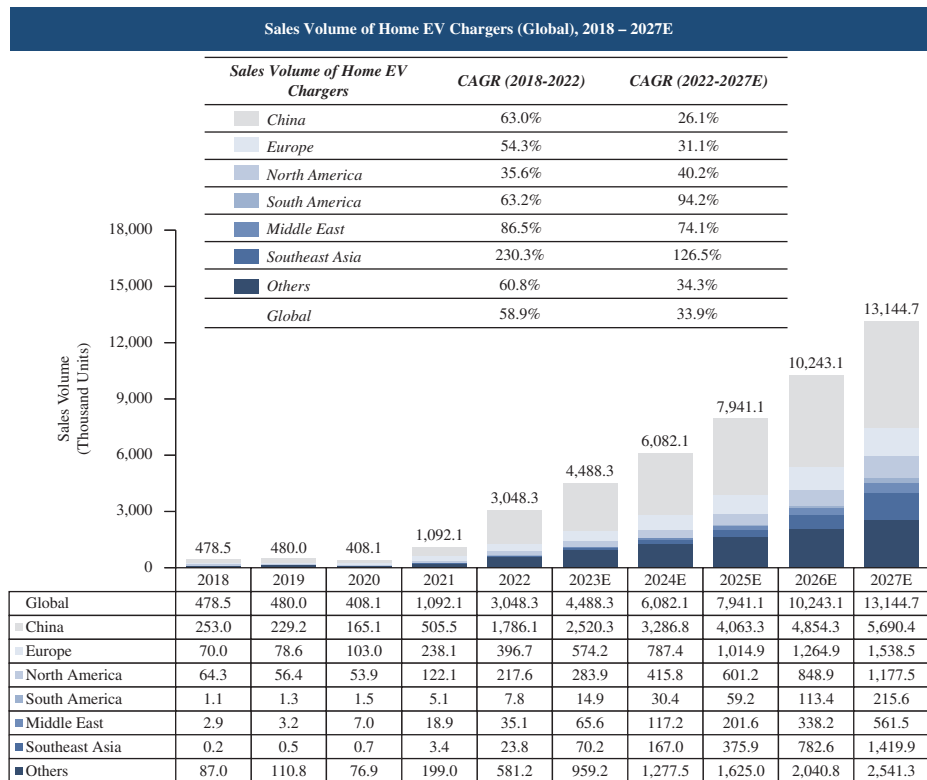
Driven by the growing sales volume of EVs, the global sales volume of home EV chargers increased from 0.5 million in 2018 to 3.0 million in 2022, representing a CAGR of 58.9%. In 2020, due to the impact of COVID-19 pandemic, the global sales volume of EVs experienced a decrease, causing a decrease in the sales volume of home EV chargers. From 2018 to 2022, the sales volume of home EV chargers in China, Europe, North America, South America, Middle East and Southeast Asia grew at a CAGR of 63.0%, 54.3%, 35.6%, 63.2%, 86.5% and 230.3%, respectively.

The EV industry's growth is expected to drive the rapid growth in home EV charger demand. In 2027, the global sales volume of home EV chargers is expected to reach 13.1 million, representing a CAGR of 33.9% from 2022 to 2027. During the same period, the sales volume of home EV chargers in China, Europe, North America, South America, Middle East and Southeast Asia are expected to grow at a CAGR of 26.1%, 31.1%, 40.2%, 94.2%, 74.1% and 126.5%, respectively.



## INDUSTRY OVERVIEW

With the development of EV industry, the sales volume of home EV chargers in China has experienced a rapid growth from 0.3 million in 2018 to 1.8 million in 2022, representing a CAGR of 63.0%. In recent years, Chinese government has introduced favourable policies to promote the penetration of EVs in the lower-tier cities, such as the “Implementation Opinions on Accelerating the Construction of Charging Infrastructure and Better Supporting the Use of New Energy Vehicles in Rural Areas and the Rural Revitalization” (《關於加快推進充電基礎設施建設更好支持新能源汽車下鄉和鄉村振興的實施意見》), thereby driving a rapid growth in the sales volume of home EV chargers in third, fourth and lower-tier cities, from 0.1 million in 2018 to 0.9 million in 2022, representing a CAGR of 83.6%. In 2027, the sales volume of home EV chargers in China is expected to reach 5.7 million, representing a CAGR of 26.1% from 2022 to 2027. During the same period, the sales volume of home EV chargers in third, fourth and lower-tier cities is expected to reach 3.4 million, representing a CAGR of 30.5%.



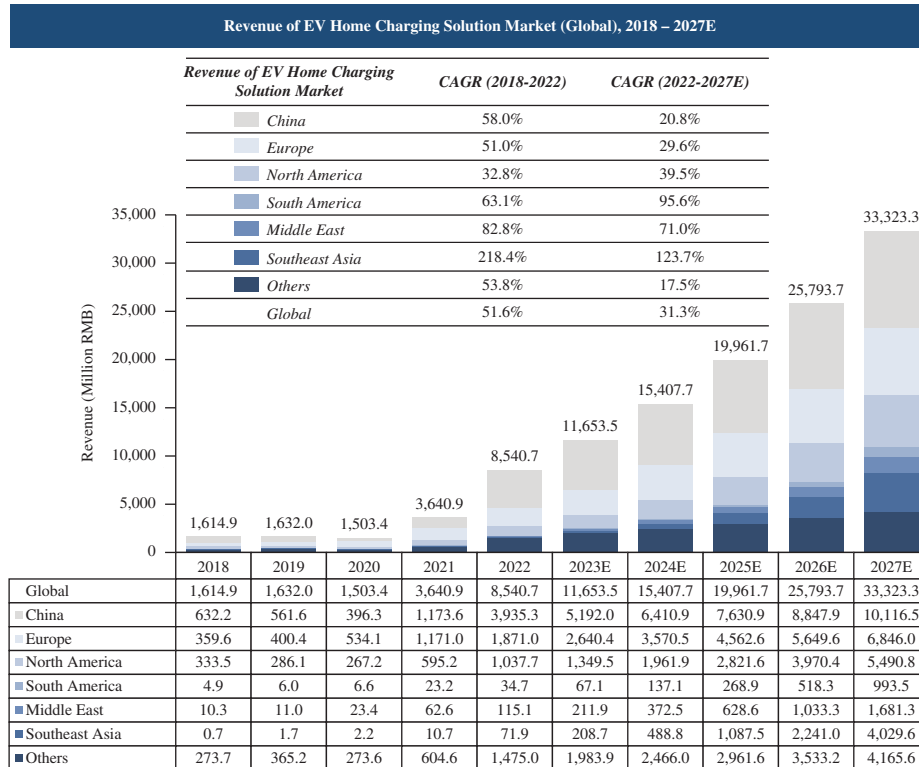
Source: Frost & Sullivan Analysis

### Revenue of Global EV Home Charging Solutions

From 2018 to 2022, the total revenue of global EV home charging solutions increased from RMB1.6 billion to RMB8.5 billion, representing a CAGR of 51.6%. In 2020, due to the shrinkage of global sales volume of home EV chargers, the total revenue of global EV home charging solution market decreased accordingly. During the same period, the total revenue of EV home charging solution market in China, Europe, North America, South America, Middle East and Southeast Asia grew at a CAGR of 58.0%, 51.0%, 32.8%, 63.1%, 82.8% and 218.4%, respectively.

## INDUSTRY OVERVIEW

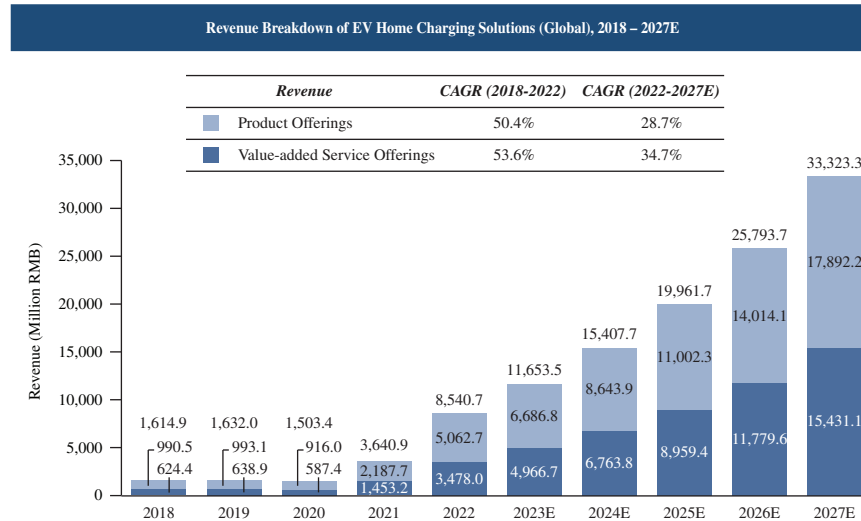
By 2027, with the growing sales volume of EVs and home EV chargers, the total revenue of global EV home charging solution market is expected to reach RMB33.3 billion, representing a CAGR of 31.3% from 2022 and 2027. The average prices of home EV chargers in the overseas markets are generally higher than that in China, which contributes to higher profitability in the overseas markets. It is expected that the overseas market will become one of main driving forces for the development of global EV home charging solution market in the future. During the same period, the total revenue of EV home charging solution market in China, Europe, North America, South America, Middle East and Southeast Asia is expected to grow at a CAGR of 20.8%, 29.6%, 39.5%, 95.6%, 71.0% and 123.7%, respectively.



Source: Frost & Sullivan Analysis

The revenue of global EV home charging solutions is primarily derived from (i) product offerings such as home EV chargers and related accessories and (ii) value-added service offerings such as installation and after-sales services. From 2018 to 2022, the revenue of product offerings increased from RMB1.0 billion to RMB5.1 billion, representing a CAGR of 50.4%. During the same period, the revenue of value-added service offerings grew from RMB0.6 billion in 2018 to RMB3.5 billion in 2022, with a CAGR of 53.6%. By 2027, the revenue of product offerings and value-added service offerings is expected to reach RMB17.9 billion and RMB15.4 billion, respectively, representing a CAGR of 28.7% and 34.7% from 2022 to 2027, respectively.

## INDUSTRY OVERVIEW



Source: Frost & Sullivan Analysis

### Market Drivers of Global EV Home Charging Solutions

**Supportive policies.** In order to support the development of the EV industry, governments across the globe are committed to promoting the construction of charging infrastructure including EV home charging, which boosted the development of the global EV home charging solution market. For instance, in 2022, China’s National Development and Reform Commission and the National Energy Administration issued the “Implementation Opinions on Further Improving Service Guarantee Capability of EV Charging Infrastructure” (《關於進一步提升電動汽車充電基礎設施服務保障能力的實施意見》), proposing to accelerate the construction and installation of charging facilities in residential communities. In Europe, France provided a tax credit up to the value of EUR500 to residents for the purchase and installation of an EV charger, whilst all German residents can apply for a grant of EUR900 for the purchase and installation of an EV charger. These supporting policies have provided policy guarantees for the rapid development of the global EV home charging solution market.

**Steady growth of EV sales.** With the increasing global attention to environmental protection and sustainable development, the global energy structure has been shifting from fossil energy to green energy, which has driven the rapid growth of EV sales. From 2018 to 2022, the global sales volume of EVs grew from 1.9 million to 10.1 million, representing a CAGR of 51.3%. In the future, the global sales volume of EVs is expected to reach 39.6 million by 2027, representing a CAGR of 31.4% from 2022 to 2027. The global popularity of EVs and the prominent advantages of EV home charging in terms of low costs, convenience and safety provide enormous development potentials for the global EV home charging solution market.

**Supportive infrastructure requiring installation of home EV chargers.** Some countries have introduced policies that require new residential buildings to be equipped with home EV chargers. For instance, since 2022, the UK government requires all new residential and non-residential buildings, as well as those undergoing major refurbishment, to be fitted with EV chargers. In addition, as EVs develop as the primary transportation mode for home users, they may prefer to install home EV chargers in advance to enjoy the convenience of charging once they purchase an EV. Thereby, the installation in advance can stimulate the further increase in the demand for home EV chargers.

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## INDUSTRY OVERVIEW

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*Product, technology and service development and innovation.* The continuous advancement of production technologies of EV chargers and the continuous improvement of product standards, such as waterproof, dustproof, leakage protection, short circuit protection and other technical requirements, provide more stable and safer EV home charging solutions. The charging technologies have been further upgraded, such as the development of autonomous charging robots. Additionally, the providers of EV home charging solutions have expanded their service scope from traditional installation and after-sales services to smart charging services through digital platforms, such as visualization of power usage data, remote control of EV chargers, and off-peak charging services.

### Future Opportunities of Global EV Home Charging Solutions

*Overseas market demand.* The majority of global EV sales is concentrated in China, Europe and the United States, among which the sales volume of EVs in China accounted for 64.9% of global sales volume in 2022. Some overseas regions, such as Southeast Asia and South America, where the development of EV industry is in the initial stage, have significant growth potentials. The sales volume of EVs in Southeast Asia is expected to grow from 37.1 thousand in 2022 to 2.5 million in 2027, representing a CAGR of 131.6%, whilst the sales volume of EVs in South America is expected to grow from 40.2 thousand in 2022 to 1.1 million in 2027, representing a CAGR of 93.3%. The rapid development of the EV industry in overseas regions will stimulate a significant growth in demand for EV home charging solutions, which will bring broad development opportunities for market players who have already established overseas presence.

*Digital energy solutions.* EV home charging solutions can further optimize the energy management mode by utilizing digital energy solutions such as V2H (Vehicle-to-Home). The V2H technology enables an EV to be used as an energy storage system to power home devices during a blackout or when electricity prices are high. The emergence and widespread adoption of digital energy solutions will help EV home users to more flexibly and efficiently utilize and manage energy, and provide them with more stable and low-cost electricity services.

*Autonomous charging robot.* From 2018 to 2022, the penetration rate of assisted autonomous driving system in new passenger vehicles sold in China grew significantly from 3.0% to 34.9%. With the development of assisted autonomous driving, EV home charging will achieve a higher level of intelligence and adopt new charging technologies, such as charging robots, which are designed to intelligently locate a user's EV and autonomously initiate the charging process to achieve unmanned, safe and intelligent EV charging. Consequently, the development of autonomous charging robots will further improve charging efficiency and provide a more intelligent and convenient charging experience, thereby changing the charging method of EV home users. In addition, autonomous charging robots will play an important role in the vehicle-to-energy interaction, such as acquiring real-time data for efficient management of charging facilities, realizing intelligent charging scheduling, and involving in home energy management. The total sales volume of autonomous charging robots in the world is expected to witness a significant increase and reach approximately 273.9 thousands in 2027, representing a CAGR of 432.9% from 2022 to 2027.

### Entry Barriers of Global EV Home Charging Solutions

*Product barrier.* The core technologies of EV home charging primarily consist of power technology, charging control technology and communication technology. Mastering these core technologies requires a large amount of R&D investment and sufficient technical reserves. In addition, in order to expand business layout in various regions around the world, new entrants need to obtain corresponding regional safety and performance standard certifications, such as CE certification (Europe), UL certification (United States), and TÜV Rheinland certification (Germany). Existing providers have mature technical experience and necessary certifications, making it challenging for new entrants to quickly obtain product qualifications and master core technologies.

## INDUSTRY OVERVIEW

**Service barrier.** Service capability is crucial for the providers of EV home charging solutions. Possessing strong service capabilities, the providers of EV home charging solutions can promptly respond to and fulfill various service requirements from users. Along with the business expansion to overseas regions, the providers of EV home charging solutions can maintain efficient operations and increase market shares rapidly by establishing overseas service networks. New entrants may face challenges in establishing a service network covering national and overseas markets.

**Digitalization barrier.** With IoT technology, existing providers of EV home charging solutions have developed digital energy management solutions that enable real-time monitoring, control, adjustments and optimization of EV charging and home energy consumption, which also lays the technological foundation for the future application of vehicle-to-energy home energy management. However, it is rather difficult for new entrants to possess strong digitalization capabilities.

**Manufacturing barrier.** Strong manufacturing capabilities, especially having localized factories, is one of the entry barriers for new entrants. In order to support the expansion in overseas markets, it is important for the providers of EV home charging solutions to construct local factories to satisfy the growing market demands and enable stable and timely supply.

**Branding barrier.** The providers of EV home charging solutions need to accumulate brand reputation through the provision of high-quality products and services in the long term. Automakers and home users prefer renowned providers to ensure reliable product quality, timely service response, and smart charging experience. Existing providers of EV home charging solutions have established customer trust and brand awareness, posing a significant entry barrier for new entrants.

### Competitive Landscape of Global EV Home Charging Solutions

There are approximately 4,000 home EV charger manufacturers in the world, most of which are small and medium-sized manufacturers. In terms of global sales volume of home EV chargers during the Track Record Period, the global top five providers of EV home charging solutions accounted for approximately 45.9%, among which we ranked first, with a market share of approximately 12.2%.

#### Global Top Five Providers of EV Home Charging Solutions by Global Sales Volume of Home EV Chargers During the Track Record Period

Ranking	Company Name	Background Information	Listing Status	Market Share
1	Zhida	See “Business”	-	12.2%
2	Company A	Founded 2014 and headquartered in Jiangsu Province, China, it provides devices, platforms and data operation services to global customers and creates a full-lifecycle platform for EV charging through private charging and public charging. During the TRP, its global sales volume of home EV chargers reached approximately 0.7 million.	Not Listed	10.0%
3	Company B	Founded in 1988 and headquartered in Switzerland, its electrification business offers a portfolio of products and digital solutions including home EV chargers. During the TRP, its global sales volume of home EV chargers reached approximately 0.7 million.	Listed	9.4%
4	Company C	Founded in 2015 and headquartered in Guangdong Province, China, it is a global supplier for EV charging facilities and software platform. During the TRP, its global sales volume of home EV chargers reached approximately 0.6 million.	Not Listed	7.8%
5	Company D	Founded in 2002 and headquartered in Shanghai, China, it is one of the leading suppliers of industrial intelligent solutions focusing on intelligent electricity, intelligent robots, intelligent equipment and industrial Internet. During the TRP, its global sales volume of home EV chargers reached approximately 0.5 million.	Listed	6.5%
Top 5				45.9%

Source: Annual Reports; Frost & Sullivan Analysis

## INDUSTRY OVERVIEW

### Top Five Providers of EV Home Charging Solutions by Sales Volume of Home EV Chargers in China During the Track Record Period

Ranking	Company Name	Background Information	Listing Status	Market Share
1	Zhida	See “Business”	-	20.5%
2	Company A	Founded in 2014 and headquartered in Jiangsu Province, China, it provides devices, platform and data operation services to global customers and creates a full-lifecycle platform for EV charging through private charging and public charging. During the TRP, its sales volume of home EV chargers in China reached approximately 0.7 million.	Not Listed	17.9%
3	Company C	Founded in 2015 and headquartered in Guangdong Province, China, it is a global supplier for EV charging facilities and software platform. During the TRP, its sales volume of home EV chargers in China reached approximately 0.5 million.	Not Listed	13.9%
4	Company D	Founded in 2002 and headquartered in Shanghai, China, it is one of the leading suppliers of industrial intelligent solutions focusing on intelligent electricity, intelligent robots, intelligent equipment and industrial Internet. During the TRP, its sales volume of home EV chargers in China reached approximately 0.4 million.	Listed	10.7%
5	Company E	Founded in 2021 and headquartered in Guangdong Province, China, it provides intelligent EV charging solutions for the global users. During the TRP, its sales volume of home EV chargers in China reached approximately 0.2 million.	Not Listed	5.8%
Top 5				68.8%

Source: Annual Reports; Frost & Sullivan Analysis

### Top Three Providers of EV Home Charging Solutions by Number of Cities Covered in China, as at September 30, 2023

Ranking	Company Name	Background Information	Listing Status	Number of Cities Covered
1	Zhida	See “Business”	-	Approximately 360
2	Company A	Founded in 2014 and headquartered in Jiangsu Province, China, it provides devices, platforms and data operation services to global customers and creates a full-lifecycle platform for EV charging through private charging and public charging. During the TRP, its sales volume of home EV chargers in China reached approximately 0.7 million.	Not Listed	Approximately 300
3	Company C	Founded in 2015 and headquartered in Guangdong Province, China, it is a global supplier for EV charging facilities and software platform. During the TRP, its sales volume of home EV chargers in China reached approximately 0.5 million.	Not Listed	Approximately 210

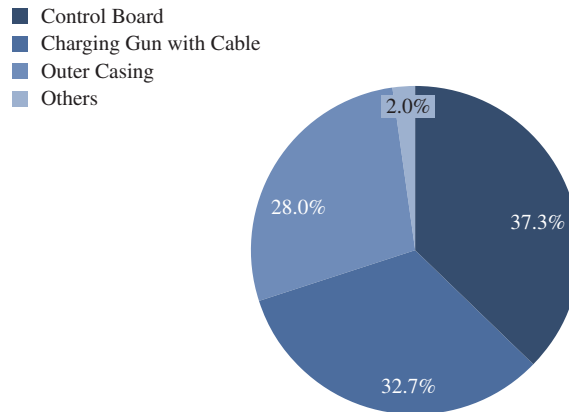
Source: Annual Reports; Frost & Sullivan Analysis

### Cost of EV Home Charging Solution Market

Home EV chargers are mainly composed of control board, charging gun with cable, outer casing and other components. The control board, with an integrated circuit, controls the discharge power of home EV chargers. Due to relatively complex manufacturing process and technology, the control board is the largest cost of home EV chargers, accounting for approximately 37.3% of the total cost. The second largest cost is the charging gun with cable, which is an important part that connects with the EV, accounting for approximately 32.7% of the total cost. The third largest cost is the outer casing of home EV charger, accounting for approximately 28.0%.

## INDUSTRY OVERVIEW

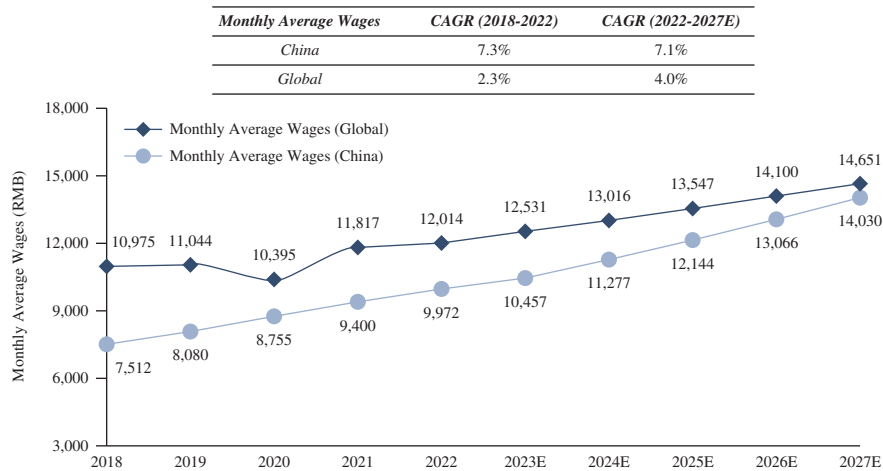
Cost Structure of Home EV Chargers, 2022



Source: Frost & Sullivan Analysis

Service capability is crucial for the providers of EV home charging solutions, and the labor costs of installation workers are the major costs of service offerings by the providers of EV home charging solutions. The average wages of installation workers in EV home charging solution market has increased continuously in recent years. The global monthly average wages of installation workers in the EV home charging solution market increased from RMB10,975 in 2018 to RMB12,014 in 2022, representing a CAGR of 2.3%. The monthly average wages of installation workers in EV home charging solution market in China increased from RMB7,512 in 2018 to RMB9,972 in 2022, representing a CAGR of 7.3%. In 2027, the global and Chinese average monthly wages are expected to reach RMB14,651 and RMB14,030, respectively, representing a CAGR of 7.1% and 4.0% from 2022 to 2027, respectively.

Average Monthly Wages of Installation Workers in EV Home Charging Solution Market



Source: Frost & Sullivan Analysis



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## INDUSTRY OVERVIEW

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### SMART EV CHARGING-BASED HOME ENERGY MANAGEMENT

#### Market Definition and Overview

Smart EV charging-based home energy management refers to the integration of various equipment including EV, power generation, electricity consumption and energy storage in the household as a home microgrid, the use of energy management systems for home energy control and management, and the provision of diversified digital energy services for home users.

In the ecosystem of smart EV charging-based home energy management, the EV serves as both the home equipment that consumes electricity, and as a home energy storage equipment, which is connected to the home microgrid through EV bidirectional chargers. EV power batteries are one of the most cost-efficient forms of energy storage since they require no additional investments in hardware. EV bidirectional chargers, which apply technologies such as V2H, are an important foundation for the smart EV charging-based home energy management ecosystem. V2H technology allows EVs to power homes by using the EV power batteries to store energy sourced from the grid or from renewable energy sources, such as solar or wind power, which can then be used to power homes when needed, such as during a blackout or when electricity prices are high. In addition, the development of autonomous charging robots, which serve as hardware gateways to home energy management, can play an important role in this vehicle-to-energy & vehicle-to-home interaction.

By applying V2H/V2E technology, the EV power batteries can be charged when the electricity rates are low and release the stored power when the electricity rates are high, which reduces the charging costs and achieves the peak shaving and valley filling. EV power batteries also compensate for the discontinuity of home photovoltaic power generation. When the power grid shuts down, home energy storage systems can provide emergency charging for EVs, and EV power batteries can also supply power to home electrical loads.

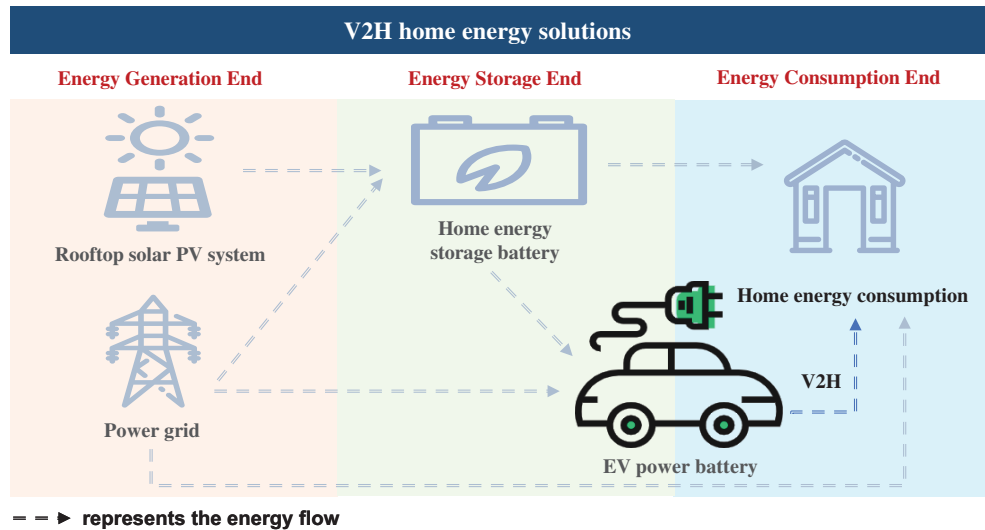
The major market players in the smart EV charging-based home energy management ecosystem include (i) manufacturers of V2H/V2E home microgrid equipment, including EV charging facilities, home photovoltaic systems, home energy storage systems and energy management systems, (ii) service providers that can offer installation, debugging and after-sales services for home microgrids, and various home digital energy services, and (iii) technology suppliers that can provide a series of technology solutions such as information and communication technologies. Some market players can provide comprehensive solutions that cover diverse home microgrid equipment, value-added services and technology solutions.

#### *V2H home energy services*

V2H home energy services refer to the product offerings of PV-storage-charging systems including EV charging facilities, home photovoltaic systems, home energy storage systems and energy management systems, as well as the value-added services offerings including the installation, debugging and after-sales services. V2H home energy services contributed to reduce home energy consumption and improve energy management efficiency.

As illustrated in the diagram below, in V2H home energy solutions, the energy generation end is the photovoltaic power generation system and the power grid system, the energy storage end is the home energy storage system and the EV power battery, and the energy consumption end is the EV and various home appliances. EVs can be charged and transmit power to home appliances through EV bidirectional chargers, thereby achieving reasonable and efficient distribution of the generation and consumption of home energy.

## INDUSTRY OVERVIEW



Source: Frost & Sullivan Analysis

### V2E home energy services

V2E home energy services refer to the diversified digital energy services provided based on the business scenarios of bidirectional interaction between EV and energy sources, which effectively leverages the flexibility of EV power batteries connected to EV bidirectional chargers as both controllable loads and mobile energy storage systems, and also integrates the energy sources of EV home users to establish a digital home energy ecosystem.

- *Aggregated transaction platforms.* Aggregated transaction platforms refer to aggregated platforms where households can transact electricity or carbon sink. The service providers that own aggregated transaction platforms may charge commissions from the transaction conducted on their platforms.
- *Supply of home green electricity.* Supply of home green electricity refers to the supply of green electricity to EVs through EV chargers. EVs can use the green electricity as a load or further transmit green electricity to home appliances as home energy storage devices. Service providers may obtain subsidies by connecting green electricity, and further extend their business to the provision of home green electricity generation equipment.

### Business Model of Global Smart EV Charging-Based Home Energy Management

*Vertical integration of EV home charging.* The establishment of an smart EV charging-based home energy management ecosystem is rooted in EV home charging scenarios. The products and services offered are shaped by the diverse needs related to home energy management, which extend from EV home charging. As this ecosystem primarily targets home users, market players with resources and expertise in EV home charging can gain significant advantages and expand their business through vertical integration.

*Digital platforms to empower services.* Digital platforms with extensive data resources covering a wide range of home users can readily empower value-added services and explore innovative service modes in the smart EV charging-based home energy management market. These platforms can help market players understand users' needs and provide prompt responses. They can also consolidate user resources to interact with the energy supply side, facilitating interaction between individual home users and energy sources, as well as among different home users. Therefore, digital platforms with substantial home user resources are a core competitive advantage.

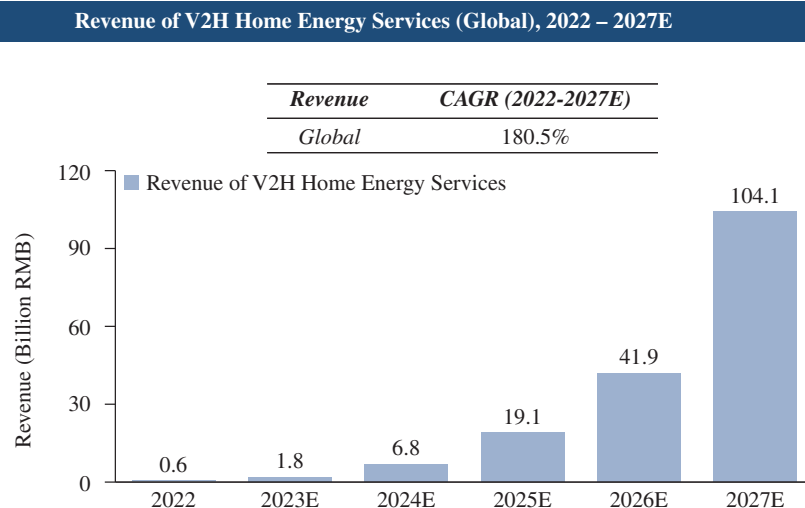
## INDUSTRY OVERVIEW

*Integration of hardware and services.* Market players that achieve the integration of hardware and services in the smart EV charging-based home energy management market can gain enormous competitive advantages. Offering both hardware products and services can diversify revenue sources for market players. Further, integration of hardware and services creates synergies. Specifically, the product offerings can assist market players to reach a large number of home users for the provision of value-added services and accumulate user data to digital platforms. Market players with strong expertise in products can also offer more professional services. In return, the service offerings can further explore users’ needs for new hardware products and transform one-time hardware customers into recurring service customers.

### Market Size of Global Smart EV Charging-Based Home Energy Management Services

#### *Revenue of V2H home energy services*

In 2022, the development of global V2H home energy services is in the initial stage, and the revenue mainly comes from pilot or small-scale application projects. In the future, driven by robust market demand stimulated by increasing penetration of EVs, favorable policies and decreasing costs of power generation, the total revenue of V2H home energy services in the world is expected to enjoy a significant increase and reach approximately RMB104.1 billion in 2027, representing a CAGR of 180.5% from 2022 to 2027. Overseas regions including Europe, the United States, Southeast Asia and Middle East are expected to have significant growth potentials. In 2027, the total revenue of V2H home energy services in Europe, the United States, Southeast Asia and Middle East is expected to reach RMB59.9 billion, RMB17.9 billion, RMB8.5 billion, RMB7.3 billion, respectively.



Source: Frost & Sullivan Analysis

### Future Opportunities of Global Smart EV Charging-Based Home Energy Management

*Diversified home digital energy services.* Along with the development of digital energy and bidirectional charging technologies such as V2H/V2E, the interaction between EVs and energy will bring about diversified potential business scenarios, such as aggregated transaction platforms, supply of home green electricity and private energy transactions. The expanding scope of home digital energy services can further transform business models of market players. For instance, in order to reach a wide range of home users to monetize digital energy services, one-stop solution providers may proactively give up the profits or even revenue from part of product offerings.

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## INDUSTRY OVERVIEW

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*Technological advancements.* Continuous technological advancements will facilitate the popularity of smart EV charging-based home energy management solutions. The technology innovation of energy storage batteries, such as the development of solid-state batteries, will further improve the energy density of home energy storage systems, extend the service life of home energy storage and charging systems, and provide a more convenient charging experience. In addition, with the development of the IoT and big data technologies, V2H home energy management systems will develop towards intelligent systems that can achieve real-time monitoring, remote control and energy consumption planning, further enhancing user adhesion to the systems.

*Enhanced cross-industry cooperation.* V2H and V2E home energy services have created opportunities for cross-industry cooperation among equipment manufacturers, automakers, energy companies and technology companies. By leveraging their respective advantages, they provide home users with more comprehensive and efficient energy management solutions. Furthermore, the enhanced cross-industry cooperation can foster innovative business models. For instance, the equipment manufacturers with digital platforms can cooperate with energy companies by providing aggregated platform for energy transactions so that energy companies can reach home user resources while platform operators can help their platform users to manage home energy and obtain commission from energy transactions.

### SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and prepare an industry report on the markets we operate in with a commission fee of RMB450,000. Founded in 1961 in New York, Frost & Sullivan provides market research on a variety of industries, among other services. The information from Frost & Sullivan disclosed in this Document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent’s information and views against those of others: (i) secondary research, which involved reviewing published official statistical sources including company reports, independent research reports and data based on Frost & Sullivan’s in-house research database; and (ii) primary research, which involved in-depth interviews with the industry experts and competitors, and in-house analysis using appropriate models and indicators to arrive at an estimate.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global economy is likely to maintain steady growth in the next decade; (ii) global social, economic, and political environment is likely to remain stable in the forecast period; (iii) market drivers like supporting policies, rapid growth in EV sales, upgrading of products and services, etc.; and (iv) the COVID-19 is likely to affect the stability of global macro economy in short term.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

## REGULATIONS

### REGULATIONS ON ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

Pursuant to the *Guidance Opinions of the General Office of the State Council on Accelerating the Promotion and Application of the New Energy Vehicles* (《國務院辦公廳關於加快新能源汽車推廣應用的指導意見》), which became effective on July 14, 2014, the *Guidance Opinions of the General Office of the State Council on Accelerating the Development of Charging Infrastructures of the Electric Vehicle* (《國務院辦公廳關於加快電動汽車充電基礎設施建設的指導意見》), which became effective on September 29, 2015, the *Guidance on the Development of Electric Vehicle Charging Infrastructure (2015-2020)* (《電動汽車充電基礎設施發展指南(2015-2020年)》), which became effective on October 9, 2015, and the *Development Plan for the New-energy Vehicle Industry (2021-2035)* (《新能源汽車產業發展規劃(2021-2035年)》), which became effective on October 20, 2020, the *Guidance Opinions of the General Office of the State Council on Further Building a High-Quality Charging Infrastructure System* (《國務院辦公廳關於進一步構建高質量充電基礎設施體系的指導意見》), which became effective on June 8, 2023, the PRC government encourages the construction and development of charging infrastructure for electric vehicles, such as charging stations and battery swap stations, and When individuals install charging facilities in their own parking garages and parking Spaces, and residential areas and units install charging facilities in existing parking Spaces, there is no need to apply for construction land planning permits, construction project planning permits and construction permits. When building an urban public parking lot, it is not necessary to separately handle the construction project planning permit and construction permit for the simultaneous construction of charging infrastructure.

The *Circular on Accelerating the Development of Electrical Vehicle Charging Infrastructures in Residential Areas* (《關於加快居民區電動汽車充電基礎設施建設的通知》) promulgated on July 25, 2016 provides that the operators of electrical vehicle charging and battery swap infrastructure are required to be covered under liability insurance policies to protect the purchasers of electric vehicles, covering the safety of electric vehicle charging.

### REGULATIONS ON ELECTRIC VEHICLE FAVORABLE MARKET POLICIES

On January 11, 2016, the MOF, the Ministry of Science and Technology, the MIIT, the NDRC, and the National Energy Administration jointly promulgated the *Circular on Incentive Policies on the Charging Infrastructures of New Energy Vehicles and Strengthening the Promotion and Application of New Energy Vehicles During the 13th Five-year Plan Period* (《財政部、科技部、工業和信息化部等關於“十三五”新能源汽車充電基礎設施獎勵政策及加強新能源汽車推廣應用的通知》), which became effective on January 11, 2016. Pursuant to this circular, the central finance department is expected to provide certain local governments with funds and subsidies for the construction and operation of charging facilities and other relevant charging infrastructure.

### REGULATIONS ON PRODUCT LIABILITY

Pursuant to the *Product Quality Law of the PRC* (《中華人民共和國產品質量法》), promulgated on February 22, 1993 and latest amended on December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender’s business license may be revoked.



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### REGULATIONS ON CONSUMER RIGHTS PROTECTION

Our business is subject to a variety of consumer protection laws, including the PRC Consumer Rights and Interests Protection Law (《中華人民共和國消費者權益保護法》), as amended in 2013 and became effective on March 15, 2014, which imposes stringent requirements and obligations on business operators. Failure to comply with these consumer protection laws could subject us to administrative sanctions, such as the issuance of a warning, confiscation of illegal income, imposition of fines, an order to cease business operations, revocation of business licenses, as well as potential civil or criminal liabilities.

### REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Internet information in China is regulated and restricted from a national security standpoint.

The SCNPC, has enacted the Decisions on Maintaining Internet Security (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) on December 28, 2000, amended on August 27, 2009, which may subject violators to criminal punishment in China for any effort to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. The Ministry of Public Security of the PRC has promulgated the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》) on December 16, 1997 and the State Council of the PRC has amended it on January 8, 2011 to prohibit use of the Internet in ways which, among other things, result in a leakage of state secrets or infringement of the legitimate rights and interests of the state, the society, the community or the citizens. If an internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may, when necessary, suggest the issuing or approving government agency to revoke its operating license and shut down its websites.

The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) promulgated by the Ministry of Public Security (the “MPS”), the State Secrecy Bureau, the State Cipher Code Administration and the former Information Office of the State Council on June 22, 2007, divide the security protection of information systems into five grades based on the degree of harm caused by the destruction of the information system to the legitimate rights and interests of citizens, legal persons and other organisations, social public order and public interests and the national security and require the operators of information systems ranking Grade II or above to file an application with the local competent public security authorities for information systems already put into operation within 30 days since the date when its security protection grade was determined and for newly built information system of Grade II or above within 30 days since its information system is put into operation.

In November 7, 2016, the Standing Committee of the National People’s Congress (the “SCNPC”, promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”), which became effective on June 1, 2017. The Cyber Security Law requires that a network operator, which includes, among others, internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial

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standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as we are operating a website, mobile application and mini-program and providing certain internet services mainly through our mobile application and mini-program. The Cyber Security Law further requires internet information services providers to formulate contingency plans for network security incidents, report to the competent departments immediately upon the occurrence of any incident endangering cyber security and take corresponding remedial measures.

Internet information services providers are also required to maintain the integrity, confidentiality and availability of network data. The Cyber Security Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal data protection, such as the requirements on the collection, use, processing, storage and disclosure of personal data, and internet information services providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged or lost. Any violation of the Cyber Security Law may subject the internet information services provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites or criminal liabilities.

On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the General Office of the SAMR jointly issued the Notice on the Measures for Determining the Illegal Collection and Use of Personal Information through Mobile Applications (《App違法違規收集使用個人信息行為認定方法》), which aims to provide reference for supervision and administration departments and provide guidance for mobile applications operators’ self-examination and self-correction and social supervision by netizens, and further elaborates the forms of behavior constituting illegal collection and use of the personal information through mobile applications including: (i) failing to publish the rules on the collection and use of personal information; (ii) failing to explicitly explain the purposes, methods and scope of the collection and use of personal information; (iii) collecting and using personal information without the users’ consent; (iv) collecting personal information unrelated to the services they provide and beyond the necessary principle; (v) providing personal information to others without the users’ consent; (vi) failing to provide the function of deleting or correcting the personal information according to the laws or failing to publish information such as ways of filing complaints and reports.

Pursuant to the Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet Apps (《工業和信息化部關於開展移動互聯網應用程序備案工作的通知》), promulgated by the MIIT on July 21, 2023 and took effective on the same day, any operator of APP(including mini programs and quick applications)that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Law of the People’s Republic of China Against Telecommunications and Internet Frauds (《中華人民共和國反電信網絡詐騙法》), the Administrative Measures on Internet-based Information Services (《互聯網信息服務管理辦法》) and other regulations. Any APP operator that fails to complete the record-filing formalities shall not engage in APP Internet information services.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Exit (《數據出境安全評估辦法》), which stipulates that data processors who provide overseas the important data collected and generated during operations within the PRC and personal information that shall be subject to security assessment shall conduct a security assessment. Furthermore, if the data processor provides data overseas and meets one of the following

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circumstances, it shall declare the security assessment: (i) the data contains important data; (ii) operators of critical information infrastructure and personal information processors who have processed personal information of one million people provide personal information abroad; (iii) accumulatively provided personal information of more than one hundred thousand people or sensitive personal information of more than ten thousand people abroad from 1 January of the previous year; and (iv) other circumstances as specified by the CAC. The assessment results of the data exit are valid for two years.

In December 2011, the Ministry of Industry and Information Technology (the “MIIT”) issued Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which provides that an internet information service provider may not collect any user’s personal information or provide any such information to third parties without such user’s consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, internet information service providers are required to, among others, (i) expressly inform the users of the method, content and purpose of the collection and processing of such users’ personal information and may only collect such information necessary for the provision of its services; and (ii) properly maintain the users’ personal information, and in case of any leak or possible leak of a user’s personal information, online lending service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

Pursuant to the Decision on Strengthening the Protection of Online Information (《全國人民代表大會常務委員會關於加強網絡信息保護的決定》), issued by the SCNPC in December 2012, and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), issued by the MIIT in July 2013, any collection and use of any user personal information must be subject to the consent of the user, and abide to the applicable law, rationality and necessity of the business and fall within the specified purposes, methods and scopes in the applicable laws.

Pursuant to the Ninth Amendment to the Criminal Law (《中華人民共和國刑法修正案(九)》), issued by the SCNPC in August 2015, which became effective in November 2015, any Internet service provider that fails to fulfill its obligations related to Internet information security administration as required under applicable laws and refuses to rectify upon orders shall be subject to criminal penalty. In addition, 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 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》), issued on May 8, 2017 and effective as of June 1, 2017, clarified certain standards for the conviction and sentencing of the criminals in relation to personal information infringement. In addition, the Opinions of the Supreme People’s Court, the Supreme People’s Procuratorate, and the Ministry of Public Security on Several Issues Concerning the Application of Criminal Procedures in Handling of Criminal Cases Involving Information Networks (《最高人民法院、最高人民檢察院公安部關於辦理信息網絡犯罪案件適用刑事訴訟程序若干問題的意見》), which took effect on September 1, 2022, further provide detailed procedures on facilitating the handling of criminal cases of (i) refusing to perform the obligation of managing the security of the information networks, (ii) illegally using the information networks, or (iii) assisting in the criminal activities of the information networks.



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In addition, on May 28, 2020, the National People’s Congress of the PRC approved the PRC Civil Code (《中華人民共和國民法典》), which came into effect on January 1, 2021. Pursuant to the PRC Civil Code, the collection, storage, use, process, transmission, provision and disclosure of personal information should follow the principles of legitimacy, properness and necessity.

In July 2021, General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Severely Cracking Down on Illegal Securities Activities According to Law (《關於依法從嚴打擊證券違法活動的意見》) (the “**Opinions**”), which were made available to the public on July 6, 2021. The Opinions emphasized the need to strengthen the administration over illegal securities activities, and the need to strengthen the supervision over overseas [REDACTED] by Chinese companies. Effective measures, such as promoting the construction of relevant regulatory systems, will be taken to deal with the risks and incidents of China-concept overseas [REDACTED] companies.

On June 10, 2021, the Standing Committee of the National People’s Congress of China promulgated the Data Security Law (《數據安全法》) (the “**Data Security Law**”), which took effect in September 1st, 2021. The Data Security Law sets forth data security and privacy related compliance obligations on entities and individuals carrying out data related activities. The Data Security Law also introduces a data classification and layered protection system based on the importance of data and the degree of impact on national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked or illegally acquired or used. According to the PRC National Security Law, the State shall establish institutions and mechanisms for national security review and regulation, and conduct national security review on data processing activities that affect or may affect PRC national security.

On December 28, 2021, the CAC, NDRC, MIIT, the MPS, the Ministry of National Security, the MOF, the MOFCOM, the People’s Bank of China, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration jointly released the Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, network platform operators with information of over one million users shall be subject to cybersecurity review before [REDACTED] abroad (國外 [REDACTED]). The cybersecurity review will evaluate, among others, the risk of critical information infrastructure, core data, important data, or the risk of a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public, and Cyber information security risk. As of the date of this document, we have not been informed by any PRC governmental authority of any requirement to file for approval for this [REDACTED].

On July 30, 2021, the State Council promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), or the Regulations, which took effect in September 2021. The Regulations supplement and specify the provisions on the security of critical information infrastructure as stated in the Cyber Security Law. The Regulations provide, “critical information infrastructure” (CII) refers to an important network facility and information system in important industries and fields such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people’s livelihood, or the public interests in the event of damage, loss of

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function, or data leakage. In addition, The Regulations stipulate that the competent authorities and the supervision and administration departments of the important industries and sectors involved in Article 2 (“Protection Departments”) of the Regulations shall be responsible for the security protection of critical information infrastructures, and the Protection Departments shall be responsible for organizing the recognition of the critical information infrastructures within the industries and sectors according to the recognition rules, and shall inform the recognized critical information infrastructure operator (CIIO) accordingly.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. Pursuant to the Personal Information Protection Law, “personal information” refers to any kind of information related to an identified or identifiable individual as electronically or otherwise recorded but excluding the anonymised information. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. The Personal Information Protection Law applies to the processing of personal information of natural persons within the territory of the PRC, as well as personal information processing activities outside the territory of PRC, for the purpose of providing products or services to natural persons located within China, or for analysing or evaluating the behaviors of natural persons located within China, or for other circumstances as prescribed by laws and administrative regulations. A personal information processor may process the personal information of this individual only under the following circumstances: (i) where consent is obtained from the individual; (ii) where it is necessary for the execution or performance of a contract to which the individual is a party, or where it is necessary for carrying out human resource management pursuant to employment rules legally adopted or a collective contract legally concluded; (iii) where it is necessary for performing a statutory responsibility or statutory obligation; (iv) where it is necessary in response to a public health emergency, or for protecting the life, health or property safety of a natural person in the case of an emergency; (v) where the personal information is processed within a reasonable scope to carry out any news reporting, supervision by public opinions or any other activity for public interest purposes; (vi) where the personal information, which has already been disclosed by an individual or otherwise legally disclosed, is processed within a reasonable scope; or (vii) any other circumstance as provided by laws or administrative regulations. In principle, the consent of an individual must be obtained for the processing of his or her personal information, except under the circumstances of the aforementioned items (ii) to (vii). Where personal information is to be processed based on the consent of an individual, such consent shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis. If laws or administrative regulations provide that the processing of personal information shall be subject to the separate consent or written consent of the individual concerned, such provisions shall prevail.

On August 16, 2021, the CAC promulgated the Provisions on the Administration of Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》), or the Provisions on Automobile Data Security, which took effect in October 2021. The Provisions on Automobile Data Security clearly define the definition of “automobile data”, “automobile data operating”, “automobile data operator”, “personal information”, “sensitive personal information” and “important data”, and further elaborate the principles of and requirements for the automobile data operating activities within the PRC. Furthermore, the Provisions on Automobile Data Security also prescribe the implementation of classified protection of cybersecurity, the obligations of automobile data operators to inform, anonymize and obtain individuals’ consents, and the specific requirements for operating sensitive personal information, as well as the risk assessment when operating important data and the security assessment when providing important data abroad.

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In addition, on November 14, 2021, the Administration Regulations on Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), the Draft Regulations) was proposed by the CAC for public comments until December 13, 2021. The Draft Regulations provide the circumstances under which data processors shall apply for cybersecurity review, including, among others, when (i) the data processors who process personal information of more than one million persons apply for a listing in foreign countries; and (ii) the data processors apply for a listing in Hong Kong which affects or may affect national security. Data processors processing personal information of more than one million individuals shall also comply with the provisions for processing important data stipulated in the Draft Regulations for important data processors. Data processors processing important data or listing overseas should carry out an annual data security assessment by themselves or by entrusting data security service agencies, and each year before 31 January data security assessment report for the previous year shall be submitted to the districted city-level cyberspace administration. As of the Latest Practicable Date, this draft has not been formally adopted.

On December 8, 2022, the MIIT issued the “Measures for Data Security Management in the Industrial and Information Technology Fields (Trial)” (“The Measures for Data Security Management”), which was implemented from January 1, 2023. The Measures for Data Security Management refine the requirements for national data security management in the industrial and information technology fields, clarify specific requirements for carrying out activities such as data classification and grading protection and important data management, refine data security obligations throughout the entire lifecycle of the data processing, and provide institutional guarantees for industry data security supervision. The Measures for Data Security Management also establish a data security supervision system in the industrial and information technology fields, clarify the responsibilities of the MIIT and local industry regulatory departments, and establish a working mechanism with consistent rights and responsibilities. Finally, Measures for Data Security Management provide guidance on data security management and technical protection measures for data processors, and require them to fulfill their responsibilities as the main body of security protection based on the actual situation in the industrial, telecommunications, and radio fields.

## REGULATIONS ON ENVIRONMENTAL PROTECTION AND WORK SAFETY

### Regulations on Environmental Protection

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC, on December 26, 1989, amended on April 24, 2014 and effective on January 1, 2015, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation and other hazards produced during such activities.

Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within the prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. Any person or entity that pollutes the environment resulting in damage could also be held liable under the PRC Civil Code (《中華人民共和國民法典》). In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

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### Regulations on Work Safety

Under relevant construction safety laws and regulations, including the Work Safety Law of the PRC (《中華人民共和國安全生產法》) which was promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide the employees with protective equipment that meets the national standards or industrial standards. Furthermore, production and operating business entities shall report their major hazard sources and related safety and emergency measures to the emergency management department and other relevant departments for the record, and establish a safety risk grading control system and take corresponding control measures. Automobile and components manufacturers are subject to the above-mentioned environment protection and work safety requirements.

### REGULATIONS ON FIRE CONTROL

Pursuant to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

### REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

#### Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and currently effective from June 1, 2021, the State Intellectual Property Office is responsible for administering patent law in the PRC. The patent administration departments of provincial, autonomous region or municipal governments are responsible for administering patent law within their respective jurisdictions. The Chinese patent system adopts a first-to-file principle, which means that when more than one person files different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent of the invention. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The protection period is twenty years for an invention patent and ten years for a utility model patent and fifteen years for a design patent, commencing from their respective application dates.

#### Regulations on Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the “**Copyright Law**”), which took effect on June 1, 1991 and was latest amended in 2020 and came into effect on June 1, 2021, provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer

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software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. The Copyright Law extends copyright protection to Internet activities, products disseminated over the Internet and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center. According to the Copyright Law, an infringer of the copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners and compensating the loss of the copyright owner. Infringers of a copyright may also be subject to fines and/or administrative or criminal liabilities in severe situations.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council’s copyright administrative department. The software copyright owner may authorize others to exercise that copyright, and is entitled to receive remuneration.

### Trademark Law

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was adopted on August 23, 1982 and latest amended in 2019, as well as by the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council in 2002 and as most recently amended on April 29, 2014. The Trademark Office under the State Administration for Industry and Commerce, handles trademark registrations. The Trademark Office grants a ten-year term to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner. A trademark registrant may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for its record. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration. If a trademark applied for is identical or similar to another trademark which has already been registered or subject to a preliminary examination and approval for use on the same or similar kinds of products or services, such trademark application may be rejected. Any person applying for the registration of a trademark may not injure existing trademark rights first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use.

### Regulations on Domain Names

The MIIT promulgated the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) (the “**Domain Name Measures**”), on August 24, 2017, which took effect on November 1, 2017 and replaced the Administrative Measures on China Internet Domain Name (《中國互聯網絡域名管理辦法》) promulgated by the MIIT on November 5, 2004. According to the Domain Name Measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide the true, accurate and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.



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### REGULATIONS ON FOREIGN INVESTMENT IN CHINA

#### Catalogue for the Guidance of Foreign Investment Industries

Investments in the PRC by foreign investors and foreign-invested enterprises were regulated by the Catalogue for the Guidance of Foreign Investment Industries (《外商投資產業指導目錄》) (the “**Foreign Investment Catalogue**”), jointly promulgated by the MOFCOM and NDRC on June 28, 1995 and amended from time to time. The Foreign Investment Catalogue was last repealed by the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the “**2021 Negative List**”), which was jointly promulgated by the MOFCOM and the NDRC on December 27, 2021 and came into effect on January 1, 2022, and the Catalogue of Industries for Encouraging Foreign Investment (2020 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**2022 Encouraging Catalogue**”), which was jointly promulgated by the MOFCOM and the NDRC on October 26, 2022 and became effective on January 1, 2023. The 2022 Encouraging Catalogue and the 2021 Negative List set out the industries and economic activities in which foreign investment in the PRC is encouraged, restricted or prohibited. Pursuant to the 2022 Encouraging Catalogue, the manufacture and the development of key parts and components of NEVs fall within the encouraged catalogue, and the 2021 Negative List lifts the limit on foreign ownership of automakers for ICE passenger vehicles.

#### Foreign Investment Law

The establishment, operation and management of corporate entities in the PRC is governed by the *PRC Company Law* (《中華人民共和國公司法》), which was latest amended on December 29, 2023. The *PRC Company Law* generally governs two types of companies — limited liability companies and joint stock limited companies. The *PRC Company Law* shall also apply to foreign-invested companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail. On March 15, 2019, the National People’s Congress promulgated the Foreign Investment Law of PRC (《中華人民共和國外商投資法》), which has become effective on January 1, 2020 and replaced three laws on foreign investments in China, namely, the PRC Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the PRC Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the PRC Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic invested enterprises in China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition.

According to the Foreign Investment Law, “foreign investment” refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country (collectively referred to as “foreign investor”) within China, and the investment activities include the following situations: (i) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project within China; and (iv) investments in other means as provided by laws, administrative regulations or the State Council.

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According to the Foreign Investment Law, the State Council will publish or approve to publish a catalogue for special administrative measures, or the “negative list.” The Foreign Investment Law grants national treatment to foreign invested entities, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the “negative list.” Because the “negative list” has yet been published, it is unclear whether it will differ from the current 2021 Negative List. The Foreign Investment Law provides that foreign invested entities operating in foreign restricted or prohibited industries will require market entry clearance and other approvals from relevant PRC governmental authorities.

Furthermore, the Foreign Investment Law provides that foreign invested enterprises established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within five years after the implementation of the Foreign Investment Law.

In addition, the Foreign Investment Law also provides several protective rules and principles for foreign investors and their investments in the PRC, including, among others, that local governments shall abide by their commitments to the foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriation or requisition of the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within China, may be freely remitted inward and outward in RMB or a foreign currency. Also, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements.

On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law of PRC (《中華人民共和國外商投資法實施條例》), effective on January 1, 2020, which further requires that foreign-invested enterprises and domestic enterprises shall be treated equally with respect to policy making and implementation. Pursuant to the Implementation Regulations on the Foreign Investment Law, if the existing foreign-invested enterprises fail to change their original forms as of January 1, 2025, the relevant market regulation departments will not process other registration matters for the enterprises, and may disclose their relevant information to the public.

On December 30, 2019, the MOFCOM and the SAMR jointly issued the Measures for Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “**Foreign Investment Information Measures**”), which became effective on January 1, 2020 and replaced the Interim Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-invested enterprises shall submit investment information through the Enterprise Registration System and the National Enterprise Credit Information Publicity System operated by the State Administration for Market Regulation. Foreign investors or foreign-invested enterprises shall disclose their investment information by submitting reports for their establishments, modifications and cancellations and their annual reports in accordance with the Foreign Investment Information Measures. If a foreign-invested enterprise investing in the PRC has finished submitting its reports for its establishment, modifications and cancellation and its annual reports, the relevant information will be shared by the competent market regulation department to the competent commercial department, and such foreign-invested enterprise is not required to submit the reports to the two departments separately.

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### REGULATIONS ON FOREIGN EXCHANGE

#### General Principles of Foreign Exchange

Under the *Regulations on the Foreign Exchange System of the PRC* (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and most recently amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange of the PRC (the “SAFE”), and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local office.

Payments for transactions that take place within the PRC must be made in Renminbi. Unless otherwise approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local branch. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

According to the *Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing* (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 and as amended by the SAFE Circular No. 16 (defined below), the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

Pursuant to the *Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment* (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the “SAFE Circular No. 59”), promulgated by SAFE on November 19, 2012, which became effective on December 17, 2012 and was further amended on May 4, 2015 and October 10, 2018, approval of SAFE is not required for opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments. The SAFE Circular No. 59 also simplified foreign exchange-related registration required for the foreign investors to acquire the equity interests of Chinese companies and further improve the administration on foreign exchange settlement for foreign-invested enterprises.

The *Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment* (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “SAFE Circular No. 13”), effective from June 1, 2015, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular No. 13, the investors shall register with banks for direct domestic investment and direct overseas investment.

The *Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise* (《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 No. 19”), which was promulgated by the SAFE on March 30, 2015 and last amended on March 23, 2023, provides that a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange



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administration has confirmed monetary capital contribution rights and interests (or for which the bank has registered the injection of the monetary capital contribution into the account). Pursuant to SAFE Circular No. 19, for the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capital on a discretionary basis; a foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business; where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the foreign-invested enterprise must first go through domestic re-investment registration and open a corresponding account for foreign exchange settlement pending payment with the foreign exchange administration or the bank at the place where it is registered.

The *Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts* (《關於改革和規範資本項目結匯管理政策的通知》) (the “SAFE Circular No. 16”), which was promulgated by the SAFE and became effective on June 9, 2016 and amended on December 4, 2023, provides that enterprises registered in the PRC may also convert their foreign debts from foreign currency into Renminbi on a self-discretionary basis. SAFE Circular No. 16 also provides an integrated standard for conversion of foreign exchange under capital account items (including, but not limited to, foreign currency capital and foreign debts) on a self discretionary basis, which applies to all enterprises registered in the PRC.

On October 23, 2019, SAFE issued the *Circular on Further Promoting Cross-border Trade and Investment Facilitation* (《關於進一步促進跨境貿易投資便利化的通知》). This circular allows the foreign-invested enterprises without equity investment as in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investment as long as the investments are real and in compliance with the foreign investment-related laws and regulations. In addition, this circular stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments. Payments for transactions that take place within the PRC must be made in RMB. Foreign currency revenues received by PRC companies may be repatriated into the PRC or retained outside of the PRC in accordance with requirements and terms specified by SAFE.

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》) (“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.

### REGULATIONS ON DIVIDEND DISTRIBUTION

Wholly foreign-owned enterprises and Sino-foreign equity joint ventures in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, these foreign-invested enterprises may not pay dividends unless they set aside at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds, until such time as the accumulative amount of such fund reaches 50% of the enterprise’s registered capital. In addition, these companies also may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends.

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Regulations governing abovementioned dividend distribution arrangements have been replaced by the Foreign Investment Law of PRC (《中華人民共和國外商投資法》) and its implantation rules, which do not provide specific dividend distribution rules for foreign invested enterprises. The Foreign Investment Law and its implementation rules also provide that after the conversion from a wholly foreign-owned enterprise or sino-foreign equity joint venture to a foreign invested enterprise under the Foreign Investment Law, distribution method of gains agreed in the joint venture agreements may continue to apply.

### REGULATIONS ON TAXATION

#### Enterprise Income Tax

On March 16, 2007, the SCNPC promulgated the *PRC Enterprise Income Tax Law* (《中華人民共和國企業所得稅法》) which was amended on February 24, 2017 and December 29, 2018. On December 6, 2007, the State Council enacted the *Regulations for the Implementation of the Enterprise Income Tax Law* (《中華人民共和國企業所得稅法實施條例》) (collectively, the “**EIT Law**”). The EIT Law came into effect on January 1, 2008 and amended on April 23, 2019. Under the EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

#### Value-added Tax

The *Provisional Regulations of the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例》) were promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994 and were subsequently amended from time to time; and the *Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax* (Revised in 2011) (《中華人民共和國增值稅暫行條例實施細則(2011修訂)》) was promulgated by the MOF on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011 (collectively, the “**VAT Law**”). On November 19, 2017, the State Council promulgated the *Decisions on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations of the PRC on Value-added Tax* (《關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) (the “**Order 691**”). On March 20, 2019, the MOF, the SAT and the General Administration of Customs jointly issued the *Announcement on Relevant Policies on Deepen the Reform of Value-added Tax* (《關於深化增值稅改革有關政策的公告》) (the “**Announcement 39**”). According to the VAT Law and the Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of value-added tax (the “**VAT**”). According to the Announcement 39, the VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, which will become effective on April 1, 2019, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

## REGULATIONS

### Taxation on Dividends

#### *Individual Investors*

According to the IIT Law which was promulgated on September 10, 1980 and last amended on August 31, 2018 by the SCNPC, and which came into effect on 1 January 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which were last amended by the State Council on December 18, 2018 and which came into effect on January 1, 2019, dividends paid by PRC enterprises to individual investors are generally subject to a withholding tax at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty. In addition, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being.

#### *Corporate Investors*

According to the EIT Law, and the Regulations for the Implementation of the Law of the PRC on Enterprise Income Tax (《中華人民共和國企業所得稅法實施條例》) that were last amended and which came into effect on April 23, 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 the PRC is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in the PRC (including dividends received from a PRC resident enterprise whose shares are [REDACTED] and [REDACTED] in the Hong Kong Special Administrative Region) 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. When making such payment or when such payment becomes due and payable, the withholding obligator shall withhold the income tax from the payment or the amount due and payable.

The Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《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》), which was promulgated by the SAT and which came into effect on November 6, 2008, further clarifies that with regard to dividends generated after January 1, 2008, PRC resident enterprises must withhold and pay enterprise income tax at a tax rate of 10% on dividends distributed to H-share non-PRC 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》), which was promulgated by the SAT on July 24, 2009, further provides that any PRC resident enterprise [REDACTED] on any overseas stock exchange must withhold enterprise income tax at a rate of 10% on dividends of 2008 and thereafter distributed to non-PRC 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.

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### Taxes on Income from Share Transfer

#### *Individual Investors*

According to the IIT Law and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of shares of PRC resident enterprises.

In accordance with the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) that was promulgated by the MOF and the SAT on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of [REDACTED] companies remains exempted from individual income tax. The Circular of Issues concerning the Individual Income Tax on Individuals’ Income from the Transfer of Restricted Shares of Listed Companies (《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》) which was jointly promulgated on December 31, 2009 by the MOF, the SAT and the CSRC, provided that income from the transfer of shares of [REDACTED] companies on relevant domestic stock exchanges by individuals shall continue to be exempt from income tax, except for the relevant restricted shares as defined in Supplemental Circular of Issues concerning the Individual Income Tax on Individuals’ Income from the Transfer of Restricted Shares of Listed Companies (《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》). As of the Latest Practicable Date, the foresaid provisions don’t specify whether income tax on transfer of shares of a PRC resident enterprise [REDACTED] on an overseas stock exchange by non-PRC resident would be levied.

#### *Corporate Investors*

According to the EIT Law and its implementation regulations, where a non-PRC 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 PRC resident enterprises) and the enterprise income tax rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

### Dividend Withholding Tax

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

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 and Capital (《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》) (the “**Double Taxation Avoidance Arrangement**”), and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Taxation Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》) (the “**SAT Circular 81**”), issued on February 20, 2009 by the SAT, if the relevant



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PRC tax authorities determine, in their discretions, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), which was issued on February 3, 2018 by the SAT and took effect on April 1, 2018, when determining the applicant’s status as the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including, without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant any tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analyzed according to the actual circumstances of the specific cases. This circular further provides that an applicant who intends to prove his or her status as the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers’ Enjoyment of the Treatment under Agreements (《關於發佈<非居民納稅人享受協定待遇管理辦法>的公告》).

### REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

#### Labor Contract Law

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”), which was promulgated on June 29, 2007 and amended on December 28, 2012, is primarily aimed at regulating rights and obligations of employer and employee relationships, including the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers shall pay employees for overtime work in accordance with national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner.

#### Interim Provisions on Labor Dispatch

Pursuant to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014, dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are allowed to use dispatched workers for temporary, auxiliary or substitutive positions, and the number of dispatched workers may not exceed 10% of the total number of employees.

#### Social Insurance and Housing Fund

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended in 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, the Unemployment Insurance

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Measures (《失業保險條例》) promulgated on January 22, 1999 and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, employers are required to provide their employees in the PRC with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be order to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

In accordance with the Regulations on the Administration of Housing Funds (《住房公積金管理條例》) which was promulgated by the State Council in 1999 and latest amended in 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees’ housing funds. Employer and employee are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. See “Item 3. Key Information — D. Risk Factors — Risks Related to Doing Business in the Country where We Mainly Operate in — Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.”

### Employee Stock Incentive Plan

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-[REDACTED] overseas company and who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year, subject to a few exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas [REDACTED] company, and complete certain other procedures.

In addition, the SAT has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas [REDACTED] company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

### REGULATIONS ON OVERSEAS LISTING

On February 17, 2023, with the approval of the State Council, 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 “Trial Administrative Measures”) and relevant five guidelines, which came into force on March 31, 2023.

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## REGULATIONS

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According to the Trial Administrative Measures, (i) PRC domestic companies that seek to [REDACTED] or [REDACTED] securities overseas, both directly and indirectly, should fulfill the filing procedure and submit relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) domestic companies that seek to [REDACTED] or [REDACTED] securities overseas directly are limited by shares [REDACTED] or [REDACTED] securities in overseas securities markets; and (iii) any PRC company limited by shares is required to file with the CSRC within three business days after its [REDACTED] for overseas [REDACTED] is submitted. Failure to complete the filing under the Trial Administrative Measures may subject a PRC domestic company to rectification ordered by the CSRC, a warning and a fine of RMB1 million to RMB10 million.

Besides, PRC domestic companies seeking to overseas [REDACTED] and [REDACTED] shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC government on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. PRC domestic companies that conducts overseas [REDACTED] and [REDACTED] shall (i) formulate their articles of association, improve their internal control system and standardize their corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, not divulge any state secret or the work secrets of state authorities, and also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provision of personal information and important data. In addition, the Trial Administrative Measures also provides the circumstances where the overseas [REDACTED] and [REDACTED] is explicitly prohibited, including: (i) such securities [REDACTED] and [REDACTED] are explicitly prohibited by specific PRC laws and regulations; (ii) such securities [REDACTED] and [REDACTED] constitute a threat to or endanger national security; (iii) the PRC domestic company, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or the actual controller.

On February 24, 2023, the CSRC and other three relevant government authorities jointly 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”). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the

## REGULATIONS

law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and [REDACTED] of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

### Full Circulation of H Shares

“Full Circulation” represents [REDACTED] and circulating on the Stock Exchange of the domestic unlisted shares of an H-share [REDACTED] company, including unlisted domestic shares held by domestic shareholders prior to overseas [REDACTED], unlisted domestic shares additionally issued after overseas [REDACTED], and unlisted shares held by foreign shareholders. On November 14, 2019, CSRC announced 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》), which was amended on August 10, 2023, allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share [REDACTED] company may be entrusted to file the said application for “Full Circulation.” According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, shareholders holding domestic unlisted shares shall comply with the relevant requirements of the CSRC and entrust domestic enterprises to file with the CSRC.

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

In order to fully promote the reform of H-shares “Full Circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, China Securities Depository and Clearing Corporation Limited has issued the Circular on Issuing the Guidelines to the Program for “Full Circulation” of H-shares (《H股“全流通”業務指南》) in February 2020, which specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

In February 2020, China Securities Depository and Clearing (Hong Kong) Co., Ltd. promulgated the Guidelines to the Program for Full Circulation of H-shares of China Securities Depository and Clearing (Hong Kong) Co., Ltd. (《中國證券登記結算(香港)有限公司H股“全流通”業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Co., Ltd., the arrangement for settlement and delivery and other relevant matters.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### OVERVIEW

The predecessor of our Company, Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展有限公司), was established on November 25, 2010 as a limited liability company in the PRC. On September 29, 2022, our Company was converted into a joint stock limited company and renamed as Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展股份有限公司). Under the leadership of our Founder, Dr. Huang, our Company has become the world’s largest provider of EV home charging solutions in terms of sales volume of home EV chargers, according to Frost & Sullivan.

### MILESTONES

The following table summarizes our key milestones since our establishment:

Time	Milestone
2010	We commenced our operation in the PRC.
2015	We collaborated with Anhui Zhongding and established Zhida Zhongding as a joint venture to engage in production of smart home EV chargers and accessories.
2016	We were recognized as a “High-Tech Enterprise (高新技術企業)” by Shanghai Science and Technology Commission, Shanghai Municipal Finance Bureau and State Administration of Taxation Shanghai Municipal Tax Bureau.
2017	We launched the third-generation “Guardian” series products, one of our smart home EV chargers.  We were awarded the “TopDigital Gold Award & Special Prize (TopDigital 創新獎金獎及專項獎)” by TopDigital.
2019	We were awarded as “Innovative and Entrepreneurial Giant Enterprise of Yangpu District (楊浦區雙創小巨人企業)” by People’s Government of Yangpu District, Shanghai.
2021	We were honored as a national-level “Specialized, Fined, Peculiar, and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”)” by Ministry of Industry and Information Technology of China.  We started to provide products to our clients for their overseas business.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Time	Milestone
2022	<p>Our production facility located in Anqing, Anhui, which has an aggregate GFA of approximately 20,000 sq.m., commenced operations in the production of EV chargers and accessories.</p> <p>We were named as “China Charging and Battery Swapping Industry Top 10 Most Valuable Investment Brand 2022 (2022中國充換電產業十大最具投資價值品牌)” by Chongdian360.cn and Charging and Battery Swapping Industry 100 Forum, which was the only named enterprise focused on home charging and home green energy digital technology, according to Frost &amp; Sullivan.</p>
2023	<p>We established two subsidiaries in Thailand to scale up our overseas operations.</p> <p>We initiated the preparation work for a new factory in Thailand to support our expansion across Southeast Asia.</p>

## OUR SUBSIDIARIES

As of the Latest Practicable Date, we had a total of 12 subsidiaries. The following table sets out certain information of each of our subsidiaries as of the Latest Practicable Date.

Name of subsidiary	Place of incorporation	Registered/ Issued share capital	Date of incorporation	Principal business	Ultimate shareholding by our Company
Anqing Zhida (安慶摯達)	PRC	RMB70 million	August 18, 2021	Manufacturing of products	100%
Zhida Auto Supporting (摯達汽配)	PRC	RMB10 million	September 15, 2015	Community shared charging services	100%
Wuxi Zhida (無錫摯達)	PRC	RMB10 million	September 29, 2017	Sales, research and development of products	100%
Zhida Technology (摯達技術)	PRC	RMB8.5 million	July 7, 2008	Sales of products and services	100%
Zhida Jidian (摯達機電)	PRC	RMB8 million	October 22, 2014	Sales of products and services	100%
Sanming Zhida (三明摯達)	PRC	RMB5 million	January 27, 2022	Electrical cables and installation and after-sales services	100%
Zhida Zhongding (摯達中鼎) <sup>(1)</sup>	PRC	RMB10 million	January 26, 2015	EV chargers manufacturing	70% <sup>(1)</sup>
Sanming Xunda (三明訊達) <sup>(2)</sup>	PRC	RMB10 million	March 30, 2016	Community shared charging services	55% <sup>(2)</sup>
ZD Singapore	Singapore	S\$8 million	July 7, 2022	Sales of products	100%
ZD Energy <sup>(3)</sup>	Thailand	THB125,080,000	July 27, 2023	Manufacturing of charging devices for electronic vehicles	100% <sup>(3)</sup>
ZD Trading <sup>(4)</sup>	Thailand	THB100 million	August 23, 2023	Wholesale of products	100% <sup>(4)</sup>
Shanghai Zhitong (上海摯同) <sup>(5)</sup>	PRC	RMB60 million	October 26, 2023	Investment holding	100%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Notes:

- (1) As of the Latest Practicable Date, Zhida Zhongding was held by our Company as to 70% and by Anhui Zhongding as to 30%. Anhui Zhongding is our Pre-[REDACTED] Investor and is a company listed on the Shenzhen Stock Exchange (stock code: 000887). Except for being a substantial shareholder of Zhida Zhongding, Anhui Zhongding is an independent third party of our Group. Anhui Zhongding is also a Pre-[REDACTED] Investor.
- (2) As of the Latest Practicable Date, Sanming Xunda was held by Zhida Auto Supporting as to 55%, by Sanming Jiaoyun Group Co., Ltd.\* (三門市交運集團有限公司) as to 25%, and by Sanming Luqiao Group Highway Management and Development Co., Ltd.\* (三門市路橋集團公路經營開發有限公司) as to 20%. Except for being a substantial shareholder of Sanming Xunda, each of Sanming Jiaoyun Group Co., Ltd.\* (三門市交運集團有限公司) and Sanming Luqiao Group Highway Management and Development Co., Ltd.\* (三門市路橋集團公路經營開發有限公司) is an independent third party of our Group.
- (3) As of the Latest Practicable Date, ZD Energy was held by ZD Singapore as to 60% and by ZD Trading as to 40%.
- (4) As of the Latest Practicable Date, ZD Trading was held by ZD Singapore as to 99.95% and by ZD Energy as to 0.05%.
- (5) As of the Latest Practicable Date, Shanghai Zhitong was in the process of deregistration.

## MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any major acquisitions, disposals or mergers that we consider to be material to us.

## CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

### (1) Establishment and early shareholding changes of our Company

On November 25, 2010, our predecessor, Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展有限公司) was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB10 million. As of the date of its establishment, we were owned as to 95% by Dr. Huang and 5% by his wholly-owned company, Shanghai Tongdu Management Consulting Co., Ltd.\* (上海同篤管理諮詢有限公司, “Tongdu Management”).

After going through certain shareholding changes, including an equity transfer of 10% equity interests by Dr. Huang to Anhui Zhongding in August 2014 at a consideration of RMB2 million, the Company was held (i) as to 60% by Dr. Huang, (ii) as to 30% by Dr. Huang’s wholly-owned subsidiary, Tongdu Management, and (iii) as to 10% by Anhui Zhongding. Such consideration was determined based on arm’s length’s negotiation taking into account the registered capital of our Company. Anhui Zhongding subsequently participated in the series A Pre-[REDACTED] Investment. In September 2015, Tongdu Management transferred its entire 30% equity interests in our Company to Tongdu E-Commerce, a limited partnership controlled by Dr. Huang as the sole general partner at a consideration of RMB3 million. The consideration for the aforesaid equity transfers was determined based on arm’s length negotiation taking into account the registered capital of our Company at the time of the transfer.

### (2) Pre-[REDACTED] Investments

From August 2015 to October 2022, we have entered into several rounds of Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors. For further details, please refer to the paragraphs headed “— Pre-[REDACTED] Investments” in this section below.

Our PRC Legal Advisor has confirmed that, all the equity interest transfers and capital increases as described in this section were properly and legally completed and all necessary filings and registrations from the relevant PRC authorities have been obtained and completed.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### (3) Conversion into a joint stock limited company

On July 27, 2022, our then Shareholders passed resolutions approving, among other things, the conversion of our Company from a limited liability company into a joint stock limited company (the “**Stock Conversion**”). According to the capital verification report prepared by an Independent Third Party auditor, the total net asset value of our Company as of February 28, 2022 was RMB226,176,765.93, of which (i) RMB49,490,429 was converted to Shares with par value of RMB1.00 per Share; and (ii) the remaining amount of approximately RMB176,686,337 was converted into capital reserve.

The Stock Conversion was completed on September 29, 2022. Upon completion of the Stock Conversion, the registered capital of our Company became RMB49,490,429 divided into 49,490,429 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the Stock Conversion, details of which are set out below:

Shareholders/Promoters <sup>(1)</sup>	Number of Shares	Shareholding Percentage
Dr. Huang	15,063,372	30.44%
Tongdu E-Commerce (同篤商貿) <sup>(2)</sup>	8,287,500	16.75%
Tongdu Intelligent (同篤智能) <sup>(2)</sup>	2,168,540	4.38%
Anhui Zhongding (安徽中鼎)	4,128,405	8.34%
Zhenghai Juhong (正海聚弘)	1,777,952	3.59%
Beida Guangju (倍達廣聚)	888,976	1.80%
Jingzhou Zhida (荊州智達)	4,691,991	9.48%
Shanghai China Power Investment (上海中電投)	4,170,008	8.43%
Ningbo Longhuahui (寧波隆華匯)	1,137,277	2.30%
Anhui Jintong (安徽金通)	2,653,647	5.36%
Suzhou Xinjing (蘇州新景)	758,185	1.53%
Ningbo Zhizun (寧波智尊)	758,185	1.53%
Jiangsu Jiequan (江蘇捷泉)	568,638	1.15%
BYD (比亞迪)	1,895,462	3.83%
Chuangqi Kaiying (創啟開盈)	18,955	0.04%
Hubei Qingyan (湖北清研)	523,336	1.06%
<b>Total</b>	<b>49,490,429</b>	<b>100.00%</b>

Notes:

- (1) For the full legal names and other details on the shareholders, please refer to the paragraphs headed “— Information about our Pre-[REDACTED] Investors” in this section below.
- (2) Each of Tongdu E-Commerce and Tongdu Intelligent is controlled by Dr. Huang as their respective sole general partner.

### (4) Employee Incentive Platform

In recognition of the contributions of our management and employees and to incentivize them to further promote our development, on September 5, 2022, Tongdu Technology was established as a limited partnership in the PRC as our Employee Incentive Platform and we adopted the Pre-[REDACTED] employee incentive scheme on October 16, 2022 (the “**Employee Incentive Scheme**”). The general partner of Tongdu Technology is Shanghai Tongdu Enterprise Management Co., Ltd.\* (上海同篤企業管理有限責任公司, “**Tongdu Enterprise**”) which is held by Dr. Huang as to 70% and Liu Jing (劉靜), the spouse of Dr. Huang, as to 30%.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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In October 2022, Tongdu Technology subscribed for 149,603 Shares at a consideration of RMB26.47 per Share. All the Shares are subject to certain transfer and disposal restrictions pursuant to the partnership agreement. As of the Latest Practicable Date, all Shares subject to the Employee Incentive Scheme were granted to, vested and subscribed for by the participants, and no further Shares will be granted under such scheme following the [REDACTED].

As of the Latest Practicable Date, Tongdu Technology owned approximately 0.28% of the issued Shares, and had a total of 27 limited partners, comprising (i) Mr. Li Xinrui (李欣瑞), our Executive Director and senior vice president, holding 12.63% limited partnership interests therein; (ii) Dr. Cao Guangyu (曹光宇), our executive president, holding 12.63% limited partnership interests therein; (iii) Ms. Luo Tao (羅韜), our senior vice president and chief digital officer, holding 12.63% limited partnership interests therein; (iv) Mr. Shen Qi (沈琪), our chairperson of the Supervisory Committee and employees’ representative Supervisor, holding 7.58% limited partnership interests therein; (v) Mr. Jiang Yuxiao (蔣宇驍), our secretary of Board, holding 1.26% limited partnership interests therein; (vi) Mr. Lin Zhongliang (林忠亮), the director of Sanming Zhida, holding 1.26% limited partnership interests therein; (vii) Huang Lidan (黃麗丹), the general manager and director of Sanming Xunda, and also the general manager of Sanming Zhida, holding 1.26% limited partnership interests therein; (viii) Wang Weizu (王慰祖), the supervisor of Sanming Zhida, holding 3.79% limited partnership interests therein; and (ix) other 19 current employees as limited partners who are not the Directors, Supervisors, senior management or connected persons of our Company.

### REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and to further raise our business profile and global presence. For further details of our future plans, please refer to the section headed “Future Plans and Use of [REDACTED].”

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### PRE-[REDACTED] INVESTMENTS

#### Overview

We underwent the following rounds of Pre-[REDACTED] Investments, details of which are set forth below.

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor <sup>(1)</sup>	Amount of registered capital involved (RMB)	Consideration (RMB)	Cost per Share <sup>(2)</sup> (RMB)	[REDACTED] to the [REDACTED] <sup>(3)</sup>
1.	Series A	Subscription of registered share capital by cash	August 18, 2015	April 8, 2016	Anhui Zhongding (安徽中鼎) <sup>(4)</sup> Faraday (Beijing) Network Technology Co., Ltd.* (法樂第(北京)網絡科技有限公司) <sup>(5)</sup>	588,235 1,176,471	7.5 million 15 million	4.62 <sup>(6)</sup>	[REDACTED]%
2.	Series B	Subscription of registered share capital by cash	May 26, 2017	August 2, 2017	Zhenghai Juhong (正海聚弘) Xinyu Taihe Baiji Investment Partnership (Limited Partnership)* (新余太和柏濟投資合夥企業(有限合夥)) <sup>(7)</sup> Shanghai Jingxing Industry Investment Co., Ltd.* (上海景興實業投資有限公司) <sup>(8)</sup> Hangzhou Guiju Venture Capital Partnership (Limited Partnership)* (杭州貴巨創業投資合夥企業) <sup>(9)</sup>	1,889,535 1,511,628 944,767	20 million 16 million 10 million	10.58 <sup>(10)</sup>	[REDACTED]%
3.	Series B+	Share transfer from existing shareholder <sup>(11)</sup> Subscription of registered share capital by cash	May 18, 2018 May 18, 2018	February 26, 2018 December 13, 2017	Jingzhou Zhida (荊州智達) Jingzhou Zhida (荊州智達)	1,511,628 2,519,380	20,625,000 34,375,000	13.64 <sup>(11)</sup> 13.64 <sup>(12)</sup>	[REDACTED]%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No.	Round	Form of investment	Date of agreement	Date of last payment of consideration	Investor <sup>(1)</sup>	Amount of registered capital involved (RMB)	Consideration (RMB)	Cost per Share <sup>(2)</sup> (RMB)	[REDACTED] to the [REDACTED] <sup>(3)</sup>
4.	Series C1	Share transfer from existing shareholders <sup>(13)</sup>	February 25, 2020	March 18, 2020	Shanghai China Power Investment (上海中電投)	2,780,005	40 million	14.39 <sup>(13)</sup>	[REDACTED]%
		Subscription of registered share capital by cash	February 25, 2020	March 18, 2020	Shanghai China Power Investment (上海中電投)	1,390,003	30 million	21.58 <sup>(14)</sup>	[REDACTED]%
5.	Series C2	Subscription of registered share capital by cash	August 13, 2021 and September 23, 2021	October 13, 2021	Ningbo Longhuahui (寧波隆華匯) Anhui Jintong (安徽金通) Jiangsu Jiequan (江蘇建泉) Ningbo Zhizun (寧波智尊) Suzhou Xinjing (蘇州新景)	1,137,277 2,653,647 568,638 758,185 758,185	30 million 70 million 15 million 20 million 20 million	26.38 <sup>(15)</sup>	[REDACTED]%
7.	Series C3	Subscription of registered share capital by cash	February 28, 2022	February 28, 2022	BYD (比亞迪)	1,895,462	50 million	26.38 <sup>(15)</sup>	[REDACTED]%
		Share transfer from existing shareholder <sup>(16)</sup>	February 28, 2022	March 18, 2021	Chuangqi Kaiying (創啟開盈) Hubei Qingyan (湖北清研)	18,955 523,336	0.5 million 10 million	19.11 <sup>(16)</sup>	[REDACTED]%
8.	Series D	Subscription of registered share capital by cash	October 18, 28, and 31, 2022	October 31, 2022	Shenyin Wanguo (申銀萬國) Zhejiang Dongxin (浙江東鑫) Anqing Jintong (安慶金通) Xuancheng Jintong (宣城金通)	824,850 687,379 549,904 824,856	29,999,795 25 million 20 million 30 million	36.37 <sup>(17)</sup>	[REDACTED]%

### Notes:

- (1) For the full legal names and other details on the Pre-[REDACTED] Investors, please refer to the paragraphs headed “— Information about our Pre-[REDACTED] Investors” in this section below.
- (2) The cost per Share paid by the Pre-[REDACTED] Investors was calculated based on the amount of investment made by the relevant Pre-[REDACTED] Investors and number of Shares held by them immediately before the completion of the [REDACTED], which was adjusted to reflect the subsequent capital reorganization including the conversion of capital reserve to registered share capital of our Company, as applicable.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (3) The [REDACTED] to the H Share [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H Share, and the exchange rates as set out in this Document.
- (4) Prior to the Series A investment, Dr. Huang transferred 10% equity interests in the Company, which represented the registered capital of RMB1 million, to Anhui Zhongding at a consideration of RMB2 million in August 2014. For details, see “— Establishment and early shareholding changes of our Company” in this section.
- (5) On June 5, 2019, Letv Automobile (Beijing) Co., Ltd. (樂視汽車(北京)有限公司, formerly known as Faraday (Beijing) Network Technology Co., Ltd. (法樂第(北京)網絡科技有限公司)) transferred its entire 8.0625% equity interests in our Company, which represented the registered capital of RMB3,250,000 to Tongdu Intelligent at a consideration of RMB17,351,118.39. The consideration was determined based on arm's length negotiation taking into account others the purchase price of Letv Automobile (Beijing) Co., Ltd. at the time of its investment, and the increase of the Company's valuation at the time of the agreement. The consideration was fully settled on June 5, 2019, and accordingly, Letv Automobile (Beijing) Co., Ltd. ceased to be our Shareholder.
- (6) The cost per Share in the Series A investments in August 2015 was primarily determined with reference to a number of milestones in business development at the relevant time. For instance, we collaborated with Anhui Zhongding and established the joint venture Zhida Zhongding to engage in production of smart home EV chargers and accessories. On June 1, 2016, pursuant to a shareholders' resolution of the Company, the registered capital of the Company increased from RMB11,764,706 to RMB32,500,000 by way of capital increase from the capital reserve of the Company which represented the registered capital of RMB20,735,294. Upon completion of the capital increase, the amount of registered capital in the Company subscribed by Anhui Zhongding and Faraday (Beijing) Network Technology Co., Ltd.\* (法樂第(北京)網絡科技有限公司) was increased to RMB4,387,500 and RMB3,250,000, respectively. The aforementioned conversion from capital reserve was completed as on April 8, 2016. The cost per Share in the Series A investment has been adjusted to reflect the aforementioned capital increase.
- (7) After the Series B investment, on July 27, 2018, Xinyu Taihe Baiji Investment Partnership (Limited Partnership)\* (新余太和柏濟投資合夥企業(有限合夥), “Taihe Baiji”) transferred its entire equity interests in our Company, which represented the registered capital of RMB1,511,628 to Jingzhou Zhida at a consideration of RMB18,000,000. The consideration was determined based on arm's length negotiation taking into account the purchase price of the Company's equity interests paid by Taihe Baiji at the time of its investment, and the increase of the Company's valuation at the time of the agreement. The consideration was fully settled on November 8, 2018, and accordingly, Taihe Baiji ceased to be our Shareholder.
- (8) After the Series B investment and as part of Series C1 investment, on February 25, 2020, Shanghai Jingxing Industry Investment Co., Ltd.\* (上海景興實業投資有限公司, “Jingxing Industry”) transferred its entire equity interests in our Company, which represented the registered capital of RMB944,767 to Shanghai China Power Investment at a consideration of RMB13,593,745. The consideration was determined based on arm's length negotiation taking into account the purchase price of the Company's equity interests paid by Jingxing Industry at the time of its investment, and the increase of the Company's valuation at the time of the agreement. The consideration was fully settled on March 18, 2020, and accordingly, Jingxing Industry ceased to be our Shareholder. For more details, please see note (13) below.
- (9) After the Series B investment and as part of Series C1 investment, on February 25, 2020, Hangzhou Guiju Venture Capital Partnership (Limited Partnership)\* (杭州貴巨創業投資合夥企業(有限合夥), “Hangzhou Guiju”) transferred certain of its equity interests in our Company, which represented the registered capital of RMB55,791 to Shanghai China Power Investment at a consideration of RMB802,751. The consideration was determined based on arm's length negotiation taking into account the valuation of our Company at the time of the agreement and is fully settled on March 18, 2020. For more details, please see note (13) below. On September 23, 2021, Hangzhou Guiju entered into a share transfer agreement with Beida Guangju (as defined in “— Information about our Pre-[REDACTED] Investors” in this section below), a related party of Hangzhou Guiju, pursuant to which, Hangzhou Guiju agreed to transfer its entire equity interests in our Company, which represented the registered capital of RMB888,976 to Beida Guangju at a consideration of RMB10,000,000. The consideration was determined based on arm's length negotiation taking into account the valuation of our Company at the time of the agreement and was fully settled on September 27, 2021. Accordingly, Hangzhou Guiju ceased to be our Shareholder on November 2, 2021.
- (10) The increase in the cost per Share from the Series A investments in August 2015 to the Series B investments in May 2017 was attributed to the increase in the valuation of the Company as a result of a number of milestones in our business development during the period between such rounds of the financings. For instance, we obtained the Quality Management System Certification and the Certificate of Compliance for Environmental Management System Certification.
- (11) On May 18, 2018, 4% of the shareholding interests in our Company held by Dr. Huang through his wholly-owned subsidiary, which represented the registered capital of RMB1,511,628 were transferred to Jingzhou Zhida at a consideration of RMB20,625,000. The consideration was determined based on arm's length negotiation taking into account the valuation of our Company at the time of the agreement and had been fully settled.

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- (12) The increase in the cost per Share from the Series B investments in May 2017 to the Series B+ investments in May 2018 was attributed to the increase in the valuation of the Company as a result of a number of milestones in our business development during the period between such rounds of investments. For instance, Wuxi Zhida was established with a view to developing our digital platform with cloud computing and IoT technologies.
- (13) On February 25, 2020, Shanghai China Power Investment entered into share transfer agreements with each of Jingzhou Zhida, Jingxing Industry, Hangzhou Guiju, Anhui Zhongding, Tongdu Intelligent and Zhenghai Juhong, respectively, pursuant to which, each of Jingzhou Zhida, Jingxing Industry, Hangzhou Guiju, Anhui Zhongding, Tongdu Intelligent and Zhenghai Juhong transferred their respective equity interests in our Company, which represented the registered capital of RMB327,309, RMB944,767, RMB55,791, RMB259,095, RMB1,081,460 and RMB111,583, respectively, representing 6.89% interests in our Company in aggregate to Shanghai China Power Investment at a consideration of RMB4,709,478, RMB13,593,745, RMB802,751, RMB3,727,980, RMB15,560,542 and RMB1,605,504, respectively. The consideration was determined based on arm's length negotiation taking into account the valuation of our Company at the relevant time and were fully settled on March 18, 2020.
- (14) The increase in the cost per Share from the Series B+ investments in May 2018 to the Series C1 investments in March 2020 was attributed to the increase in the valuation of the Company as a result of a number of milestones in business development during the period between such rounds of the financings. For instance, we were awarded as “Innovative and Entrepreneurial Giant Enterprise of Yangpu District (楊浦區雙創小巨人企業)” by People's Government of Yangpu District, Shanghai.
- (15) The increase in the valuation of the Company from the Series C1 investments in March 2020 to the Series C3 investments in February 2022 was attributed to the increase in the valuation of the Company as a result of our continued expansion of business scale and a number of milestones in our business development during the period between such rounds of investments. For instance, we launched our own retail brand “攀達 (Zhida)” in 2020, which became an instant hit in China's consumer market, and we were honored as “Specialized, Fined, Peculiar, and Innovative ‘Little Giant’ Enterprise” (國家級專精特新“小巨人”) by Ministry of Industry and Information Technology of China.
- (16) On February 28, 2022, Jingzhou Zhida entered into share transfer and/or subscription agreements with Hubei Qingyan, pursuant to which, Jingzhou Zhida agreed to transfer its equity interests in our Company, which represented the registered capital of RMB523,336 to Jingzhou Zhida's shareholder, Hubei Qingyan at a consideration of RMB10,000,000. The consideration was determined based on arm's length negotiation taking into account the valuation of our Company at the time of the agreement and had been fully settled. As of the Latest Practicable Date, Hubei Qingyan was interested in 25% of the equity interests in Jingzhou Zhida. For more information about Jingzhou Zhida and Hubei Qingyan, please refer to “— Information about our Pre-[REDACTED] Investors” below.
- (17) The increase in the cost per Share from the Series C3 investments in February 2022 to the Series D investments in October 2022 was attributed to the increase in the valuation of the Company as a result of our financial growth and operational developments in 2022. For instance, our production facility based in Anqing, Anhui, with an aggregate GFA of approximately 20,000 sq.m., commenced operations.

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### Other Principal Terms of the Pre-[REDACTED] Investments

Basis of determination of the valuation and consideration	The considerations for each round of the Pre-[REDACTED] Investments were determined based on arm’s length negotiation amongst the respective Pre-[REDACTED] Investors and our Group, as applicable after taking into consideration of the timing of the investments/equity transfers, our valuation when the investment agreement was entered into, the operation of our business, the financial performance of our Group, and the prospects of our business. For more details, please refer to “— Overview — Pre-[REDACTED] Investments” in this section above.
Lock-up Period	Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them.
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments for the principal business of our Group as approved by the Board, including but not limited to research and development activities, the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, net proceeds from the Pre-[REDACTED] Investments had been utilized in full.
Strategic benefits to our Company brought by the Pre-[REDACTED] Investors	At the time of the relevant Pre-[REDACTED] Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-[REDACTED] Investments in our Group and the knowledge and experience of the Pre-[REDACTED] Investors in green energy and automotive industry and the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.

### Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors have been granted certain special rights in relation to our Company, including financial performance targets, redemption rights, information rights, pre-emptive rights, redemption/divestment rights, rights of first refusal, dividend and liquidation preferences, and director appointment rights. In accordance with Pre-[REDACTED] Investment Guidance in Chapter 4.2 of the Guide New Listing Applicants issued by the Stock Exchange, all these special rights have either been terminated prior to the first filing of the [REDACTED] by our Company with the Stock Exchange (the “[REDACTED]”) or will be terminated before or upon the [REDACTED]. In particular, the redemption/divestment rights provided by our Controlling Shareholder, Dr. Huang, which have been terminated prior to the date on which our Company filed its [REDACTED] to the Stock Exchange, shall automatically be reinstated upon the earliest occurrence of any one of the following events: (a) the Company withdraws its [REDACTED], or the [REDACTED] lapsed and the Company does not renew the [REDACTED] within six months after such lapse; (b) the [REDACTED] was rejected by the CSRC or the relevant stock exchange (including but not limited to the Stock Exchange); or (c) the qualified [REDACTED] (including the [REDACTED]) does not occur by December 31, 2024, whichever is earlier.

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Pursuant to the respective investment agreements entered into among the Company, Dr. Huang, and each of Shanghai China Power Investment (上海中電投), Anhui Jintong (安徽金通), Ningbo Longhuahui (寧波隆華匯), Suzhou Xinjing (蘇州新景), Ningbo Zhizun (寧波智尊), Jiangsu Jiequan (江蘇捷泉), BYD (比亞迪), Chuangqi Kaiying (創啟開盈), Shenyin Wanguo (申銀萬國), Zhejiang Dongxin (浙江東鑫), Xuancheng Jintong (宣城金通) and Anqing Jintong (安慶金通) (the “**PG Investors**”) in connection with the Pre-[REDACTED] Investments, Dr. Huang agreed to pay such PG Investors approximately RMB39 million in aggregate, should the Company not meet the respective performance targets for the three years ended December 31, 2023 (the “**Performance Compensation**”). As the Company did not meet the aforesaid performance targets, Dr. Huang entered into certain supplemental agreements with the PG Investors to defer the Performance Compensation to no earlier than 12 months after the [REDACTED], provided that the [REDACTED] completes by December 31, 2024, and that the Performance Compensation shall in any case be paid by December 31, 2026 unless otherwise consented by the relevant PG Investors.

### Compliance with Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was irrevocably settled more than 28 clear days before the first filing of the [REDACTED] by our Company with the Stock Exchange, and (ii) the special rights granted to the Pre-[REDACTED] Investors have been or will be terminated as disclosed in “— Rights of the Pre-[REDACTED] Investors” above, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance in Chapter 4.2 of the Guide for New Listing Applicants.

### Information about our Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors as of the Latest Practicable Date is set out below.

#### **Anhui Zhongding (安徽中鼎)**

Anhui Zhongding Sealing Parts Co., Ltd. (安徽中鼎密封件股份有限公司) is a joint stock company established in the PRC on October 23, 1998. It is principally engaged in the research and development, production and sales of automotive parts. Anhui Zhongding is listed on the Shenzhen Stock Exchange (stock code: 000887). To the best knowledge and information of the Company, except for being a substantial shareholder of Zhida Zhongding and a Pre-[REDACTED] Investor, Anhui Zhongding is independent from our Group. Its controlling shareholder, Anhui Zhongding Holding (Group) Co., Ltd.\* (安徽中鼎控股(集團)股份有限公司) is an Independent Third Party.

#### **Zhenghai Juhong (正海聚弘)**

Shanghai Zhenghai Juhong Venture Capital Center (Limited Partnership)\* (上海正海聚弘創業投資中心(有限合夥)), “**Zhenghai Juhong**”) is a limited partnership established in the PRC on August 21, 2014. It is principally engaged in equity investment in high-tech, high-growth and innovative enterprises. Zhenghai Juhong is owned as to approximately (a) 5.1646% by its sole general partner, Shanghai Royalsea Capital Management Ltd.\* (上海正海資產管理有限公司, “**Shanghai Royalsea**”); and (b) 94.8354% by its seven limited partners. Save for Wuxi Zhenghai Juxing Venture Capital Partnership (Limited Partnership)\* (無錫正海聚興創業投資合夥企業(有限合夥), “**Wuxi Zhenghai**”), which holds approximately 38.7433% partnership interests in Zhenghai Juhong, none of the limited partners of Zhenghai Juhong holds more than 30% partnership interests therein. The sole general partner of Wuxi Zhenghai is also Shanghai Royalsea. Wuxi Zhenghai has 11 limited partners and none of which has more than 30% partnership interests therein. Wang Zhengdong (王正東), the controlling shareholder of Shanghai Royalsea, held approximately 51.3636% of its equity interests as of the Latest Practicable Date. To the best knowledge and information of the Company, each of Zhenghai Juhong, Shanghai Royalsea, Wang Zhengdong (王正東), Wuxi Zhenghai and the limited partners of Zhenghai Juhong is an Independent Third Party.



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### *Beida Guangju (倍達廣聚)*

Hangzhou Beida Guangju Venture Capital Partnership (Limited Partnership)\* (杭州倍達廣聚創業投資合夥企業(有限合夥), “**Beida Guangju**”) is a limited partnership established in the PRC on May 24, 2021. It is principally engaged in investment in automotive industry and medical industry. Beida Guangju is owned as to approximately (a) 1.13% by its sole general partner, Hangzhou Beida Investment Management Co., Ltd.\* (杭州貝達投資管理有限公司), a limited liability company with three shareholders, namely, Chen Changquan (陳長泉), Ruan Qi (阮琪) and Yuan Jun (袁軍) holds each as to 40%, 40% and 20%, respectively; and (b) 98.87% by its 11 limited partners, among which, Guangyuan Construction Group Co., Ltd.\* (廣源建設集團有限公司) holding approximately 43.83% partnership interests in Beida Guangju, which is controlled by Ruan Jinyao (阮金姚) as to approximately 85.8868%. To the best knowledge and information of the Company, all these above mentioned entities and individuals are Independent Third Parties.

### *Jingzhou Zhida (荊州智達)*

Jingzhou Zhida Electric Vehicle Co., Ltd.\* (荊州智達電動汽車有限公司) was established in the PRC with limited liability on November 29, 2017. It is principally engaged in design, manufacture and sales of new energy vehicles; design, R&D and sales of intelligent automobile parts and components in the PRC. As of the Latest Practicable Date, Jingzhou Zhida has four shareholders, and among which, Chen Hanlin (陳涵霖), held 33.75% of the equity interests therein. None of the other three shareholders held more than 30% equity interests in Jingzhou Zhida. As of the Latest Practicable Date, Hubei Qingyan was interested in 25% of the equity interests in Jingzhou Zhida. To the best knowledge and information of the Company, Jingzhou Zhida and Chen Hanlin (陳涵霖) are Independent Third Parties.

### *Hubei Qingyan (湖北清研)*

Hubei Qingyan Automobile Intelligent Manufacturing Venture Capital Fund Partnership (Limited Partnership)\* (湖北清研汽車智能製造創業投資基金合夥企業(有限合夥), “**Hubei Qingyan**”) is a limited partnership established in the PRC on March 27, 2018. It is principally engaged in the equity investment in non-listed company with approximately RMB300 million assets under management. Hubei Qingyan is owned as to 8% by its sole general partner and 92% by its five limited partners. Jingzhou Huaying Capital Venture Capital Management Partnership (Limited Partnership)\* (荊州市華盈資本創業投資管理合夥企業(有限合夥)) is the sole general partner of Hubei Qingyan, and is held as to 65% by its sole general partner Hu Shaoliang (胡少良) and as to 35% by its two limited partners of Jingzhou Huaying Capital Venture Capital Management Partnership (Limited Partnership)\* (荊州市華盈資本創業投資管理合夥企業(有限合夥)). Save for Hubei Henglong Automotive System Group Co., Ltd.\* (湖北恆隆汽車系統集團有限公司) holding approximately 32.83% partnership interests in Hubei Qingyan, none of the other limited partners of Hubei Qingyan hold more than 30% partnership interests. Hubei Henglong Automotive System Group Co., Ltd.\* (湖北恆隆汽車系統集團有限公司) is an indirect wholly-owned subsidiary of China Automotive Systems, Inc., a company listed on NASDAQ (stock symbol: CAAS). To the best knowledge and information of the Company, each of these entities and Hu Shaoliang (胡少良) is Independent Third Parties. As of the Latest Practicable Date, Hubei Qingyan was interested in 25% of the equity interests in Jingzhou Zhida.

### *Shanghai China Power Investment (上海中電投)*

Shanghai China Power Investment Ronghe New Energy Investment Management Center (Limited Partnership)\* (上海中電投融和新能源投資管理中心(有限合夥), “**Shanghai China Power Investment**”) is a limited partnership established in the PRC on October 16, 2015 and is principally engaged in equity investment, industrial investment and investment consulting. The general partner of Shanghai China Power Investment is State Power Investment Corporation Industrial Fund Management Co., Ltd.\* (國家電投集團產業基金管理有限公司) holding 7% partnership interests which is a company controlled by State Power Investment

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporation Innovation Investment Co., Ltd.\* (國家電投集團創新投資有限公司) as to 90.01%, which is wholly owned by State Power Investment Corporation Co., Ltd.\* (國家電力投資集團有限公司), a wholly owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會, “SASAC”). The sole limited partner of Shanghai China Power Investment is China Power Investment Ronghe New Energy Technology Co., Ltd.\* (中電投融和新能源科技有限公司) holding 93% partnership interests, which is wholly owned by Power Investment Ronghe New Energy Development Co., Ltd.\* (電投融和新能源發展有限公司) and is ultimately controlled by SASAC. To the best knowledge and information of the Company, all these above mentioned entities are Independent Third Parties.

**Jintong Capital (Ningbo Longhuahui (寧波隆華匯), Anhui Jintong (安徽金通), Xuancheng Jintong (宣城金通) and Anqing Jintong (安慶金通))**

**Ningbo Longhuahui (寧波隆華匯):** Ningbo Longhuahui Boyuan Venture Capital Partnership (Limited Partnership)\* (寧波隆華匯博源創業投資合夥企業(有限合夥)), “**Ningbo Longhuahui**”) is a limited partnership established in the PRC on February 8, 2021, and an investment arm of Jintong Capital (金通資本). It is principally engaged in equity investment in high-growth technology innovation enterprises in the PRC with approximately RMB500 million assets under management. The sole general partner of Ningbo Longhuahui is Ningbo Jintong Jiuge Enterprise Management Partnership (Limited Partnership)\* (寧波金通九格企業管理合夥企業(有限合夥)) holding as to 3.2% partnership interests, which is owned as to (i) 51% by its sole general partner, Ningbo Jiuge Equity Investment Management Partnership (Limited Partnership)\* (寧波九格股權投資管理合夥企業(有限合夥)), which is owned as to approximately 22.2427% and 18.7282% by its two general partners Hu Zhihui (胡智慧) and Cao Yun (曹蘊), respectively; and approximately 59.0291% by its 11 limited partners, none of which has more than 30% partnership interests therein; and (ii) 49% by its nine limited partners, none of which has more than 30% partnership interests therein. Ningbo Longhuahui has eight limited partners. Save for Huafang Group Co., Ltd (華芳集團有限公司) which holds 40% partnership interests in Ningbo Longhuahui, none of the limited partner holds more than 30% partnership interests in Ningbo Longhuahui. Huafang Group Co., Ltd (華芳集團有限公司) has 11 shareholders and none of which has more than 30% equity interests therein. To the best knowledge and information of the Company, each of the above entities, Hu Zhihui (胡智慧) and Cao Yun (曹蘊) are Independent Third Parties.

**Jintong Entities:** Anhui Jintong New Energy Vehicle Phase II Fund Partnership (limited Partnership)\* (安徽金通新能源汽車二期基金合夥企業(有限合夥)), “**Anhui Jintong**”) is a limited partnership established in the PRC on December 19, 2019. Xuancheng Jintong Technology Innovation Venture Capital Fund Partnership (Limited Partnership)\* (宣城金通科技創新創業投資基金合夥企業(有限合夥)), “**Xuancheng Jintong**”) is a limited partnership established in the PRC on May 13, 2022. Anqing Economic Development Zone Jintong New Energy Automobile Industry Fund Partnership (Limited Partnership)\* (安慶經開區金通新能源汽車產業基金合夥企業(有限合夥)), “**Anqing Jintong**”, together with Anhui Jintong and Xuancheng Jintong, “**Jintong Entities**”) is a limited partnership established in the PRC on June 30, 2020. Jintong Entities are principally engaged in equity investment in high-growth technology innovation enterprises in the PRC and each of them is an investment arm of Jintong Capital.

**Anhui Jintong (安徽金通):** The general partner of Anhui Jintong is Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership)\* (安徽金通新能源二期投資管理合夥企業(有限合夥)), the general partner of which is Anhui Jintong Zhihui Private Equity Fund Management Co., Ltd.\* (安徽金通智匯私募基金管理有限公司, “**Jintong Zhihui**”) which holds as to 80% partnership interests therein. Jintong Zhihui is controlled by Shanghai Rongqian Enterprise Management Center (Limited Partnership)\* (上海榮乾企業管理中心(有限合夥)) as to approximately 52.3810%, the general partner of which is Xia Zhubing (夏柱兵) holding as to 2% partnership interests and Qin Daqian (秦大乾), as a limited partner holding 78% partnership interests therein. Anhui Jintong has nine limited partners, among which, Anhui Sanzhong Yichuang Industrial Development Fund Co., Ltd.\* (安徽省三重一創產

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業發展基金有限公司) holds approximately 38.5713% partnership interests therein and is ultimately wholly owned by State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government (安徽省人民政府國有資產監督管理委員會). Save for Anhui Sanzhong Yichuang Industrial Development Fund Co., Ltd.\* (安徽省三重一創產業發展基金股份有限公司), none of the other limited partners holds more than 30% partnership interests in Anhui Jintong.

Xuancheng Jintong (宣城金通): The sole general partner of Xuancheng Jintong is Jintong Zhihui holding 2% partnership interests therein. Xuancheng Jintong has five limited partners, among which, Xuancheng State-owned Assets Investment Co., Ltd.\* (宣城市國有資產投資有限公司) holds approximately 31.7308% partnership interests therein and is ultimately controlled by the Finance Bureau of Xuancheng\* (宣城市財政局). Save for Xuancheng State-owned Assets Investment Co., Ltd.\* (宣城市國有資產投資有限公司), none of the other four limited partners holds more than 30% partnership interests therein.

Anqing Jintong (安慶金通): The sole general partner of Anqing Jintong is Jintong Zhihui holding 1% partnership interests therein. The sole limited partner of Anqing Jintong is Anqing Wanjiang Hi-Tech Investment Development Co., Ltd.\* (安慶皖江高科技投資發展有限公司) holding 99% partnership interests, which is a non-wholly owned subsidiary of Anqing Jingkai Holding Co., Ltd.\* (安慶經開控股有限公司) and ultimately controlled by the Management Committee of Anqing Economic and Technology Development Zone (安慶經濟技術開發區管理委員會).

To the best knowledge and information of the Company, each of Xia Zhubing (夏柱兵), Qin Daqian (秦大乾) and all these above mentioned entities is an Independent Third Party.

Mr. Liu Xi, our Supervisor, currently is a partner of Jintong Capital, and serves in Ningbo Longhuahui Equity Investment Management Co., Ltd.\* (寧波隆華匯股權投資管理有限公司) and Ningbo Jintong Jiuge Enterprise Management Limited Partnership\* (寧波金通九格企業管理合夥企業(有限合夥)). For more information, please see “Directors, Supervisors and Senior Management.”

### **Suzhou Xinjing (蘇州新景)**

Suzhou Xinjing Fuying Venture Capital Partnership (Limited Partnership)\* (蘇州新景富盈創業投資合夥企業(有限合夥)), “**Suzhou Xinjing**”) is a limited partnership established in the PRC on April 27, 2021. It is principally engaged in the investments in internet of vehicles, intelligent connected automotive ecological chain and new energy vehicle industry chain in the Greater China Area. Suzhou Xinjing is owned as to approximately 2.7027% by its sole general partner, Shanghai Jinfuying Management Consulting Co., Ltd.\* (上海金馥盈管理諮詢有限公司, “**Shanghai Jinfuying**”), by its two limited partners as to approximately 59.4595% and 37.8378%, namely, Xince Investment (Shanghai) Co. Ltd.\* (鑫車投資(上海)有限公司, “**Xince Investment**”) and Jinjing Growth (Xiamen) Venture Capital Partnership (Limited Partnership) (金景成長(廈門)創業投資合夥企業(有限合夥), “**Jinjing Growth**”), respectively. Shanghai Jinfuying is controlled by (i) Shanghai Jinjingchengpu Private Equity Fund Management Co., Ltd.\* (上海金景城濮私募基金管理有限公司) as to 51%, which is then ultimately controlled by Cho Techin (卓德欽); and (ii) by Fuying Management Consulting (Shanghai) Co., Ltd.\* (馥盈管理諮詢(上海)有限公司) as to 40%, which is ultimately controlled by Tso Bingti (左炳堤). Xince Investment is controlled by Yixin Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2858). Jinjing Growth is owned as to (i) 0.08% by its sole general partner Xiamen Jinjingchengpu Private Equity Fund Management Co., Ltd.\* (廈門金景城濮私募基金管理有限公司), which is ultimately controlled by Cho Techin (卓德欽); and (ii) 99.92% by its sole limited partner Golden Vision Capital Limited which is then ultimately controlled by Jackson Wijaya. To the best knowledge and information of the Company, all these above mentioned entities and individuals are Independent Third Parties.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### **Ningbo Zhizun (寧波智尊)**

Ningbo Zhizun Venture Capital Partnership (Limited Partnership)\* (寧波智尊創業投資合夥企業(有限合夥)), “**Ningbo Zhizun**”, formerly known as Ningbo Zhizun Enterprise Management Partnership (Limited Partnership)\* (寧波智尊企業管理合夥企業(有限合夥)) is a limited partnership established in the PRC on September 8, 2021. It is principally engaged in the investment in non-listed company with approximately RMB37 million assets under management. Ningbo Zhizun is owned as to (a) 1% by its sole general partner, Ningbo Yingdao Zhilin Enterprise Management Co., Ltd.\* (寧波盈道智麟企業管理有限公司) which is owned as to 90% by Ji Qindi (季琴娣) and 10% by Ji Cheng (季承); and (b) 99% by its three limited partners, among which, Ji Cheng (季承) holds 97% partnership interests in Ningbo Zhizun. To the best knowledge and information of the Company, each of Ningbo Zhizun, Ningbo Yingdao Zhilin Enterprise Management Co., Ltd.\* (寧波盈道智麟企業管理有限公司), Ji Qindi (季琴娣) and Ji Cheng (季承) is an Independent Third Party.

### **Jiangsu Jiequan (江蘇建泉)**

Jiangsu Jiequan Jingshifeng Investment Fund (Limited Partnership)\* (江蘇建泉景世豐投資基金(有限合夥)), “**Jiangsu Jiequan**”) is a limited partnership established in the PRC on September 25, 2017. It is principally engaged in investments in green technology, advanced manufacturing, energy and industrial internet with RMB250 million assets under management. Jiangsu Jiequan is owned as to 1% by its sole general partner, Suzhou Xiexin Jingshifeng Equity Investment Management Co., Ltd.\* (蘇州協鑫景世豐股權投資管理有限公司, “**Suzhou Xiexin**”), and as to 99% by its three limited partners, including (i) GCL Silicon Material Technology (Taicang) Co., Ltd.\* (協鑫矽材料科技(太倉)有限公司, “**GCL Taicang**”) as to 55.32% and (ii) Jiangsu Province Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)), a state-owned company, as to 30%. Suzhou Xiexin is controlled as to 63% by GCL Taicang and as to 32% by Ningbo Meishan Free Trade Port Fengyuan Huaying Investment Management Co., Ltd.\* (寧波梅山保稅港區豐源華盈投資管理有限公司), a company wholly owned by Ningbo Meishan Free Trade Port Xinsha Fengyuan Investment Holding Co., Ltd.\* (寧波梅山保稅港區新沙豐源投資控股有限公司). GCL Taicang is wholly owned by GCL-Poly Photovoltaic Systems Co., Ltd. (保利協鑫光伏系統集成有限公司) and in turn wholly owned by GCL Technology Holdings Limited (協鑫科技控股有限公司), a company listed on the Stock Exchange (stock code: 3800). To the best knowledge and information of the Company, all of these entities and individuals are Independent Third Parties.

### **BYD (比亞迪)**

BYD Company Limited (“**BYD**”) is a joint stock company established in the PRC on February 10, 1995, and is dually listed on the Stock Exchange (stock code: 1211 (HKD counter); 81211 (RMB counter)) and the Shenzhen Stock Exchange (stock code: 002594). It is principally engaged in automobile business which mainly includes new energy vehicles, handset components and assembly services, rechargeable batteries and photovoltaics business. The ultimate beneficial owner of BYD is Wang Chuan-fu (王傳福). To the best knowledge and information of the Company, each of BYD and Wang Chuan-fu (王傳福), is an Independent Third Party. Ms. Dai Can, our Supervisor, currently is an employee of BYD. For more information, please see “Directors, Supervisors and Senior Management.”

### **Chuangqi Kaiying (創啟開盈)**

Jiaying Chuangqi Kaiying Venture Capital Partnership (Limited Partnership)\* (嘉興市創啟開盈創業投資合夥企業(有限合夥)), “**Chuangqi Kaiying**”), formerly known as Shenzhen Chuangqi Kaiying Venture Capital Partnership (Limited Partnership)\* (深圳市創啟開盈創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC on September 8, 2020. It is a co-investment platform of the employees of BYD and is principally engaged in

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

investment activities in the PRC. Chuangqi Kaiying is owned as to (i) approximately 3.3337% by its sole general partner, Shenzhen Chuangqi Kaiying Business Service Co., Ltd.\* (深圳市創啟開盈商務服務有限公司) which is controlled by Li Min (李敏) and Li Lu (李路) as to 50% and 50% respectively; and (ii) approximately 96.6663% by its ten limited partners, none of which has more than 30% partnership interests therein. To the best knowledge and information of the Company, each of Chuangqi Kaiying, Shenzhen Chuangqi Kaiying Business Service Co., Ltd.\* (深圳市創啟開盈商務服務有限公司), Li Min (李敏) and Li Lu (李路) is an Independent Third Party. Ms. Dai Can, our Supervisor, currently is a limited partner of Chuangqi Kaiying, holding less than 10% of partnership interests therein. For more information, please see “Directors, Supervisors and Senior Management.”

### *Shenyin Wanguo (申銀萬國)*

Shenyin & Wanguo Alternative Investment Co., Ltd.\* (申銀萬國創新證券投資有限公司, “Shenyin Wanguo”) was established in the PRC with limited liability on May 29, 2013. It is principally engaged in investment activities with self-owned capital. Shenyin Wanguo is an indirect wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), which is dually listed on the Stock Exchange (stock code: 6806) and the Shenzhen Stock Exchange (stock code: 000166). To the best knowledge and information of the Company, Shenyin Wanguo and Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司) are Independent Third Parties.

### *Zhejiang Dongxin (浙江東鑫)*

Zhejiang Dongxin Electronic Technology Co., Ltd.\* (浙江東鑫電子科技有限公司, “Zhejiang Dongxin”) was established in the PRC with limited liability on April 30, 2002. It is principally engaged in providing auto parts, maintenance, testing and diagnostic equipment and service supplies in the PRC. Zhejiang Dongxin is wholly owned by Dongyang Jingrui Electronics Co., Ltd.\* (東陽市景瑞電子有限公司), which is controlled by He Min (何旻) as to 51% and Li Qianyun (厲倩雲) as to 49%. To the best knowledge and information of the Company, each of Zhejiang Dongxin, Dongyang Jingrui Electronics Co., Ltd.\* (東陽市景瑞電子有限公司), He Min (何旻) and Li Qianyun (厲倩雲) is an Independent Third Party.

## CAPITALIZATION OF OUR COMPANY

Upon completion of the Pre-[REDACTED] Investments as described above, a number of capital increases and equity interest transfers among shareholders of the Company and conversion of our Company into a joint stock limited company, the table below is a summary of the capitalization of our Company as of the Latest Practicable Date immediately prior to and following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

Shareholders	Number of Shares <sup>(1)</sup>	Ownership percentage as of the Latest Practicable Date	Ownership percentage as of the [REDACTED] <sup>(1)</sup>
<b>Controlling Shareholders<sup>(2)</sup></b>			
– Dr. Huang . . . . .	15,063,372	28.68%	[REDACTED]%
– Tongdu E-Commerce (同篤商貿) <sup>(3)</sup> . . . . .	8,287,500	15.78%	[REDACTED]%
– Tongdu Intelligent (同篤智能) <sup>(3)</sup> . . . . .	2,168,540	4.13%	[REDACTED]%
– Tongdu Technology (同篤科技) <sup>(3)</sup> . . . . .	149,603	0.28%	[REDACTED]%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Number of Shares <sup>(1)</sup>	Ownership percentage as of the Latest Practicable Date	Ownership percentage as of the [REDACTED] <sup>(1)</sup>
<b>Other shareholders</b>			
Anhui Zhongding (安徽中鼎) . . . . .	4,128,405	7.86%	[REDACTED]%
Zhenghai Juhong (正海聚弘) . . . . .	1,777,952	3.38%	[REDACTED]%
Beida Guangju (倍達廣聚) . . . . .	888,976	1.69%	[REDACTED]%
Jingzhou Zhida (荊州智達) . . . . .	4,691,991	8.93%	[REDACTED]%
Shanghai China Power Investment (上海中電投) . . . . .	4,170,008	7.94%	[REDACTED]%
Ningbo Longhuahui (寧波隆華匯) . . . . .	1,137,277	2.17%	[REDACTED]%
Anhui Jintong (安徽金通) . . . . .	2,653,647	5.05%	[REDACTED]%
Suzhou Xinjing (蘇州新景) . . . . .	758,185	1.44%	[REDACTED]%
Ningbo Zhizun (寧波智尊) . . . . .	758,185	1.44%	[REDACTED]%
Jiangsu Jiequan (江蘇逮泉) . . . . .	568,638	1.08%	[REDACTED]%
BYD (比亞迪) . . . . .	1,895,462	3.61%	[REDACTED]%
Chuangqi Kaiying (創啟開盈) . . . . .	18,955	0.04%	[REDACTED]%
Hubei Qingyan (湖北清研) . . . . .	523,336	1.00%	[REDACTED]%
Shenyin Wanguo (申銀萬國) . . . . .	824,850	1.57%	[REDACTED]%
Zhejiang Dongxin (浙江東鑫) . . . . .	687,379	1.31%	[REDACTED]%
Xuancheng Jintong (宣城金通) . . . . .	824,856	1.57%	[REDACTED]%
Anqing Jintong (安慶金通) . . . . .	549,904	1.05%	[REDACTED]%
Investors taking part in the [REDACTED] <sup>(4)</sup> . . . . .	—	—	[REDACTED]%
<b>Total</b> . . . . .	<b>52,527,021</b>	<b>100.00%</b>	<b>100.00%</b>

Notes:

- (1) Subject to the completion of relevant filings, the [REDACTED] Unlisted Shares held by [REDACTED] existing Shareholders will be converted into H Shares under the “full circulation” application upon completion of the [REDACTED].
- (2) The day-to-day management and the exercise of voting rights attached to the Shares held by each of Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology is controlled by Dr. Huang, either as the sole general partner (in the cases of Tongdu E-Commerce and Tongdu Intelligent) or pursuant to the relevant partnership agreement and majority ownership of the respective general partner (in of the case of Tongdu Technology and its general partner Tongdu Enterprise). As such, each of Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise is a close associate of Dr. Huang. Dr. Huang and these limited partnerships controlled by him form a group of controlling shareholders of our Company for the purpose of the Listing Rules. For details, please refer to the section headed “Relationship with our Controlling Shareholders.”
- (3) As of the Latest Practicable Date, Dr. Huang as the sole general partner of Tongdu E-Commerce and Tongdu Intelligent, held 25.6288% partnership interests of Tongdu E-Commerce and 37.98% partnership interests of Tongdu Intelligent. Dr. Huang and his spouse owns the entire equity interests of the general partner of Tongdu Technology. The limited partner who holds more than one-third of partnership interest of Tongdu E-Commerce is Chen Qinling (陳欽玲), holding 34.3464% limited partnership interests therein. Chen Qinling is an associate of Chen Hanlin, who controlled our Pre-[REDACTED] Investor, Jingzhou Zhida. The limited partner who holds more than one-third of partnership interest of Tongdu Intelligent is Shen Haiying (沈海鷹), an Independent Third Party, holding 37.2093% limited partnership interests therein. Save as disclosed above, none of the limited partners of Tongdu E-Commerce, Tongdu Intelligent or Tongdu Technology holds more than 30% partnership interests thereof.
- (4) This refers to the number of Shares to be held by Investors taking part in the [REDACTED] as of the [REDACTED] (assuming the [REDACTED] is not exercised), being the H Shares.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### PUBLIC FLOAT

Our Company [has applied] for H-share full circulation and the CSRC issued notice of filing on [●], 2024 for the conversion of [REDACTED] existing [REDACTED] Unlisted Shares into H Shares upon the [REDACTED].

In addition, upon completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, [REDACTED] H Shares to be held by our Controlling Shareholders, namely Dr. Huang, Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology, who are core connected persons of our Company, in aggregate, and which represents approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), would not be counted towards the public float.

To the best knowledge of our Directors, save as disclosed above, upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, [REDACTED] H Shares are expected to be held by our existing Shareholders who are not our core connected persons. Such [REDACTED] H Shares will be counted towards the public float. None of these Shareholders are accustomed to take instructions from any core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our core connected persons. Together with the issue of [REDACTED] H Shares pursuant to the [REDACTED] (assuming that the [REDACTED] is not exercised), approximately [REDACTED]% of our total issued Shares will be counted towards the public float (assuming that the [REDACTED] is not exercised) upon the completion of the [REDACTED].

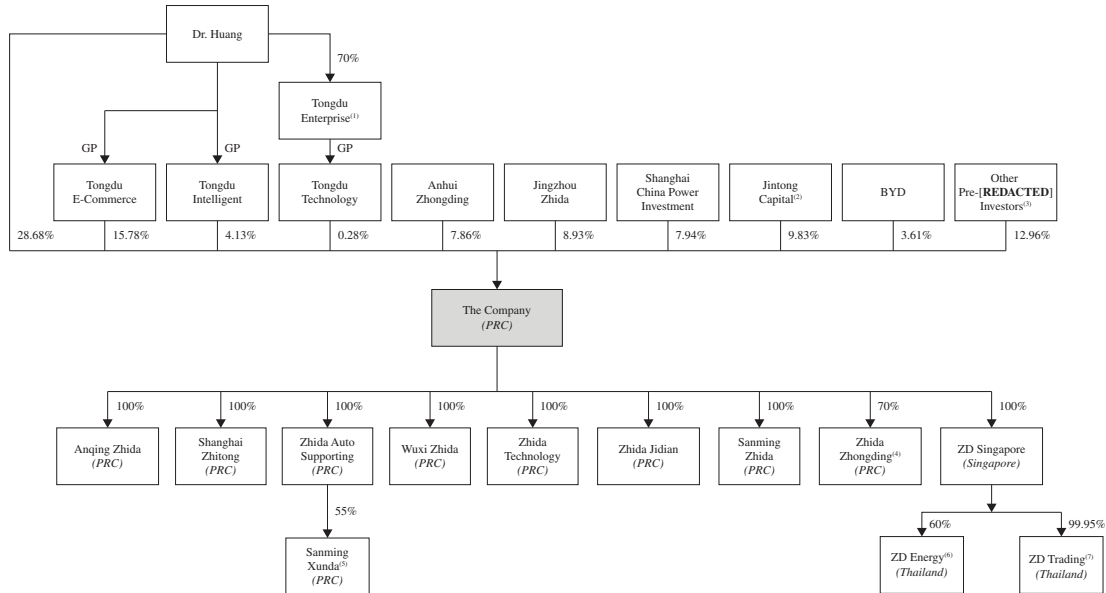
Rule 8.08 of the Listing Rules provides that there must be an open market in the securities for which [REDACTED] is sought. Under Rule 8.01(a) of the Listing Rules, it normally means that the minimum public float of a [REDACTED] issuer must at all times be at least 25% of the issuer’s total issued share capital. Under Rule 8.08(1)(b) of the Listing Rules, where an issuer has one class of securities or more apart from the class of securities for which [REDACTED] is sought, the total securities of the issuer held by the public at the time of [REDACTED] must be at least 25% of the issuer’s total number of issued shares.

Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the total number of [REDACTED] H Shares held by the public represents approximately [REDACTED]% of our total issued Shares upon [REDACTED]. Therefore, our Company will be able to meet the minimum public float requirement under Rule 8.08.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

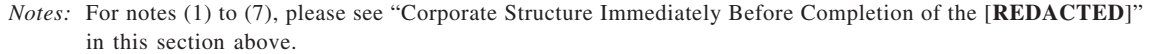
The chart below sets out the shareholding structure of our Group immediately before completion of the [REDACTED]:



#### Notes:

- (1) As of the Latest Practicable Date, Tongdu Enterprise was the general partner of Tongdu Technology and was held by Dr. Huang as to 70% and by his spouse, Liu Jing (劉靜) as to 30%.
- (2) Jintong Capital includes Ningbo Longhuahui, Anhui Jintong, Xuancheng Jintong and Anqing Jintong.
- (3) Other Pre-[REDACTED] Investors include Zhenghai Juhong, Beida Guangju, Hubei Qingyan, Suzhou Xinjing, Ningbo Zhizun, Jiangsu Jiequan, Chuangqi Kaiying, Shenyin Wanguo and Zhejiang Dongxin. Please see “— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors” in this section for details.
- (4) As of the Latest Practicable Date, Zhida Zhongding was held by our Company as to 70% and by Anhui Zhongding as to 30%. Anhui Zhongding is our Pre-[REDACTED] Investor. Anhui Zhongding is a company listed on the Shenzhen Stock Exchange (stock code: 000887). Except for being a substantial shareholder of Zhida Zhongding and a Pre-[REDACTED] Investor, Anhui Zhongding is independent of our Group.
- (5) As of the Latest Practicable Date, Sanming Xunda was held by Zhida Auto Supporting as to 55%, by Sanming Jiaoyun Group Co., Ltd.\* (三門市交運集團有限公司) as to 25%, and by Sanming Luqiao Group Highway Management and Development Co., Ltd.\* (三門市路橋集團公路經營開發有限公司) as to 20%. Except for being a substantial shareholder of Sanming Xunda, each of Sanming Jiaoyun Group Co., Ltd.\* (三門市交運集團有限公司) and Sanming Luqiao Group Highway Management and Development Co., Ltd.\* (三門市路橋集團公路經營開發有限公司) is independent of our Group.
- (6) As of the Latest Practicable Date, ZD Energy was held by ZD Singapore as to 60% and by ZD Trading as to 40%.
- (7) As of the Latest Practicable Date, ZD Trading was held by ZD Singapore as to 99.95% and by ZD Energy as to 0.05%.

The chart below sets out the shareholding structure of our Group immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised):





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## BUSINESS

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### OUR MISSION

With EV charging as the gateway, we aim to make EVs and green energy an integral part of people’s life, facilitating sustainability for mankind.

### OUR VISION

We aspire to become a global leader in smart EV home charging and green energy technology.

### OVERVIEW

We are the world’s largest provider of EV home charging solutions in terms of sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. Starting with offering high-quality smart home EV chargers to both automakers and users, we have since developed a “three-in-one” EV home charging solution consisting of high-quality products, value-added services, and a powerful digital platform.

- **Products:** During the Track Record Period, we delivered a cumulative number of 0.9 million home EV chargers globally and 0.8 million home EV chargers in China. Our market share reached 20.5% in China and 12.2% globally in terms of the sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. From 2021 to 2022, our sale volume of home EV chargers grew at an exponential rate of 205.0%.
- **Services:** To empower homes across the country with our smart home EV chargers and digital energy management services, we have established China’s largest EV charger service network to provide door-to-door installation and after-sales services according to Frost & Sullivan, covering over 360 cities nationwide as of September 30, 2023. During the Track Record Period, we fulfilled a total of 0.6 million installation and after-sales service tasks. Our digital home energy management services also include, among others, community shared charging and EV home charging control. We are also developing a variety of other services to further digitalize home energy management for our users.
- **Digital Platform:** To connect our products and value-added services as part of our integrated energy management solutions, we have constructed a digital platform. This platform is built upon proprietary IoT technology and is empowered by cloud computing, data analytics and cluster deployment, all unified within a unified IT architecture. Our platform digitizes the management of our installation and after-sales network, support our community shared charging services, and more importantly, underpins our “vehicle-to-home” (V2H) and “vehicle-to-energy” (V2E) capabilities to support our growing variety of digital energy management services.



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## BUSINESS

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To digitalize, intelligize and globalize our solutions, we have been continuously upgrading our products and services, developing new technology, and expanding across overseas markets. With home energy management becoming more digital and intelligent, we believe EV chargers have the potential to serve as a critical gateway to the widespread adoption of home digital energy solutions. We also believe that these solutions will optimize the ways tens of millions of families decide how to charge, when to charge, and how to save, from apartment blocks with shared car parks to single-family houses with private garages. To embrace this trend and to unlock the next-generation ways to charge and save, we have devoted ourselves to product development, service innovation, and platform digitalization. In particular:

- Since our inception, we have expanded our solutions to reach eight countries with a product portfolio developed based on EU, U.S. and other international standards as well as a growing array of related value-added services supported by a digital platform. We are also in the process of establishing our localized manufacturing facilities in Thailand to support our expansion across Southeast Asia.
- As a pioneer in EV home charging innovations, we are currently developing a range of new digital energy products and services, including EV charging robots, smart charging hardware products, and new digital energy management services. Through partnerships with industry leaders, we aim to foster an interactive V2H/V2E ecosystem around our digital platform, where we offer an essential hub that smartly connects and empowers vehicles, energy sources, and homes around the world.

We believe we are a trusted partner for leading automakers in China. During the Track Record Period, we provided smart home EV chargers and accessories and/or value-added services to eight of the top ten mainstream automakers in China in terms of sales volume of EVs in the nine months ended September 30, 2023, according to Frost & Sullivan. Through our partnerships with well-known automakers, we have established our brand reputation as a leading provider of EV home charging solutions, while expanding into overseas markets alongside these major automakers. Today, our products and services serve eight countries. In Thailand and Brazil, two fast-growing EV markets outside of China, we are one of the first movers that have established a preeminent presence as a highly recognized provider of smart home EV chargers and services, according to Frost & Sullivan.

Drawing upon our brand influence and service capabilities we accumulated through our partnerships with leading automakers, we launched our own retail brand “摯達(Zhida)” in 2020. Since its launch, we have efficiently and rapidly accumulated a vast user base, which lays a solid foundation for us to directly reach and better understand the needs of retail users. We cover retail users through multiple channels domestically and internationally. We operate e-stores on platforms such as Tmall (天貓), Douyin (抖音) and Youzan (有贊) in China, and we plan to expand our footprint on international e-commerce platforms. We are one of the top three brands in terms of retail sales of home EV chargers on e-commerce platforms in both 2022 and

## BUSINESS

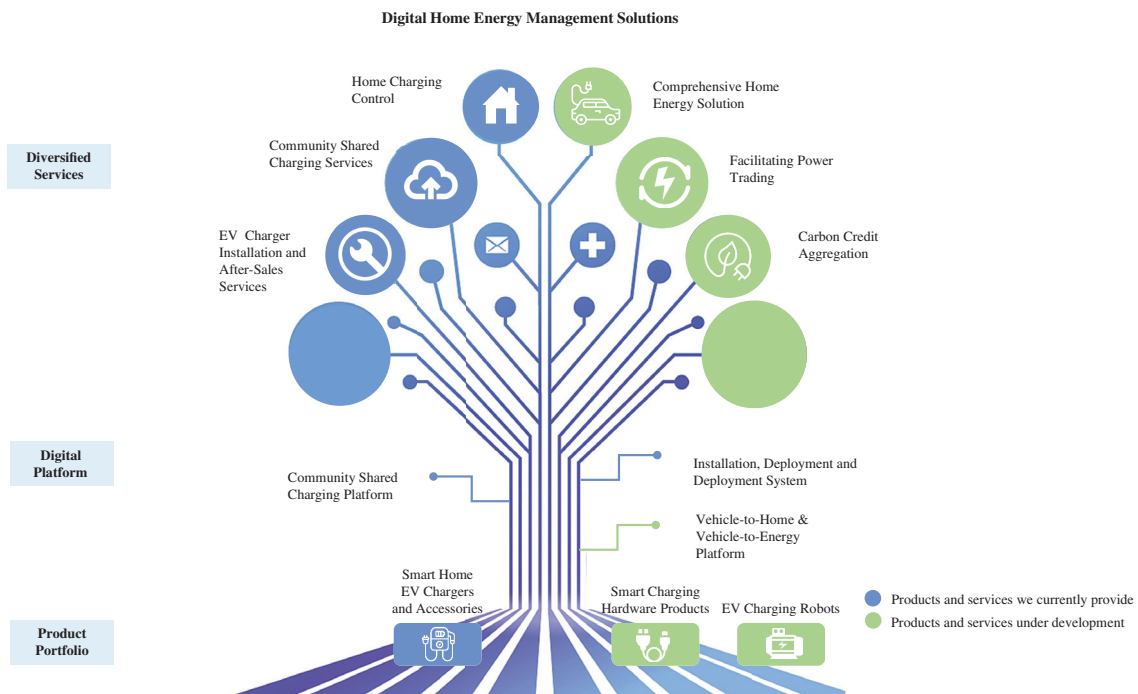
the nine months ended September 30, 2023, according to Frost & Sullivan. In addition, we collaborate with distributors in 104 cities in China as of September 30, 2023, to further expand the customer base of our products.

### Our Integrated Business Model

In our blueprint for providing digital energy management solutions to homes around the world, we adopt a vertically integrated business model, where we envision our product portfolio to be the “roots” supporting our digital service platform as the “trunk” that underpins a nourishing array of digital home energy management services as the “leaves.”

Under this three-in-one business model as illustrated in the tree diagram below, our product offerings of smart home EV chargers and accessories, and pipeline smart devices, including our EV charging robots and smart charging hardware products, spread their roots to homes around the world as the key entry portals to digital home energy management. The delivery and use of these smart products are empowered by a robust digital platform that connects a vast network of third-party installation and after-sales service providers and supports our community shared charging services. This digital platform, whose development and expansion are predicated on our IoT technologies, also nurtures and enables an expanding web of smart V2H/V2E energy management services.

These products, platform, and services create an omnipresent thriving ecosystem that empowers automakers, energy companies, ultimately benefiting EV owners and their families as the users.



## BUSINESS

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### ***Our Product Portfolio***

Our current product portfolio mainly includes smart home EV chargers and related accessories. For automakers, we customize smart home EV chargers based on their specific requirements in terms of appearance, functionality, and specifications. For retail customers, we design smart home EV chargers that not only meet their basic home charging needs but also incorporate appealing designs and features that cater to more personalized preferences. The smart home EV chargers we offer to retail customers adhere to substantially the same standards as those we sell to automakers, which are required to pass a total of ten technical assessments, including waterproof, dustproof, lightning protection, temperature control, emergency stop protection, leakage protection, short-circuit protection, over-power protection, over-current protection, and over/under-voltage protection. To further enhance our product portfolio, we have also been developing new products such as EV charging robots and smart charging hardware products, which we believe will serve as users’ critical access to our growing digital home energy management services.

### ***Our Digital Platform***

Our digital platform turns our smart home EV chargers into the gateway to a growing array of digital home energy management services. With cloud computing, IoT and V2H/V2E technologies, this platform ensures digital continuity throughout the entire product use cycle, from installation to daily home energy management. Our platform not only connects our users with over 140 third-party installation and after-sales service providers covering over 360 cities in China, but also allows us to digitize every major step of the charger installation process, from order placement and dispatch to progress tracking and acceptance, which enhances service quality and efficiency. In addition, our digital platform collects, integrates, and analyzes relevant data, supporting the development and utilization of home energy management services within a comprehensive IoT framework. Through this platform, users can seamlessly manage the remote control of their smart home EV chargers and have access to services such as community shared charging.

### ***Our Diversified Services***

The constant development of our digital platform nourishes an increasingly powerful installation and after-sales services and a growing variety of EV charger-based digital energy management services delivered through our mobile app and mini-program, including smart remote control, safe charging, off-peak charging, energy data analytics, and community shared charging. During the Track Record, we fulfilled a total of 0.6 million installation and after-sales tasks. Through these value-added services, we provide a one-stop, digitalized experience for homes and their EVs across China and overseas, enabling them to enjoy a smart EV charging experience and more efficient home energy management. Looking ahead, we aim to transform our service offerings into a comprehensive home energy management destination, where we will digitally enable the provision of more integrated services such as V2H/V2E home energy management and carbon credit aggregation.

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### Our Core Capabilities

Our success is built upon, and will continue to be driven by, our core capabilities in products, services, digitalization, manufacturing, and brand.

*Product capabilities.* With our ability to meet the international standards, including for China, the United States and Europe, we deliver high quality assurance. Our manufacturing facilities have passed inspections from more than 20 automakers, with efficient manufacturing lines that can customize products to meet the diversified needs of major automakers. For users, we have introduced multiple series of smart home EV chargers where we also offer a range of personalization choices, such as built-in cameras, station lighting, owner identification, and Bluetooth locks. As of September 30, 2023, we obtained 124 patents in the EV charging field.

*Service capabilities.* We have established the largest EV charger installation and after-sales service network in China in terms of the number of cities covered as of September 30, 2023, according to Frost & Sullivan, which is operated using an online-to-offline model supported by a digital platform that can generally meet installation needs within 12 hours. We strictly review service providers’ qualifications and help them cultivate efficient and reliable installation and after-sales service professionals through standardized training processes, which earned us the “TÜV Rheinland certification.” As we expand overseas, we are transplanting our platform-based door-to-door installation and after-sales service capabilities to deliver a consistently high-quality experience to users overseas.

*Digitalization capabilities.* With IoT technology, we have developed digital energy management solutions that enable real-time monitoring, control, adjustments and optimization of EV charging and home energy consumption. We have built the largest third-party household EV charger IoT database in terms of the number of EV chargers connected in China as of September 30, 2023, according to Frost & Sullivan. This lays the technological foundation for the future large-scale application of “vehicle-to-energy” home energy management.

*Manufacturing capabilities.* We boost our industry-leading manufacturing capabilities with advanced technologies. As one of the world’s first EV charger companies that are awarded the certificate of the automotive standard IATF16949, we have established a strong manufacturing foothold in both China and overseas, according to Frost & Sullivan. Starting with our first production base in Xuancheng in April 2015, followed by our second facility in Anqing in May 2022, our designed manufacturing capacity reached 451.2 thousand smart home EV chargers in the nine months ended September 30, 2023. We plan to open a factory in Thailand in the second quarter of 2024 in an effort to support our expansion across Southeast Asia, which underscores our ability to meet growing market demands through technological prowess and localized expansion.

*Brand power.* As a pioneer and innovator in the EV charging industry, we have built a strong brand reputation for high-quality products and services. In 2022, we were awarded the Tmall (天貓) Automotive Annual Celebrity Recommended Brand. We are among the top three brands in terms of retail sales of home EV chargers on e-commerce platforms in both 2022 and the nine months ended September 30, 2023, according to Frost & Sullivan.

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### Our Value Propositions

#### *Value Proposition to Automakers*

- *High-quality smart home EV chargers.* We provide automakers with smart home EV chargers that undergo meticulous refinements and iterations, which are validated by connectivity and safety certifications in conformity with European and U.S. standards.
- *Reliable installation and after-sales services.* We offer automakers reliable post-sales EV charger installation, assisting them in providing nationwide premium automotive support services to their EV customers. This helps reduce costs for automotive companies while solidifying customer loyalty.
- *Trusted partner in global expansion.* As a reliable partner, we help Chinese automakers expand overseas by customizing our smart home EV chargers to meet overseas market demands.

#### *Value Propositions to Users*

- *Enhanced charging experience.* We are committed to providing users a safe and smart charging experience. Through our digital platform, users can remotely control, receive safety alerts, and implement intelligent charging and discharging control, along with features like family and friend sharing.
- *Robust and digitally connected service network.* Our strong and digitally empowered service network provides users with timely and convenient installation and after-sales services, enabling a seamless transition from purchasing to using smart home EV chargers.
- *Digital home energy management.* We assist users in efficiently managing home energy consumption. Our apps enable real-time data analytics and visualization with respect to charging usage and electricity price monitoring, helping users save smartly.

#### *Value Propositions to Energy Companies*

- *Facilitating entry into digital home energy management.* We work closely with leading energy companies, such as solar energy and electricity grid companies, and aim to provide a comprehensive suite of digital home energy management services using our smart home EV chargers and other new hardware products as a gateway.

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### Our Commitment to Green Energy

As a leader in EV home charging solutions, we are continuously committed to promoting the widespread adoption of smart home EV chargers in households, contributing to the development of the new energy industry. We have made optimizations to the functionality of smart home EV chargers, positioning them as the core entry point for home energy management. This effort aids homes around the world in achieving efficient energy management and optimization while driving transformation in the digital energy sector.

We are dedicated to providing more intelligent and efficient solutions for home energy management, offering a practical pathway for advancing digital energy governance. This endeavor will support us in achieving broader environmental and social responsibility goals, which speaks to our commitment to green sustainability.

The table below sets forth an indicative list of some of the ESG related certifications we have received as of the Latest Practicable Date.

Certifications	Standards	Year	Certification Authority
Corporate Integrity Management System Certification . . . . .	GBT 31950	2024	TILVA
Social Responsibility Management System Certification . . . . .	GBT 39604	2024	TILVA
Anti-Bribery Management System Certification . . . . .	ISO 37001	2024	TILVA
Sustainable Procurement Management System Certification . . . . .	ISO 20400	2024	TILVA
Information Technology Service Management System Certification . . . . .	ISO 20000	2024	ZQHX
Business Continuity Management System Certification . . . . .	ISO 22301	2024	ZQHX
Information Security Management System Certification . . . . .	ISO 27001	2024	ZQHX
Privacy Information Management System Certification . . . . .	ISO 27701	2024	ZQHX

### OUR STRENGTHS

#### Largest Provider of EV Home Charging Solutions

We are the world’s largest provider of EV home charging solutions in terms of the sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. During the Track Record Period, we cumulatively delivered 0.9 million home EV chargers globally, representing a global market share of 12.2%, according to Frost & Sullivan. Our products have obtained safety certifications from authorities in Europe and the United States and had been sold in eight countries as of the Latest Practicable Date.



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In China, we are also the largest EV home charging solution provider in terms of the sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. During the Track Record Period, we have cumulatively delivered 0.8 million home EV chargers in China, capturing a market share of 20.5% in the EV home charging solution market, according to Frost & Sullivan.

As we rapidly expand our overseas footprint, we have established ourselves as the go-to EV home charging solution provider in emerging markets with attractive growth potential. For example, in Thailand and Brazil, two fast-growing EV markets outside of China, we are one of the first movers that have established a preeminent presence as a highly recognized provider of smart home EV chargers and services, according to Frost & Sullivan.

### **Integrated Business Model Delivering End-to-End Solutions**

Through our proprietary digital platform, we integrate high-quality EV charger products with a growing range of home energy management services. This integrated business model makes us a one-stop EV home charging solution for users across China and in our expanding overseas markets.

- *Products as “Roots.”* We offer a diverse product matrix, catering to the specific needs of leading automakers by offering customized AC smart home EV chargers. This customization spans input/output voltage, current, functional modules, and exterior design. We independently design and sell smart home EV chargers and related accessories. Our smart home EV chargers offer personalized optional features such as built-in cameras and Bluetooth locks. Our accessory offerings include portable EV chargers that are compact and portable with outdoor discharge and vehicle-to-vehicle charging capabilities. We focus on quality and reliability and adhere to strict manufacture processes and certifications, which ensures product compatibility with most of the EVs, and normal operation under extreme temperatures and altitudes.
- *Digital Platform as “Trunk.”* The popularity of our high-quality products, as well as the seamless operation of our extensive installation and after-sales service network, owe much to our digital platform. This platform supports our “online-to-offline” installation and after-sales services by allowing us to deploy a nationwide network of service providers to provide reliable installation and after-sales services. This digital platform also supports community shared charging which allows users to conveniently locate and share the use of smart home EV chargers. More importantly, our digital platform enables bidirectional information exchange through our smart home EV chargers as the IoT gateway where it collects, integrates, and analyzes relevant data, supporting the development and utilization of home energy management services within a comprehensive V2H/V2E ecosystem. This allows us to provide users a range of digital tools to smartly manage their energy needs, such as visualization of power usage data, remote control of smart home EV chargers, and intelligent EV charging and discharging control.



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- *Services as “Leaves.”* Centered around home energy management, we provide a growing range of digital energy services related to EV charger after-sales and usage. Our installation and after-sales services are certified by the TUV Rheinland in German. Our professional customer services team is capable of generally addressing service orders within 12 hours. Through our digital platform, we monitor and manage the entire installation and after-sales service process in real time, ensuring orderly, efficient, and standardized services for customers. In addition to installation and after-sales services, we offer a growing range of digital home energy management services to help users efficiently and conveniently manage their EV charging and home energy management needs. These services include providing users with home charging control and community shared charging through our apps and mini-program.

### **Strong Brand Built Upon Robust Product Portfolio**

We have established a strong brand image through a matrix of high-quality and diverse products. Our product line caters to different user needs, targeting both automakers and retail customers.

- For automakers, we provide smart home EV chargers customized for specific automakers based on their unique requirements. Based on the varying demands of different automakers for input/output voltage, current, and exterior design, we tailor different functional modules for each customer to meet their specific specifications and needs.
- For retail customers, we have introduced multiple series of smart home EV chargers targeting household users, including the Pioneer, Guardian, King Kong and Challenger series. Apart from meeting basic charging needs, we offer a range of personalized optional features, such as built-in cameras, station lighting, owner identification, and Bluetooth locks. We also introduced portable EV chargers featuring compact size, on-the-go charging, and convenient recharging.

In terms of product design, we integrate new consumer concepts, emphasizing a blend of trendiness and performance. Specifically considering female users, the gun body is designed to be smaller, lighter, and easier to grip. The cable is made of lightweight TPU material, facilitating easy insertion, removal, and storage. The manufacturing of our smart home EV chargers adopts the IML in-mold injection molding process, allowing customers to tailor the appearance based on personal preferences.

We believe that products are key to maintaining customer loyalty and building our brand. Therefore, we strictly adhere to safety manufacture and quality identification systems, covering the entire manufacture process. Our manufacture management processes in our first production base in Xuancheng comply with the automotive industry standard IATF16949 certification. In addition, we have obtained certifications for our products from the China Quality Certification Center as well as U.S., EU and other overseas authorities.

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### Industry-Leading Manufacturing Capabilities

We take pride in our manufacturing capabilities powered by our proprietary technologies and localized operational expertise. With our proprietary production process and customized manufacturing facilities and equipment, we are able to rapidly and efficiently scale our production capabilities both in China and overseas in a cost-effective manner. We are one of the world’s first EV charger companies that are awarded the certificate of automotive standard IATF16949, according to Frost & Sullivan.

In China, following the establishment of our first production base in Xuancheng in April 2015, we invested in constructing our second production base in Anqing which commenced operations in May 2022. As we scale, we expanded the production capability of core components of smart home EV chargers, including printed circuit board assemblies, by establishing a surface mount technology (SMT) and dual in-line package (DIP) production line. We adopted leading technologies in the construction of our SMT & DIP production line, including online laser engraving for product traceability and the latest Panasonic mounters and printers, to ensure production quality. We also employ industry-leading 3D automatic optical inspection (AOI) for product inspection and utilize fully-automatic coating equipment, along with a set of fully automated performance and safety testing equipment that meets Chinese, U.S. and EU standards. This new production line allows us to boost our productivity, quality, and stability in the manufacturing process. In the nine months ended September 30, 2023, our designed production capability reached 451.2 thousand smart home EV chargers.

Outside of China, we draw upon our domestic success and extensive operational know-how accumulated in building and running our factories to establish our production base in Thailand, which is scheduled to commence operations in the second quarter of 2024. Our Thailand factory is designed to have a production capacity of 216.0 thousand EV chargers per year to support the growing demand for our products in Southeast East, and we intend to continue to upgrade and expand its production lines to include more products as we scale our operations overseas.

### Multi-Channel Distribution Enabling Effective Monetization

We have adopted an omni-channel marketing strategy, combining both online and offline channels to effectively enhance user engagement and loyalty, while also expanding diverse monetization avenues.

- *Established partnerships with automakers.* Since inception, we gradually established stable partnerships with other top domestic and international automakers. During the Track Record Period, we provided smart home EV chargers and/or value-added services to cover eight of the top ten mainstream automakers in China in terms of sales volume of EVs in the nine months ended September 30, 2023, according to Frost & Sullivan.

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- *Expanding reach to retail customers.* We reach consumers through retail channels such as e-commerce platforms and distributors. We are one of the top three brands in terms of retail sales of home EV chargers on e-commerce platforms in both 2022 and the nine months ended September 30, 2023, according to Frost & Sullivan. In 2022, we were honored as the Tmall (天貓) Automotive Annual Celebrity Recommended Brand. In the nine months ended on September 30, 2023, our retail sales reached RMB38.9 million, representing a year-on-year growth of 10.9%. We have self-operated stores across many major e-commerce platforms such as Tmall (天貓), Douyin (抖音) and Youzan (有贊), and we plan to cover various international e-commerce platforms. Furthermore, through collaborations with distributors, we have placed our products such as automotive parts chain stores, enhancing brand exposure and expanding our market reach.
- *Collaboration opportunities with energy companies.* We actively seek to collaborate with large energy companies to explore future trends and business model innovations in the home energy management ecosystem. For example, we have established a partnership with a leading solar energy company in China to explore collaboration opportunities in the photovoltaic storage and V2E fields.

### **Diversified Digital Energy Management Services Empowered by Technology**

We are committed to technology development and innovation. As of September 30, 2023, we owned 124 patents, including 33 invention patents, 111 software copyrights, and 121 registered trademarks, spanning across EV charging field. We participated in the formulation of three industry standards, including one national standard (EMC risk assessment, Part 4: System risk analysis method), one local standard (Smart Charging and Interaction Response Technology Requirements for EV Smart Chargers), and one group standard (General Requirements and Test Evaluation Methods for Information Security Technology of EV Charging Facilities).

To provide users with a more personalized and smart EV home charging experience, our digital platform offers intelligent charging services for our smart home EV charger users. It supports features such as plug-and-charge, anti-theft charging, and scheduled charging mode customization, which enhances charging safety. Additionally, the system records each charging session clearly, analyzing charging data from multiple dimensions, and calculating peak/off-peak charging periods to assist users in planning efficient and rational charging schedules. In the future, we aim to use smart home EV chargers as an entry point into a comprehensive universe of digital home energy management. Through “hardware-software integration,” we aim to provide these home energy management services based on vehicle-to-energy interactions, contributing to the development of a holistic digital energy ecosystem for homes around the world.

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We are committed to innovation and are actively developing technologies and new products and services to address industry pain points and future trends. This relentless effort includes developing pipeline technologies such as EV charging robots to tackle the challenges of limited supply of EV chargers and their installation complexity. We believe our research and development efforts will lay a solid technological foundation for future business expansion.

### **Visionary, Insightful, and Experienced Management Team**

Our visionary founder, Dr. Huang Zhiming, who also serves as the Chairman of the Board, executive Director and chief executive officer, oversees our strategic planning, business and technology direction and operational management. He graduated from Tongji University with a bachelor’s degree in automotive mechanical design and automation and previously worked at Shanghai Volkswagen and Shanghai Volkswagen Powertrain. Dr. Huang is also one of the pioneering entrepreneurs in China’s EV industry and was recognized as a “leading talent” in Shanghai in 2019. Under our founder’s leadership, we were able to effectively navigate industry changes, and seize market opportunities since our inception. In addition to our founder, our senior management team includes:

Cao Guangyu

*Executive President . . . . .*

- Responsible for our business management, project management, research and development, supply chain management manufacturing and quality control
- Former chief engineer at Shanghai Embedded System Research Institute
- Ph.D. degree in mechanical manufacturing and automation from Harbin Institute of Technology, and a postdoctoral fellow at Shanghai Academy of Spaceflight Technology

Luo Tao

*Senior Vice President, Chief  
Digital Officer . . . . .*

- Responsible for our overall development and management of digitalization
- Served at IBM and Hitachi with over twenty years of experience in IT consulting services and project implementation

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Li Xinrui

*Senior Vice President . . . . .*

- Worked at well-known investment institutions with over two decades of experience in corporate management and investment financing and operations
- EMBA from Peking University

### OUR STRATEGIES

We are committed to making our products, platform, and services more global, more digitized, and more intelligent through the following development strategies.

#### Expand Internationally

We plan to gradually establish globally localized manufacture facilities and service networks to accompany the wave of Chinese EV brands going global. This will accelerate our penetration into the markets with higher profit margins such as Europe, the United States, and large emerging markets in Southeast Asia and South America, and help us to establish a seamless manufacture-to-sales chain for our own branded products and services. Our overseas expansion strategy includes:

- *Product globalization.* Continually refine the design and manufacturing of smart home EV chargers and solutions that meet the needs of overseas markets.
- *Expansion of service network.* By establishing localized service centers internationally, we aim to timely and efficient installation and after-sales support for overseas users. This includes collaborating with more local service providers overseas and leverage our digital platform to empower our international customer service team to create excellence service experience for our users worldwide.
- *Overseas manufacturing.* Establish three manufacture bases worldwide to cater to global markets. Thailand will serve as the center for Southeast Asia where we are in preparation of opening a manufacturing facility with an annual designed manufacture capacity of 216.0 thousand EV chargers. We also plan to set up manufacture bases in Europe and North America to better serve these markets.
- *Brand building.* To enhance global brand awareness, we plan to gradually increase promotional activities for our own branded products and services. This includes showcasing our advanced charging solutions alongside Chinese automakers to increase consumer trust. Building a solid brand reputation in overseas markets will strengthen our competitive advantage globally, laying the foundation for sustainable international business growth.

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### **Upgrade Digital Platform to Foster Home Energy Management Ecosystem**

Our proprietary digital platform technology currently supports functionalities such as data visualization, remote operation and control, smart charging and discharging control, real-time alerts, and fault diagnosis. We plan to continually use smart home EV chargers and smart devices like home energy storage controllers as the gateway to build a comprehensive home energy management system. In the future, as our product line around home energy management continues to expand and the digital energy management market matures, we plan to extend the capabilities of our digital platform to include V2H/V2E capabilities. This will support our future products and services, including green electricity and carbon credit aggregation.

### **Accelerate Technological Innovation to Develop Smarter Products and Services**

We will continuously optimize and iterate existing products based on consumer demands, which includes optimizing existing products to meet different regional usage preferences. This will lay a solid foundation for continuously expanding our global market share.

Simultaneously, we plan to actively drive product intelligence, focusing on the research and development of areas such as autonomous charging and vehicle-to-energy interaction. We are dedicated to developing advanced technologies such as EV charging robots, keeping pace with the development of autonomous driving. We believe this will create a completely new charging experience, achieving full automation in driving, parking, and charging. Additionally, we are exploring other cutting-edge energy management technologies and models. For instance, we are enriching our technology reserves for services related to V2E technology which allows cars to feed back the stored energy in their batteries to the power grid. This technology helps manage energy more flexibly, maximizes the use of renewable energy, and provides users with more stable and efficient power services.

### **Explore New Marketing Models to Maximize Monetization Potential**

We will continually explore innovative marketing models to adapt to changing market demands and customer expectations. We are exploring a sales model that offers smart home EV chargers for free but charge for service fees in the long-term to encourage faster and better adoption of our services, especially among customers in lower-tier markets. Additionally, we will actively seek partnerships to expand sales channels, creating more value and convenience for customers. Through these initiatives, we believe that our future revenues will come from more sources that support our sustained growth.

## **INTEGRATED EV HOME CHARGING SOLUTIONS**

Our integrated EV home charging solutions encompass a comprehensive blend of our product offerings and value-added service offerings, which are seamlessly integrated to enable EV owners to efficiently manage their EV charging and household energy management needs.

- Our product offerings include smart home EV chargers that allow our users to charge their EVs conveniently, efficiently, and safely, as well as related accessories.

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- Supported by our digital platform and service network, we also provide value-added services, including EV charger installation and after-sales services, community shared charging and digital energy management services, to help users effortlessly integrate our products and services as part of their home energy management.

We sell our smart home EV chargers through diversified channels, including direct sales to leading automakers, direct sales to retail customers, and sales to end customers through third-party distributors. During the Track Record Period, we delivered a total of 0.9 million EV chargers and completed a total of 0.6 million installation and after-sales service tasks. The table below sets forth a breakdown during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,		Total Number During the Track Record Period
	2021	2022	2022	2023	
Smart home EV chargers . . . . .	158,967	484,771	218,739	227,860	<b>871,598</b>
Installation and after-sales service tasks . . .	104,679	257,600	169,853	271,983	<b>634,262</b>

The following table sets forth a breakdown of our revenues generated from sales of products and provision of value-added services during the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
(unaudited)								
(in thousands, except for percentages)								
<b>Revenue</b>								
Sales of products . . . . .	190,130	53.2	407,434	58.5	213,240	51.1	242,397	49.9
Provision of value-added services . . . . .	167,477	46.8	289,626	41.5	204,238	48.9	243,424	50.1
<b>Total . . . . .</b>	<b>357,607</b>	<b>100.0</b>	<b>697,060</b>	<b>100.0</b>	<b>417,478</b>	<b>100.0</b>	<b>485,821</b>	<b>100.0</b>

## OUR PRODUCT OFFERINGS

Over the years, we have developed various high-quality models of smart home EV chargers and accessories catering to customer’s EV charging needs. We manufacture our smart home EV chargers either for sales by automakers as part of their vehicles sold to their customers, or under our own brand sold to users through our self-operated retail channels and third-party distributors. Based on our deep understanding of automakers’ specifications, we are capable of customizing our smart home EV chargers to specific requirements. Substantially all of our revenues generated from our product offerings were derived from sales of smart home EV chargers during the Track Record Period.



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### Smart Home EV Chargers


Our smart home EV chargers are designed to make home charging convenient, efficient and safe. Catering to household charging needs, these smart home EV chargers are compact, easy to install and use, and compatible with all major models of EVs. They offer a range of charging modes, all of which can be controlled via mobile apps for real-time monitoring and management around the clock.

Safety drives our product design process. Thus, we equip our smart home EV chargers with charging protection and features that enable our users to monitor, review and analyze the household’s electricity usage environment, providing timely warnings for any abnormalities and improving overall usage efficiency.




Our smart home EV chargers are also digitally smart — they offer users detailed charging records and data analysis, helping users understand their charging habits and plan for charging activities more efficiently.

For smart home EV chargers ordered by automakers, we provide customized functions and designs tailored based on their specific needs. For example, we customized functions to several of our key customers, including but not limited to those that allow users to open the charger cover with a single touch via Bluetooth, enhancing user convenience; and that provide real-time updates on the battery level while the EV is charging, keeping users informed about the charging progress.

The following table sets forth our major smart home EV chargers and their key parameters and functions.

Product Picture	Product Name	Parameters	Functions	Suggested Retail Price Range
	Pioneer (開拓者)	<ul style="list-style-type: none"> <li>Chinese standard</li> <li>Dimensions: 310 mm * 210 mm * 90 mm</li> <li>Normal working environment temperature: -20°C~50°C</li> <li>Rated input AC voltage: 220/380V</li> <li>Rated input/output current: 32A</li> <li>Output power: 11/22 kw</li> </ul>	<ul style="list-style-type: none"> <li>App smart control, real-time grasp of charging status</li> <li>Customizable personal panel</li> <li>Scheduled charging/Bluetooth charging/remote charging</li> <li>WIFI connection</li> <li>Charging protection</li> <li>Anti-theft mode</li> <li>Plug and charge mode</li> <li>Audio reminder</li> </ul>	RMB4,398

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Product Picture	Product Name	Parameters	Functions	Suggested Retail Price Range
	Guardian (守護者)	<ul style="list-style-type: none"> <li>Chinese/European standards</li> <li>Dimensions: 310 mm * 214 mm * 90 mm</li> <li>Normal working environment temperature: -20°C~55°C</li> <li>Rated input AC voltage: 220V</li> <li>Rated input/output current: 16/32A</li> <li>Output power: 7 kw</li> </ul>	<ul style="list-style-type: none"> <li>System online update</li> <li>Bluetooth charging</li> <li>WIFI connection</li> </ul>	RMB1,998 – RMB2,319
	King Kong (金剛)	<ul style="list-style-type: none"> <li>Chinese/U.S./European standards</li> <li>Dimensions: 420 mm * 251 mm * 145 mm</li> <li>Normal working environment temperature: -40°C~66°C</li> <li>Rated input AC voltage: 165~265V</li> <li>Rated input/output current: 16/32A</li> <li>Output power: 7 kw</li> </ul>	<ul style="list-style-type: none"> <li>System online update</li> <li>Bluetooth charging</li> <li>WIFI connection</li> </ul>	RMB2,799
	Challenger (挑戰者)	<ul style="list-style-type: none"> <li>Chinese standard</li> <li>Dimensions: 310 mm * 214 mm * 90 mm</li> <li>Normal working environment temperature: -20°C~55°C</li> <li>Rated input AC voltage: 220V</li> <li>Rated input/output current: 16/32A</li> <li>Output power: 7 kw</li> </ul>	<ul style="list-style-type: none"> <li>System online update</li> <li>Bluetooth charging</li> <li>WIFI connection</li> </ul>	RMB2,132 – RMB2,399

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### EV Charging Accessories

In addition to smart home EV chargers, we also offer accessories that enhances EV charging experience or support the smart home EV charger installation. Our EV charging accessories mainly include portable EV chargers designed to charge EVs through regular power plugs when stationed EV chargers are not available, which are perfectly adaptable to our users’ diversified travel needs. These EV chargers are portable and durable, engineered to be easy to carry around, and are capable of withstanding different outdoor weather conditions that users may encounter during their travels. They offer a variety of charging modes and safety features. As a result, even when users are away from home, they can enjoy the same level of convenience, efficiency, safety, and a more personalized charging experience.

The following pictures illustrate our portable EV chargers.



### EV Charging Robots

Besides our smart home EV chargers, we are developing and plan to offer in the future a series of products that we believe will enable us to continue lead the industry development and meet consumers’ needs for EV charging and beyond, such as our EV charging robots.

The following pictures illustrate the prototypes of our EV charging robots, which have not commenced mass production yet.



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We believe that these autonomous and mobile charging robots represent a significant advancement in charging technology. These robots are engineered to be able to intelligently locate a user’s vehicle and initiate the charging process autonomously, providing a charging solution to situations where manual operations may not be feasible or desirable such as in an automated parking lot. In the design of our charging robots, we not only maintain the standard functions consistent with our smart home EV charger products, but also introduce their own unique features, including the visual positioning capacity which is capable of accurately locating the vehicle and the charging connector, as well as the automatic connection feature that enables the charging robot to grasp the charging gun and connect it automatically to the vehicle.

### OUR VALUE-ADDED SERVICE OFFERINGS

As part of our integrated EV charging solutions and complementary to our products, we offer value-added services to users to help them to unlock the full potential of our product offerings. Such value-added service offerings include EV charger installation and after-sales services provided through third-party service providers connected through our digital platform. Through service providers, we assist users in effortlessly setting up and maintaining their smart home EV chargers. In addition, we also provide a growing range of digital home energy management services, which encompass data analytics, safe charging, and other digital functions that enable users to manage their daily EV charging and home energy management needs more effectively. These services also include providing users with community shared charging through our apps and mini-program. During the Track Record Period, substantially all of the revenues we generated from value-added services were derived from providing users with EV charger installation and after-sales services.

#### EV Charger Installation and After-Sales Services

After users place an installation and after-sales service order and upon product delivery, our digital platform will assign a third-party service provider to fulfill the installation and after-sales service order. These third-party installation professionals will then be swiftly dispatched to contact users for on-site installation. Depending on where they purchased our smart home EV chargers, users can either place an installation and after-sales service order through the automakers, distributors or directly with us. In case of any product malfunction, our service providers will be available to provide prompt on-site inspection and repair services. We also offer a 24/7, year-round service hotline to all of our users, where our dedicated customer support staff is prepared to assist our users with any inquiries or issues they may have with their EV chargers.

## BUSINESS

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During the Track Record Period, we had fulfilled 0.6 million installation and after-sales tasks. We charge our users for installation and after-sales services by each installation and after-sales order, and the price may vary depending on the installation difficulty and complexity. After-sales services are generally included in our product warranty and we generally do not charge for repair and other maintenance services provided to users within the warranty period.

Our digital platform connected over 140 third-party installation and after-sales service providers serving over 360 cities in China as of September 30, 2023. Through this vast network, we offer users localized and high-quality on-site services. In delivery of our value-added services, our service providers are required to uphold high standards of service quality in accordance with our uniform management guidelines. The key advantages of our installation and after-sales services include:

- *Robust quality control.* We are committed to using high quality materials and adhere to professional, standardized installation techniques.
- *Rigorous audit management.* Our advanced intelligent service order management system allows us to conduct over 40 different installation audits.
- *Efficient process oversight.* We maintain a comprehensive digital record of all installation details, enabling real-time tracking of installation progress and the traceability of post-sales quality assurance.
- *Extensive network coverage.* As of September 30, 2023, we connected over 140 third-party installation and after-sales service providers serving over 360 cities in China.

We pride ourselves in our efficient communications, transparent pricing, and professionalism throughout the EV charger installation process. The third-party service providers connected via our digital platform are required to obtain all required qualifications to install EV chargers on residential properties. Our seamless installation and after-sales services include the following steps:

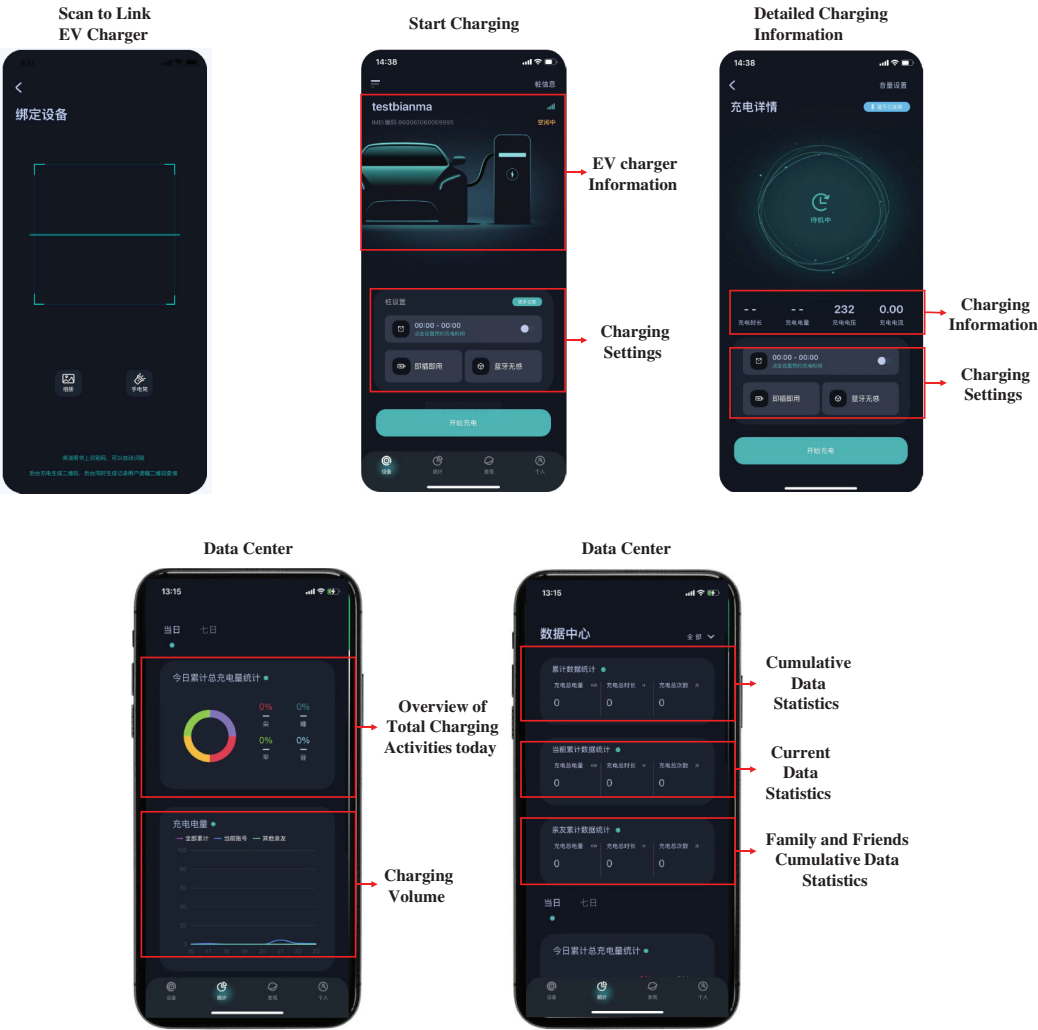
- *Efficient scheduling.* Upon installation order placement, our customer service team will proactively reach out within 48 hours to verify installation conditions and, if met, schedule an on-site appointment.
- *Proactive communications.* We facilitate early discussions between users and property management regarding installation permissions, the power capacity of the charging station, and the necessary qualification materials required.
- *Electric meter application.* We assist users in the application for an electric meter from the power company, facilitating the preparation of necessary documentation including proof of parking space usage, identity verification, property certification, and construction permission. The installation of the electric meter is carried out by the power company or a designated third party.

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- *Professional installation.* Our installation professionals prepare a comprehensive breakdown of all potential fees for users’ review and commence work after users’ confirmation. After the installation, we conduct a thorough electricity test to ensure optimal operation.

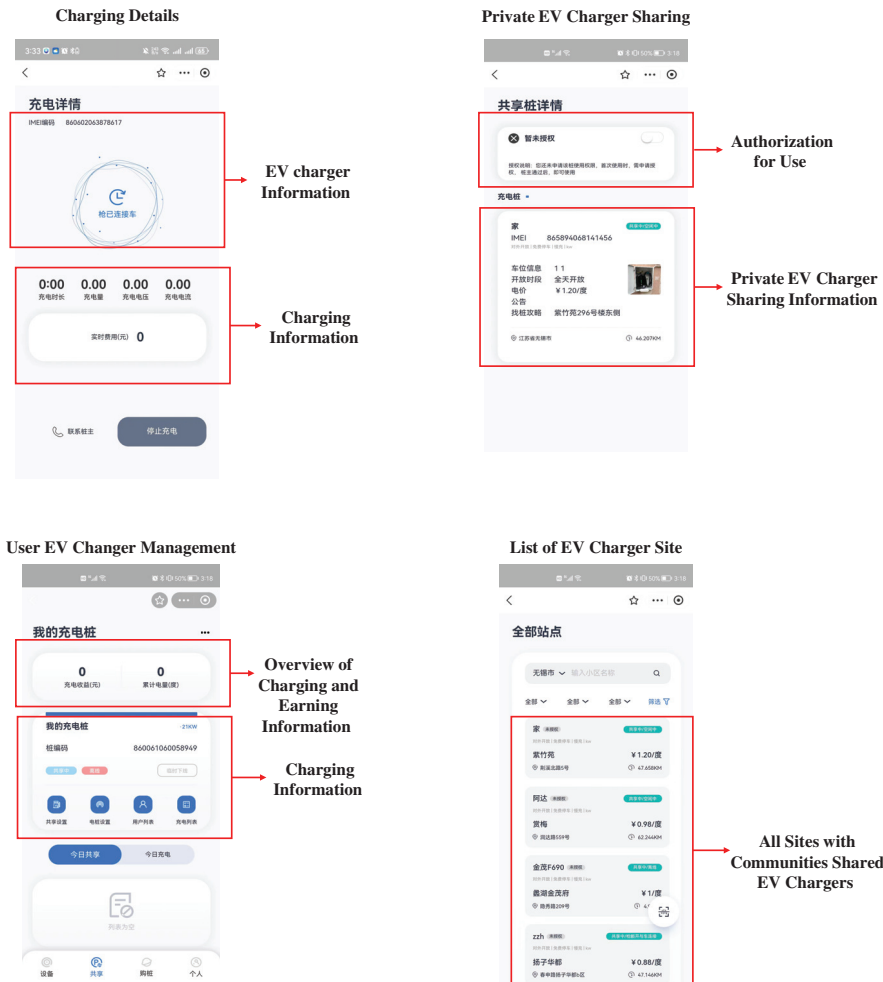
Digital Home Energy Management Services

We offer a growing matrix of services designed to digitally transform EV charging and home energy management. These digital services allow users to remotely monitor, review and control EV charging activities, as well as to locate and charge their vehicles through publicly available EV chargers. We currently provide our digital home energy management solutions mainly through our Zhida App and Alipay mini-program. The following screenshots show the interfaces and main functions of our Zhida App and Alipay mini-program.



Zhida App

## BUSINESS



### Alipay Mini-Program

Our user-facing Zhida App is designed to ensure users enjoy the convenience and efficiency in managing their energy needs:

- Home charging control.** We support a variety of customizable charging modes such as plug-and-play, anti-theft charging, and scheduled charging, along with a Bluetooth-based seamless offline mode. These settings empower users to tailor their charging process to fit their individual needs and preferences. In addition, safety is paramount to EV charging at home, and we are vigilant in monitoring and analyzing the electrical environment to identify and eliminate any potential hazards and safety risks by providing timely warnings for all types of anomalies to users. We currently do not charge our users for the use of our home charging control services.
- Community shared charging.** We allow users to share their own EV charging chargers with friends and neighbors, thus fostering a collaborative and supportive network that further promotes the use of our smart home EV chargers and energy management services. In addition, we operate EV charging stations for public's use and provide users, through our app and mini-program, with relevant information of nearby charging facilities, real-time charging availability, charging costs, and estimated charging durations, ensuring



## **BUSINESS**

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a seamless and efficient charging experience. We currently do not charge our users for the use of our family and neighbor sharing services, and we charge our users service fees for the use of the public charging stations operated by us.

In providing these home energy management services, our app and mini-program are capable of meticulously recording every charging transaction to offer users a clear and comprehensive view of the charging data. In particular, our app and mini-program provide multi-dimensional analysis of charging patterns, including peak and off-peak charging periods, enabling users to devise more efficient and rational charging plans.

In addition, we have been constantly advancing the development of core technologies in the V2H field, which we believe will position us to reshape household energy management for tens of millions of families in the future. We believe that our digital energy management technology will equip our smart home EV chargers with V2H charging and discharging capabilities. In the future, as our V2H and other energy technologies continue to advance, we will further enrich our service portfolios through upgrades to our existing platform-based services, including home charging control and community shared charging, and in the long run, through introduction of new energy management services including facilitation of electricity trading and carbon credits aggregation.

### **OUR DIGITAL PLATFORM**

To seamlessly integrate our products and services and provide users with a one-stop digital home energy management solution, we have built and are continuously developing a digital platform that not only supports EV charger installation and community shared charging, but also turns our smart home EV chargers into the gateway to a growing array of digital home energy management services. Through deployment of reliable third-party service providers through this digital platform, we ensure the timely accessibility and sharing of information by and among us, automakers, users, and service providers, which significantly enhances service quality and efficiency. Leveraging platform-supported community shared charging service, we enable users to locate available EV chargers with ease and promote the sharing of charging resources, thereby optimizing the efficient use of existing infrastructure and contributing to a sustainable EV ecosystem. Our digital platform is strictly segregated for China and overseas markets in compliance with relevant laws and regulations in data security and privacy protection.

In the long run, besides supporting home charging control and community shared charging as we currently provide to our users mainly through Zhida App and Alipay mini-program, this digital platform will also serve as the essential hub and gateway for the collection, processing, and analysis of relevant data that serve as the soil for the development of additional digital home energy management services. Essentially, this platform fosters an interactive V2H/V2E ecosystem that is powered by IoT technologies and is centered around and connects our smart home EV chargers with the vehicles and homes they serve. By controlling and managing the use of our smart home EV chargers, users benefit from the digital transformation of digital home energy management that incorporates an expanding range of technology-driven features such as intelligent charging and discharging setups, real-time energy analysis, instant alerts, remote operation, and energy consumption scheduling.

## BUSINESS

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### **Installation and After-sales Service Provider Dispatch and Monitoring**

Through our digital platform, we connect with third-party service providers and empower our service network through a centralized dispatch and monitoring system. This system is operated on two distinct ends — the service provider end and the administration end. With this end-to-end management approach, we are capable of delivering high-quality services consistently across the markets we serve.

The service provider end operates via both a web-based terminal and an application-based terminal. The web-based terminal is primarily designed to facilitate effective management for service providers. The application-based terminal has some overlapping functions as the web-based terminal, while it is also tailored to maximize the convenience of installation professionals who work for the service providers, enabling efficient usage while on the move.

Our administration end serves a different purpose. It aids us in overseeing the installation and after-sales service and all its participants in a comprehensive manner, ensuring smooth operation and coordination.

#### ***Service Provider End***

This system empowers service providers to manage their installation professionals effectively. It provides order management tools that assist in tracking and handling orders, including delegating tasks to specific installation professionals, monitoring installation process, managing order confirmations and overseeing service quality surveys. The system features a to-do list, aiding service providers in enhancing their service delivery and operational efficiency.

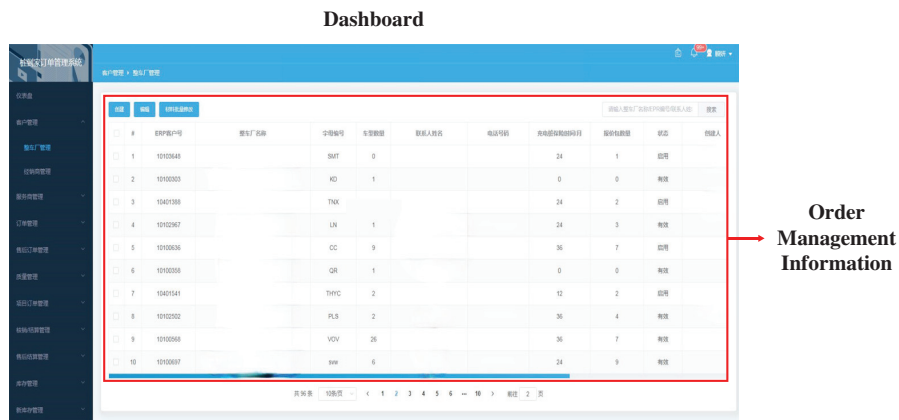
#### ***Administration End***

Our digital dispatch and monitoring system serves as an indispensable instrument for managing orders and fostering customer relationships. It enables us to oversee the capacity of service providers, and to gather and summarize orders from various sources, including automakers, distributors, and e-commerce platforms. It allows us to keep track of the various service providers we work with, verify their qualification, monitor their performance, and ensure they meet our standards of service. The system generates a monthly evaluation report for each service provider, which is differentiated based on the service provider’s distinct profile and geographical area. The system also facilitates communication between us and the service providers by streamlining the management of order details, making it easy to provide feedback, address issues, and ensure that our users receive the best possible service. The following screenshots show the service provider management summary page.

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The system is also designed to collect, process, and analyze data and information that are relevant to our business partners, such as automakers and distributors, and ultimately the households they serve. It provides a centralized platform for managing installation orders from these business partners, as well as from users from e-commerce platforms, by summarizing order details, tracking order progress, and facilitating communications between all parties involved. The following screenshot shows the customer management page of automakers from the administration end.





## BUSINESS

回到家庭服务平台

仪表盘

运营看板

移动端管理

充电桩管理

客户管理

订单管理

财务分析

电站分析

充电桩运营管理

充电桩报表

开票管理

运营电站统计

开票订单流水

站点运营

活动管理

服务和反馈

系统管理

电站分析

运营类别

请选择

运营商名称

请选择

电站名称

请选择

筛选

时间范围

起

开始日期

结束日期

☐ 显示环比

☐ 显示同比

环比

同比

环比

同比

电站名称	开始时间	结束时间	无订单桩数量	有订单桩数量	桩日均订单量	平均订单电量	平均订单时长	操作
保利御樟苑	2023-12-11 环比	2023-10-31 同比	2023-12-11 环比	2023-11-30 同比	0 环比: 0% 同比: 0%	3 环比: 100.00% 同比: 100.00%	8.10 环比: 10.38 -21.97% 同比: 9562.12 -64.53%	详情
祥和花园	2023-12-11 环比	2023-11-17 同比	2023-12-14 环比	2023-11-30 同比	0 环比: 0% 同比: 0%	29 环比: 13.04% 同比: 13.04%	14.57 环比: 15.05 -3.19% 同比: 4263.39 -75.11%	详情
康城人才公寓(地下)	2023-09-01 同比	2023-08-01 同比	2023-09-28 环比	2023-08-26 环比	4 环比: 4% 同比: 4%	0.20 环比: 0.22 -9.09% 同比: 25.63 +210.66%	2097.58 环比: 675.20 +210.66%	详情
保利御樟苑	2023-05-18 环比	2023-05-10 同比	2023-05-25 环比	2023-05-17 同比	0 环比: 0% 同比: 0%	3 环比: 3% 同比: 3%	9.16 环比: 11.45 -23.0% 同比: 341.00 -32.75%	详情
德福苑1	2023-05-01 环比	2023-04-21 同比	2023-05-10 环比	2023-04-30 同比	5 环比: 2% 同比: 150.00%	13 环比: 16% 同比: 18.75%	18.15 环比: 16.07 +12.94% 同比: 549.82 +24.87%	详情
湖和苑苑1	2023-05-01 同比	2023-04-01 同比	2023-05-10 环比	2023-04-10 环比	8 环比: 8% 同比: 11.11%	0.15 环比: 0.29 -46.29% 同比: 27.73 +14.07%	653.50 环比: 595.54 +9.73%	详情
福祥苑1	2023-05-01 同比	2023-04-01 同比	2023-05-10 环比	2023-04-10 环比	0 环比: 0% 同比: 0%	18 环比: 18% 同比: 12.2%	13.21 环比: 13.63 -3.08% 同比: 569.50 +6.27%	详情

Charging Information for Each Charging Station

Charging Information for Each Charging Station

The following screenshots show the EV charger station management page.

充电桩充电服务平台

仪表盘

运营商管理

移动端管理

充电管理

电站管理

充电桩管理

充电桩型号管理

电表总表

客户管理

订单管理

财务管理

活动管理

服务和反馈

系统管理

电站管理

运营类别

自运营

运营状态

运营中

新增

重置

运营商名称

掌达科技

电站编号

请输入内容

电站状态

请选择

合同有效期

请选择

高线比例

请选择

电站搜索

请输入名字或地址

户号

请输入内容

结算状态

请选择

新建(3小时更新)

新增

编辑

电表导出

电站导出

	电站ID	电站名称	充电桩数量	高线桩数量	高线桩比例%	故障桩数量	充电桩	操作
<input type="checkbox"/>	1	ST142090531053	樟树小区	15	0	0	33462.489	<div>查看</div> <div>订单</div> <div>充电桩</div> <div>电表</div> <div>分线</div> <div>合同</div> <div>删除</div>
<input type="checkbox"/>	2	ST1620288816985	东方花园三期	19	0	0	49410.06	<div>查看</div> <div>订单</div> <div>充电桩</div> <div>电表</div> <div>分线</div> <div>合同</div> <div>删除</div>
<input type="checkbox"/>	3	ST1620267537083	湖景苑二期	15	0	0	47290.425	<div>查看</div> <div>订单</div> <div>充电桩</div> <div>电表</div> <div>分线</div> <div>合同</div> <div>删除</div>
<input type="checkbox"/>	4	ST1617330628959	东莞新天地北区	9	0	0	37980.728	<div>查看</div> <div>订单</div> <div>充电桩</div> <div>电表</div> <div>分线</div> <div>合同</div> <div>删除</div>
<input type="checkbox"/>	5	ST1617329763903	瑞园新村	8	0	0	15749.907	<div>查看</div> <div>订单</div> <div>充电桩</div> <div>电表</div> <div>分线</div> <div>合同</div> <div>删除</div>

Charging Station Search

Charging Station Operational Information

Charging Station Search

Charging Station Operational Information

The following screenshots show the public charging order management page.

充电桩充电服务平台

仪表盘

运营商管理

移动端管理

充电管理

客户管理

订单管理

订单管理

点位订单管理

财务管理

活动管理

服务和投诉

系统管理

订单管理

运营类别

请选择

手机号

请输入内容

订单类型

请选择

订单属性

请选择

支付状态

请选择

电站

请选择

桩型号

请输入内容

软件版本

请输入内容

充电桩IMEI码

请输入内容

运营商名称

擎达科技

搜索

重置

订单编号

请输入内容

导出

订单状态

请选择

用户评价

请选择

充电桩类型

公桩

系统时间

2024-02-18 00:00 - 2024-02-18 23:59

厂商标识

请输入内容

充电时间

开始日期 - 结束日期

开单状态

请选择

运营类别

站点

充电桩IMEI码

订单编号

用户手机号

操作

自运营

保利御樟苑

863412047064996

CD170824505507122Qa

详情

自运营

启德兰三期

863412042553977

CD1708245002689dLS

详情

自运营

卓萃二村

861529048747402

CD1708245001660bocS

详情

Order Search

Charging Station Order Information

Order Search

Charging Station Order Information

## BUSINESS

### BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We had achieved sustained business growth but were loss-making during the Track Record Period. The following table sets forth certain financial data during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	RMB	RMB	RMB	RMB
	(unaudited)			
	(in thousands, except for percentages)			
Revenue . . . . .	357,607	697,060	417,478	485,821
Gross profit . . . . .	94,308	142,074	90,166	105,875
Gross profit margin . . . . .	26.4%	20.4%	21.6%	21.8%
Net loss . . . . .	(23,322)	(25,147)	(28,589)	(26,560)
Net loss margin . . . . .	(6.5)%	(3.6)%	(6.8)%	(5.5)%
Net cash (used in)/generated from operations . . . . .	(96,388)	(133,215)	(37,808)	21,498

#### Reasons for Historical Loss

Our net losses incurred during the Track Record Period were primarily attributable to the following reasons:

- *Gross profit margin fluctuations influenced by market dynamics.* Our gross profit was RMB94.3 million, RMB142.1 million, RMB90.2 million and RMB105.9 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. Our gross profit margin was 26.4%, 20.4%, 21.6% and 21.8% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. The fluctuations in gross profit margin were impacted by various market dynamics during the Track Record Period. According to Frost & Sullivan, gross profit margins associated with sales to automakers tend to be lower due to their relatively strong bargaining power, compared to direct sales to retail customers and sales through distributors. This mainly resulted from leading automakers’ ability to negotiate for lower prices due to their substantial purchase amounts and overall industry influence. In contrast, we charge a higher price in direct retail sales, demonstrating the potential to improve our overall profitability through expanding our reach to end users. To a lesser extent, we also charge a higher price in sales to distributors compared with sales to automakers despite the need to incentivize distributors by selling at a discount from the retail price. With that being said, direct sales to retail customers eliminate the need for a “middleman” and reduce our reliance on sales to automakers, allowing us to maximize gross margin. Geographically, substantially all of our sales during the Track Record Period were generated domestically. The competitive landscape in China compelled us to keep our prices competitive to maintain our market share.

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## BUSINESS

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- *Increased cost of sales and operating expenses.* Our financial performance during the Track Record Period was also affected by increased costs and expenses, both in terms of cost of sales and operating expenses. Our cost of sales amounted to RMB263.3 million, RMB555.0 million, RMB327.3 million and RMB379.9 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively, representing 73.6%, 79.6%, 78.4% and 78.2% of our revenues during the same periods. Our operating expenses amounted to RMB93.0 million, RMB155.4 million, RMB113.3 million and RMB138.8 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively, representing 26.0%, 22.3%, 27.0% and 28.6% of our revenues during the same periods. Such costs and expenses were mainly driven by the increase in sales volume of EV chargers and installation and after-sales services in line with our business growth and the increase in our team size to support our continued growth. Concurrently, we also incurred increased operating expenses, including expenses related to selling, administrative, and research and development activities. The selling expenses were primarily driven by our continued efforts in expanding our sales and distribution channels as well as our after-sales customer support efforts, which led to increased promotional expenses and compensations to customer support staff. The increased administrative expenses were largely due to the growth of our team size and the costs in relation to capital raising activities. Last but not least, the increased research and development expenses were attributed to our continuous investment in research and development activities in relation to the design and production of high-quality products and innovative services that meet the evolving demand of our customers and users. These costs, combined with increased cost of sales, limited our ability to achieve profitability during the Track Record Period.
- *Material finance costs in 2021.* Another factor contributing to our net losses during the Track Record Period, especially in 2021, was finance costs, many of which were not directly related to our business operations. Our finance costs amounted to RMB30.8 million, RMB14.3 million, RMB11.6 million and RMB7.5 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively, representing 8.6%, 2.1%, 2.8% and 1.5% of our revenues during the same periods. These costs consisted of (i) interest expense on lease liabilities, (ii) interest expenses on financial instruments with preferred rights at amortized cost and (iii) interest expense on borrowings. Lease liabilities and borrowings were necessary for us to finance our assets, while the interest expenses on financial instruments with preferred rights at amortized cost and restricted share repurchase obligations were a result of our equity financing transactions in the past.



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## BUSINESS

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### **Path to Profitability**

We are strategically navigating a robust path to profitability, anchored in a dynamic revenue model and rigorous cost management that allows us to maximize profitability within the burgeoning EV charging sector. We believe the strategy and the measure that we will take will support our sustainable growth and help us to achieve profitability in the near future. Specifically, we will focus our efforts to achieve profitability by (i) increasing our revenue while optimizing composition of our customer base and geographic coverage, and (ii) efficiently managing our costs and operating expenses.

### ***Rapid Revenue Growth Through Both Customer Base and Geographic Expansion***

#### *Steady Growth in EV Charger Sales to Domestic Automakers*

During the Track Record Period, our revenue from sales to automakers grew rapidly, reaching RMB142.7 million, RMB308.6 million, RMB152.1 million and RMB163.7 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively, representing 39.9%, 44.3%, 36.4% and 33.7% of our total revenue in the relevant year/period, respectively. Our future sales growth is expected to be supported by favorable industry trends. The sales volume of home EV chargers in China is expected to increase at a CAGR of 26.1% from 2022 to 2027, according to Frost & Sullivan. In addition to the overall industry growth, through our continued efforts in providing high-quality smart home EV chargers and reliable installation and after-sales services, we believe our long-term business relationship with automakers will continue to be fortified, which we expect will lead to a steady increase in the revenue from sales to leading automakers driven by their own EV sales growth. Although we will continue to step up our cost management efforts to make our production process more efficient and negotiate improved pricing terms for the production materials we source, we expect the cost saving will continue to be offset by the downward pressure to price our products for sales to leading Chinese automakers. As a result, we expect that our gross profit margin from sales to automakers will remain relatively stable in the near term, and with increased sales, the absolute amount of gross profit from such sales will continue to increase steadily and contribute to our ability to achieve operating profitability.

#### *Accelerated Growth in Retail EV Charger Sales*

During the Track Record Period, we were able to typically charge a higher price for retail sales compared with sales to retail customers such as automakers, which provided us with proven potential to improve our overall gross margin through expanding retail sales. During the Track Record Period, our average retail sale price is approximately double the average price we sell to automakers. Since 2020 when we first started our retail sales through e-commerce platforms in China, our retail sales have experienced significant growth. Our revenue from retail sales increased from RMB31.5 million in 2021 to RMB53.7 million in 2022, representing 8.8% and 7.7% of our total revenue, respectively. In the nine months ended September 30, 2022 and 2023, our revenue from retail sales further increased from RMB32.2 million to RMB38.9 million, representing 7.7% and 8.0% of our total revenue during the relevant periods, respectively. As we continue to build our brand through effective marketing and distribution efforts, we expect the growth of our retail sales will continue to accelerate, which will not only contribute to our rapid revenue growth but also improve our overall gross profit margin.

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## BUSINESS

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### *Rapid Expansion in Overseas Markets*

We witness tremendous opportunities in overseas markets, especially those with increasing sales of EVs. From 2018 to 2022, the sales volume of home EV chargers globally grew at a CAGR of 58.9%, and from 2022 to 2027, the sales volume of home EV chargers is expected to continue its high growth at a CAGR of 33.9%, according to Frost & Sullivan. To capitalize on these attractive market opportunities and the higher selling price in the overseas markets in general, we have in the past expanded, and plan to continue to expand, our global presence, and enhance overseas consumers’ brand awareness, including building robust and localized overseas manufacturing capabilities, establishing effective overseas sales and marketing network, enhancing international supply chain, and establishing an overseas installation and after-sales platform and network to provide professional, localized installation and after-sales services for EV chargers. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

During the Track Record Period, our overseas revenue mainly included sales of EV chargers made for Chinese automakers in conformity with overseas product specifications in connection with sales of their EVs to overseas market. Such overseas revenue amounted to RMB8.1 million, RMB12.9 million, RMB4.7 million and RMB47.7 million in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively, representing 2.3%, 1.9%, 1.1% and 9.8% of our total revenue in the relevant year/period, respectively.

As we continue our overseas expansion efforts, we expect our overseas revenue growth to accelerate. In 2024, we expect our overseas revenue growth to continue to be driven by increased sales to Chinese automakers in conjunction with their overseas expansion, and to a lesser extent, driven by sales of our new smart charging hardware products which are scheduled to be mass produced and commercialized in 2024. In addition, with the establishment of our Thailand manufacturing facilities which has a designed production capacity of 216.0 thousand EV chargers per year, we are positioned to rapidly ramp up our overseas sales in 2024.

The EV chargers sold to overseas markets also have higher average selling price than other made for domestic sales. During the Track Record Period, our EV charger sales to Chinese automakers for overseas use generally commanded an average selling price that was around 18.3% higher than that of similar EV chargers made for domestic sales to automakers, which we believe has additional potential for further increase as we scale and diversify our sales channels in more overseas markets. Therefore, as our revenue from overseas sales continue to increase and our sales channels in overseas market become more diversified, we expect our overall gross profit margin to further improve through higher selling price in the overseas markets in general.

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### *Efficient Management of Operating Expenses*

#### *Research and Development Expenses*

During the Track Record Period, our research and development expenses steadily grew with our revenue in absolute amounts. In 2021 and 2022, our research and development expenses represented 7.1% and 4.9% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our research and development expenses represented 5.9% and 5.5% of our revenue, respectively. We plan to continue to increase our research and development expenses, in proportion to our accelerated revenue growth. However, we plan to prioritize technological innovations in selected areas of EV charging technology and digital energy management. In addition, we will strategically shift R&D talents recruitment to and opening R&D centers in lower-cost regions in China outside of our headquarters in Shanghai, thus ensuring a balanced approach between cutting-edge technology development and cost management. As a result, we expect that our research and development expenses as a percentage of total revenue will further decrease as our revenue increases in the long run, contributing to our ability to achieve and maintain sustainable profitability.

#### *Sales and Marketing Expenses*

During the Track Record Period, our selling and marketing expenditures emerged as the predominant component of our operational costs. Substantial investments in sales and marketing were made to bolster our brand recognition and reputation, thereby securing and solidifying our competitive edge. In 2021 and 2022, our sales and marketing expenses represented 9.2% and 9.7% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our sales and marketing expenses represented 11.5% and 13.4% of our revenue, respectively. Our efforts in sales and marketing have yielded significant dividends, manifested by our increased sales and market share expansion, especially in the retail as well as overseas market. Looking ahead, we are committed to rigorously assessing the impact and efficiency of our sales and marketing strategies and expenditures, including streamlining our sales and marketing as well as customer support personnel through digital transformation initiatives which we believe will vastly increase their productivity while allowing us to maintain a healthy sales and marketing headcount.

#### *General and Administrative Expenses*

During the Track Record Period, our administrative expenses as a percentage of our revenue generally decreases as our revenue increases. In 2021 and 2022, our administrative expenses represented 9.8% and 7.7% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our general and administrative expenses represented 9.7% and 9.7% of our revenue, respectively. Looking ahead, we anticipate a continued decrease in general and administrative expenses as a percentage of revenue. This expectation is grounded in our strategic focus on achieving greater economies of scale, which will inherently drive operational efficiencies and reduce relative administrative costs. This effort will include our continued efforts to digitize our operations to improve our administrative personnel's efficiency and thereby the scalability of our operations.

### **Working Capital**

As of September 30, 2023, we had RMB227.7 million in cash and cash equivalents. Taking into account the estimated net [REDACTED] from the [REDACTED], cash and cash equivalents on hand, available banking facilities and cash flows from our operations, the Directors believe that our Group has sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

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For details, see “Financial Information — Liquidity and Capital Resources — Working Capital.”

### MANUFACTURING AND SUPPLY CHAIN

#### Raw Materials Procurements

Prior to entering into supply agreements with our raw material suppliers, we perform background checks on the operating history, track record and market reputation of a list of potential suppliers, procure different product samples from the potential suppliers for inspection and testing by our quality management department, conduct site visits and examine the production facilities of the potential suppliers to help ensure that the suppliers that we select meet our quality requirements. As we expand our manufacturing capabilities overseas, we aim to establish our overseas supply chain to better support the localized production of our products in a cost-effective manner.

Our suppliers are obligated to adhere to our stringent quality control standards for their products and production processes. We reserve the right to conduct on-site inspections at our suppliers’ premises to monitor their compliance with agreed-upon quality assurance measures. These audits may take the form of system, process, or product evaluations. In addition to on-site audits, we also perform off-site information assessments to evaluate our suppliers’ performance. We require traceability of raw material supplies from our principal suppliers, ensuring transparency and accountability in our supply chain.

Upon receipt of supplies, we conduct inspections and examinations. Based on the results of these inspections, we retain the right to reject or return any supplies that do not meet our quality standards. This rigorous approach to quality control extends to every aspect of our operations, ensuring that our products consistently meet the highest quality benchmarks. For details, see “Suppliers.”

To manage the fluctuation of raw material prices, we have maintained a diversified supplier pool. We also closely monitor market trends and adjust our procurement strategy accordingly to mitigate the impact of price volatility. We engage in proactive dialogue with raw material suppliers, advocating for price stability or minimal increases where possible. In addition, we collaborate with our research and development department to implement engineering changes that allow for the substitution of high-cost, long lead-time raw materials with comparable alternatives.

In the event of a shortage or delay in the supply of raw materials, we have contingency plans in place to ensure minimal disruption to our operations, including maintaining a strategic reserve of essential raw materials and having alternative suppliers on standby. We also track the supply of raw materials and identify potential shortages or delays in advance, which allows us to take proactive measures such as adjusting our production schedules, sourcing from alternative suppliers, or tapping into our strategic reserves. In addition, we maintain strong relationships with our suppliers and work closely with them to manage supply chain risks. We communicate with our suppliers to understand their supply capacity and any potential issues that may affect supply. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material fluctuations of raw material prices nor any material shortage or delay in the supply of raw materials.

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### EV Charger Manufacturing Process

We manufacture our smart home EV chargers and accessories through our self-operated manufacturing facilities. Our integrated production process increases our production efficiency and reduces our dependence on manual labor. We believe that this vertical integration also enables us to adjust our production quickly to respond to changes in market demand for our products. We ensure quality and reliability by developing and producing core components in-house. We believe that our self-developed techniques and active participation in manufacturing equipment development result in innovative, cost-effective, and replicable solutions.

Our principal manufacturing facilities are located in Anhui Province, China, with an aggregate GFA of approximately 38,000 sq.m., which are primarily used for the production of smart home EV chargers and accessories. Since the initial establishment of our manufacturing facilities in Xuancheng city and Anqing city in Anhui, we have been continuously investing in upgrading our equipment and production lines to increase their efficiency, including by establishing an surface-mount technology (“SMT”) and dual in-line package (“DIP”) production line which adopted leading technologies such as the latest Panasonic mounters and printers for ensuring top-quality production. Outside of China, leveraging our success and know-how in building and operating our factories in China, we initiated the preparation work for our factory in Thailand in September 2023, which is scheduled to commence operations in the second quarter of 2024. Our Thailand factory has a designed production capacity of 216.0 thousand EV chargers per year, and we intend to continue to upgrade and expand its production lines depending on the market demand for our products.

The following table sets forth the production capacity, actual production volume and utilization rate in our manufacturing facilities during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,
	2021	2022	2023
<b>EV Chargers</b>			
Designed production capacity (units) <sup>(1)</sup> . . . . .	216,000	417,600	451,200
Actual production volume (units) . . . . .	201,540	535,235	259,315
Utilization rate <sup>(2)</sup> . . . . .	93.3%	128.2%	57.5%

*Notes:*

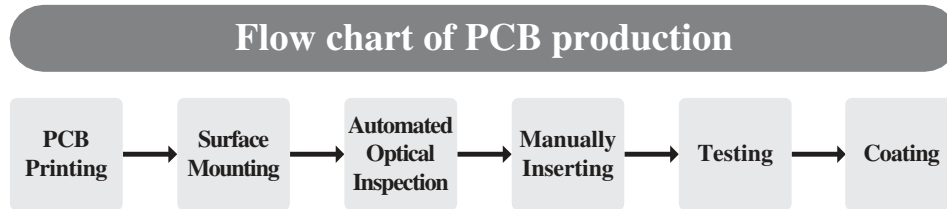
(1) Production capacity based on one eight hour shift per day.

(2) Utilization rate equals actual production volume divided by designed production capacity.

The fluctuations of our production utilization rates during the Track Record Period was mainly due to the fluctuations of market demands for our smart home EV chargers as well as expansion of our manufacturing facilities. Our utilization rate in 2022 reached 128.2% because of the significant increase in the demand of our smart home EV chargers during the period where we, on an ad hoc basis, added production shifts beyond our designed one eight-hour daily shift to meet the production demand. Our utilization rate in the nine months ended September 30, 2023 decreased to 57.5%, primarily because our second production base in Anqing commenced operations in May 2022, resulting in increased designed production capacity, which was constructed in response to the increased market demands for our products.

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The following flow chart illustrate the main steps of our production process for printed circuit board assembly, the core component of our smart home EV chargers.



Our production process flow of PCBs consists of a proprietary, meticulous and sophisticated procedure that ensures the functionality and reliability of these essential components in our smart home EV chargers. The process begins with PCB printing, where the circuit design is transferred onto the board, creating the foundational layout for component attachment. Following printing, the surface mounting stage involves the precise placement of electronic components onto the board’s surface. This step utilizes advanced machinery to accurately position and solder tiny components, allowing for the miniaturization of electronic devices.

After surface mounting, the boards undergo automated optical inspection. This critical quality assurance step uses high-resolution cameras to meticulously scan the PCBs for any potential defects in soldering or component placement, ensuring that any issues are identified and rectified early in the production process. The next stage involves manually inserting components that cannot be placed through surface mounting due to their size or the need for special handling. This manual insertion complements the automated processes, allowing for a broader range of components to be included in the PCBs.

Once the components are in place, the boards are subjected to various testing, including in-circuit testing and functional circuit testing, making sure that our PCBs meet the specified technical criteria and performance. The final step in the PCB production process is the application of a protective coating, safeguarding the board and its components from environmental factors such as moisture, dust, and chemical contaminants, thereby enhancing the PCB’s durability and lifespan.

All the steps in our production process are conducted in compliance with the requirements of TS16949 and ISO9001 quality system certifications, as well as the ISO45001 occupational health and safety management system certification. All of our manufacturing facilities have obtained the ISO14001 environmental management system certification. Our quality management department is committed to maintaining high standards of safety in our production facilities. Regular monitoring of temperature, humidity, differential pressure, and dust particle count is conducted to ensure our clean workshop complies with all applicable regulations and standards. Before any product batch is approved for sale, it undergoes rigorous sample inspection. Our quality management department closely reviews all documentation related to product quality, including batch records, production process records, and any other information that could impact product quality. Following a comprehensive review of all documents, a final



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decision is made on whether a specific product is fit for shipment. Any products that fail to meet our quality standards are either destroyed or disposed of in accordance with relevant environmental control requirements. This rigorous approach to quality control ensures that we consistently deliver safe and high-quality products to our customers. During the Track Record Period, we had not experienced any material or prolonged interruptions of our machinery due to equipment or machinery failure.

### **Inventory Management**

Our inventories consist of raw materials, work in progress, finished goods and goods in transit. Our products are generally sold on a first-in-first-out basis. To reduce the risk of inventory backlogs, we regularly review our inventory level. We also do regular physical inventory counts and stock checks to identify damaged products or expired or near expired products and to dispose of or stockpile these products. We manage our inventory level by monitoring in real time our production activities and sales orders and also taking into consideration any emerging trends through discussions with our sales and marketing department.

As of December 31, 2021 and 2022, and September 30, 2023, our inventories amounted to RMB95.2 million, RMB138.0 million and RMB124.5 million, respectively. The increase from December 31, 2021 to December 31, 2022 was primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022. The decrease from December 31, 2022 to September 30, 2023 was primarily due to the seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter. During the Track Record Period, we did not experience any material shortage of inventory.

Our quality management department and warehouse personnel work in tandem to ensure the quality of our raw materials and product inventory. The quality management department is tasked with inspecting and examining raw materials and products before they are accepted into inventory. The warehouse personnel play a crucial role in recording inventory to ensure the traceability of our raw materials and products. They are responsible for the regular storage, maintenance, and inspection of the inventory, as well as warehouse maintenance. Designated warehouse personnel conduct regular inspections of the inventory in accordance with the required storage and maintenance conditions of the relevant inventory.

### **Quality Control**

Our commitment to quality is embodied in our dedicated quality management department, which invests substantial resources into ensuring the superior quality of our products. This department, comprising 17 employees as of the Latest Practicable Date, is the primary entity responsible for quality management and supervision for the entire process from supply to production and further to inventory management. Our team has established a robust quality control system in compliance with applicable regulations and standards. They oversee all aspects of inspection, including the inspection of raw and auxiliary materials and finished products. The team is also tasked with organizing and implementing all forms of verification



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and validation and is responsible for the preparation and revision of various inspection procedures. Regular summarization of quality records and data analysis is conducted to ensure continuous improvement and adherence to our high-quality standards.

Our management team plays an active role in formulating quality control policies and overseeing our internal and external quality performance. They monitor our operations in real time throughout the entire development and production process to ensure compliance with the applicable regulatory and industry requirements.

## TECHNOLOGICAL RESEARCH AND PRODUCT DEVELOPMENT

We focus on developing innovative technologies to enhance our existing products and services and to develop new products and services. This include new products such as EV charging robots and smart charging hardware products as well as V2H and V2E technologies that will enhance the capabilities of our digital platform. For more details, please see “— Our Strategies — Upgrade Digital Platform to Foster Home Energy Management Ecosystem and — Accelerate Technological Innovation to Develop Smarter Products and Services” and “Future Plans and Use of [REDACTED].” We believe that our success has depended and will continue to depend to a large extent on our ability to develop new or improved products and services. Our R&D capabilities are proven by our portfolio of proprietary technologies and patents. As of September 30, 2023, we have built a portfolio of 124 patents and patent applications to protect our proprietary technologies and know-how. See “— Intellectual Property Rights” for details.

As of the Latest Practicable Date, we have a strong in-house R&D team of 128 members who mainly works on the development of our products and digital platform. We have entered into confidentiality and non-compete agreement with our key employees involved in our R&D activities, pursuant to which any intellectual property conceived and developed during their employment belongs to us and they waive all relevant rights or claims to such intellectual property.

Our product development process adheres to our internal standards. It begins with gathering the primary customer requirements from project managers and sales teams, followed by a thorough requirement analysis. The product development tasks are then distributed among software, hardware, and structural design teams. Our testing department conducts preliminary tests during the development phase. Post-development, we perform national standard tests in accordance with the China Quality Certification Centre guidelines. Once testing is complete, the product and the corresponding standard operating procedures files are transferred to the manufacturing facilities for production.

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The time required from developing to commercializing a new product varies by product and can be affected by various factors which may be beyond our control. We have undertaken extensive R&D activities, including the development of AC chargers, DC chargers and autonomous charging technology. Currently, our R&D activities are primarily based on the diverse requirements of automobile manufacturers, from which we derive a statement of requirements. These requirements are then broken down into multiple tasks and executed accordingly. Given our strength in EV charging research and development, we are able to work on these tasks concurrently, enhancing efficiency and reducing time-to-market. We incurred R&D expenses of RMB25.4 million, RMB34.1 million, RMB24.8 million and RMB26.9 million in 2021, 2022 and the nine months ended September 30, 2022 and 2023, respectively.

### **SALES AND MARKETING**

We promote the awareness of our products and brand through collaboration with automakers, operate online stores on a variety of e-commerce platforms and social media, and participating in summits, conferences and seminars in the EV charging industry.

Our core sales and marketing team consisted of an in-house team of 33 members with years of experience in sales and marketing as of the Latest Practicable Date. Our sales and marketing team tailors strategies and promotional activities to specific market conditions, including competitive landscapes and regulatory environments. They are tasked with fostering relationships within designated regions and channels and enhancing product awareness among customers and consumers. They work with our distributors to set up coordinated promotional and advertisement activities to send consistent message to the consumers and promote awareness of our products and brand. Our management team closely monitors sales activities and outcomes in major markets and sets sales and pricing policies for each market to ensure that we will maintain a strong market presence and continue to meet the needs of our customers.

We have established channels for product-related complaints. Our dedicated aftersales service team handles customer complaints and queries. Our customer service team investigates and analyzes the cause of issues raised by our customers. Quality-related issues are referred to relevant departments for resolution and corrective action. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material customer complaints or significant product recalls due to quality issues. We believe that this comprehensive approach ensures we maintain a high standard of customer service and product quality.

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### Our Diversified Sales and Distribution Channels

Our sales and distribution channels consist of direct sales and sales through distributors. Our direct sale channels comprise (i) sales to automakers, including automakers and related customers who enjoy substantially identical price terms as automakers, and (ii) sales to retail customers, mainly through online stores operated by us on major e-commerce platforms. In addition to direct sale channels, we also sell a small portion of our products through partnering with third-party distributors who purchase and resell our products to retail customers. With these diversified sales channels and networks, we are able to expand our user reach across different geographic markets with enhanced operational efficiency. According to Frost & Sullivan, direct sales and distribution are generally in line with the industry norms.

We have established a robust sales and distribution network, covering 104 cities in China as of September 30, 2023. As of the same date, we had contracted with 102 distributors.

The following table sets forth a breakdown of our revenues generated from sales of products in terms of direct sales and sales through distributors during the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
(unaudited)								
(in thousands, except for percentages)								
<b>By sales channel</b>								
<b>Sales of products</b>								
Direct sales . . . . .	174,216	48.7	362,280	52.0	184,327	44.2	202,609	41.7
Sales to automakers . . .	142,735	39.9	308,630	44.3	152,142	36.5	163,681	33.7
Retail sales . . . . .	31,481	8.8	53,650	7.7	32,185	7.7	38,928	8.0
Sales through distributors . .	15,914	4.5	45,154	6.5	28,913	6.9	39,788	8.2
<b>Provision of value-added</b>								
services . . . . .	167,477	46.8	289,626	41.5	204,238	48.9	243,424	50.1
<b>Total . . . . .</b>	<b>357,607</b>	<b>100.0</b>	<b>697,060</b>	<b>100.0</b>	<b>417,478</b>	<b>100.0</b>	<b>485,821</b>	<b>100.0</b>

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### Direct Sales

#### *Sales to Automakers*

Since our inception, we have fostered close partnerships with a growing, large base of leading automakers worldwide. We provide automakers with our smart home EV chargers and accessories directly to them, which empowers them to cater to the EV charging requirements of their end customers effectively. We provide automakers with the option to customize their smart home EV chargers to their needs, including both product functions and exterior designs. Our sales to automakers also include sales to their related customers, who were designated by automakers to purchase products from us on their behalf, or recommended by automakers to purchase products from us, enjoying substantially identical price terms as such automakers.

We typically enter into an agreement with automakers for sales of products and/or provisions of services. The key terms of the agreements primarily include:

Duration:	The agreements with automakers typically have a duration ranging from one to five years and may be renewed or extended as stipulated in the relevant agreements.
Payment Term:	We provide invoices to and make settlements with the automakers on a monthly basis, and may allow a reasonable credit period to certain automakers after invoicing them, as stipulated in the relevant agreements. Such credit period generally ranges from 15 to 90 business days in practice.
Delivery:	We are responsible for the risks and expenses associated with delivery.
Minimum Purchase Amount:	We generally do not set a minimum purchase amount or sales target.
Deposit:	On a case-by-case basis, we may be required to pay a fixed deposit to the automakers. Should a breach of the agreement occur on our part, an amount commensurate with the breach will be deducted from the deposit. In instances where deductions are necessitated, we are mandated to restore the deposit to the original sum. Upon the expiration of the warranty period, the deposit, less any deductions, will be refunded without the accrual of interest.
Quality:	We provide products and services that meet the requirements of automakers as stipulated in the relevant agreements. In instances where the agreements lack explicit provisions, our products and services adhere to the quality benchmarks established by applicable laws and regulations.
Termination:	The agreement will be terminated upon the expiration and by other means as set forth in the relevant agreements.

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During the Track Record Period, there was no material breach of contract or dispute between us and our EV automaker customers.

### ***Retail Sales***

Besides the direct sales of smart home EV chargers and accessories to automakers, we also generate revenue from direct sales to retail customers under our own brand name. Such sales are mainly made through our online stores, and to a lesser extent, to offline customers.

We have commenced the operation of our online stores on major e-commerce platforms with the opening of our first online store on Tmall (天貓) in 2020. As of the Latest Practicable Date, we operated online stores on five e-commerce platforms, including Tmall (天貓), Douyin (抖音) and Youzan (有贊). We also present our smart home EV chargers in the showrooms of automakers which allows us to sell and market our products directly to potential retail customers.

We also sell our products offline to customers such as energy companies and charging service operator. We usually negotiate the price with such offline retail customers on a case-by-case basis based on our internal pricing guideline to provide products and terms catering to their specific needs.

### **Distributorship**

Distributors are our important partners who purchase, promote, and resell our products and associated services to retail customers. We have a buyer-seller relationship with our distributors with respect to a small portion of sales of our smart home EV chargers during the Track Record Period.

Our distributors primarily engage in the distribution of EV chargers and installation and after-sales services. Our sales and marketing team screens and selects distributors whom we believe have the required qualifications and capabilities and are suited to our marketing strategy, and establishes and maintains resource sharing with our distributors to effectively execute our marketing strategies specifically tailored to each designated geographic location and retail channel. We believe that our existing distributorship model is consistent with customary industry practice and serves to ensure efficient coverage of our sales network while controlling our cost of distribution.

We select and regularly evaluate our distributors in each region based on a number of factors, including their qualification, licenses and permits, business scale, sales experience, reputation, breadth and quality of sales network. During the Track Record Period, none of our distributors had any past or present relationship (business or otherwise) with our Group, our shareholders, directors, supervisors, senior management.

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We typically enter into an agreement with each distributor. The key terms of the agreements primarily include:

Duration:	The distribution agreements typically have a term of one year and may be renewed upon mutual consent.
Exclusivity:	Generally, the distributor should promote and sell our products within the authorized scope, geographical regions and channels as stipulated in the relevant agreements.
Payment Term:	We require distributors to make payment before we deliver the products.
Delivery:	We deliver products to the location specified by our distributors. We exercise our discretion in selecting a cost-effective logistics transportation method that aligns with the characteristics of the products. We undertake the shipping expenses for each transaction’s singular delivery. However, should the distributors have specific delivery stipulations, they would be responsible for any additional transportation costs that may arise.
Minimum Purchase Amount:	We generally do not set a minimum purchase amount or sales target. However, in the event that the distributors fail to achieve sales for a continuous period of three months during the term of the agreements, the agreements will be automatically terminated.
Deposit:	Upon entering into the agreements, distributors are obligated to remit a security deposit of RMB10 thousand within 10 days. This deposit is instituted as a measure to ensure the distributors’ rigorous compliance with the stipulations of the agreements. Should there be no deductions incurred, the deposit is eligible for rollover into the subsequent year. In instances where deductions are necessitated, distributors are mandated to restore the deposit to the original sum of RMB10 thousand within five business days post-deduction. Upon the termination of the agreements, the deposit, less any deductions, will be refunded without the accrual of interest. However, in circumstances involving a severe violation of the agreements by the distributors, the security deposit is subject to forfeiture and will not be refunded.
Recommended Price:	Generally, our distributors shall adhere to the recommended retail prices provided by us.

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**Termination:** The agreement will be terminated if the distributors fail to achieve sales for a continuous period of three months during the term of the agreements, or do not pay the deposit and the first batch of purchase fund within the stipulated period, the agreements will be automatically terminated. The agreement will also be terminated upon the expiration and by other means as set forth in the relevant agreements.

During the Track Record Period, our distributors did not materially breach our contract terms, and we did not have any material disputes with our distributors.

As of December 31, 2021 and 2022, and September 30, 2023, we had a total of 7, 51 and 102 distributors, respectively. The following table sets forth the changes in the number of our distributors during the periods indicated.

	Year Ended December 31,		Nine Months Ended September 30,
	2021	2022	2023
As of the beginning of the period . . . . .	2	7	51
Additions of new distributors . . . . .	8	49	61
Termination of existing distributors <sup>(1)</sup> . . . . .	3	5	10
Net increase in distributors . . . . .	5	44	51
<b>As of the end of period . . . . .</b>	<b>7</b>	<b>51</b>	<b>102</b>

*Note:*

(1) Our sales arrangement with a distributor is terminated when either party chooses not to renew the agreement.

We conduct review of our distributors, based on their business performance and regulatory compliance. Our distributors are generally required to comply with all applicable laws and regulations, such as anti-bribery and anti-kickback laws and regulations. Distributors’ business performance is primarily evaluated based on the distributors’ sales performance. Our sales and marketing department monitors, manages and supports the activities of our distributors to help ensure that they comply with our guidelines, policies and procedures. We generally do not grant any kinds of cash rebates to our distributors. We retain the discretion to adjust credit periods, renegotiate order prices and certain other commercial terms with them based on the review results.

In 2021, 2022 and the nine months ended September 30, 2022 and 2023, revenue generated through distributors accounted for 4.5%, 6.5%, 6.9% and 8.2% of our revenue, respectively. During the Track Record Period, we generally maintained effective management and control over our distributors. We believe we are subject to minimal risks of channel stuffing since (i) we adopt comprehensive sales control measures including reviews of distributors’ inventory levels, sales amounts and marketing activities, as applicable, (ii) we recognize revenue when the control of the goods or services is transferred to distributors, and we generally do not accept return or exchange of our products except for verified product



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quality issues, and (iii) only around 10% of our revenues were generated from sales of products through distributors during the Track Record Period. Historically, we have allowed our distributors to make payments after we deliver the products based on our needs to manage our relationships with them, and in such cases, more than a majority of these payments were made by such distributors within 180 days after we invoiced them. We have since enhanced our management on the distributors and require them to complete payments before they are allowed to place purchase orders via our digital system.

We provide distributors with recommended retail prices with an aim to facilitate the stability of our sales and distribution network and mitigate the risk of cannibalization. Our distributors generally follow such recommended retail prices in practice. Our sales and marketing team regularly monitors the prices of our products sold through different channels, including through distributors, and adjusts the recommended retail prices accordingly.

### **Product Return and Exchange Policy**

We have maintained different sales return policy for sales through different channels. In general, we accept return or exchange of our products for verified product quality issues or in accordance with the rules of e-commerce platforms on which we sell our products directly to retail customers. According to Frost & Sullivan, our return policy is generally in line with industry norms. During the Track Record Period, the total value of our product return was insignificant and the amount is less than 1% of our revenue in 2021, 2022 and the nine months ended September 30, 2023, respectively.

For products sold to corporate customers which mainly consist of automakers, as well as products sold to distributors, we generally did not accept return or exchange of our products except for verified product quality issues or exchanges of unsold products for upgraded products. As of the Latest Practicable Date, we have standardized our distributor agreements where we no longer accept return or exchange of our products except for product quality issues.

For products sold to individual retail customers, we allow unconditional return and exchange in accordance with the rules of e-commerce platforms. In the event of a product return, we undertake a thorough examination of the associated order and validate the customer’s assertions prior to authorizing the product return. We advise customers to avail shipping insurance to safeguard against potential costs associated with the return shipment. However, should the return be necessitated due to an error on our part, we will absorb the return shipping costs. Upon receipt of the returned item, we will initiate the refund process. For product exchanges, customers are required to communicate the rationale to our after-sales department. The department will evaluate the situation and inform the customer about the eligibility for an exchange to rectify the issue.

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We generally provide a warranty period ranging from 12 months to 36 months since the day the products are accepted as compliant with the required standards or as otherwise stipulated in the relevant agreements. During the warranty period, we warrant the products to be free from defects. In the event of a product failure, we shall undertake the necessary corrective actions which may include, but are not limited to, repair, replacement, refund, indemnification of purchaser’s losses, and payment of penalties, as stipulated in the relevant agreements. In 2021, 2022 and the nine months ended September 30, 2022 and 2023, we recorded provisions for warranties of RMB9.8 million, RMB26.0 million, RMB13.5 million and RMB11.6 million, respectively.

Revenues are not recognized until the control of the goods or services is transferred to the party that contracts with us to purchase goods or services which are the output of our ordinary activities in exchange for consideration. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return from customers.

### OUR CUSTOMERS

During the Track Record Period, our customers mainly include automakers, retail customers and distributors. For details, see “Our Diversified Sales and Distribution Channels.”

In 2021, 2022 and the nine months ended September 30, 2023, the aggregate revenues generated from our five largest customers were RMB211.9 million, RMB459.3 million and RMB343.7 million, representing 59.3%, 65.8% and 70.7% of our revenues, respectively. Revenues generated from our largest customer in the same periods were RMB75.1 million, RMB267.1 million and RMB153.6 million, representing 21.0%, 38.3% and 31.6% of our revenues, respectively. See “Risk Factors — Risks Related to Our Business and Industry — A limited number of customers accounted for a substantial portion of our revenue during the Track Record Period, and many of them are large automakers with substantial negotiating power. Any decreases in our future sales to them could adversely affect our business, results of operations, financial condition and prospects.” Our five largest customers during the Track Record Period were leading automakers to whom we sold our smart home EV chargers and related products and installation and after-sales services. As we increase market penetration in China and expand our commercialization channels, we expect revenue contribution from our five largest customers to our total consolidated revenues will decrease. We generally allow a credit period to our automaker customers ranging from 15 to 90 business days after invoicing them, who contributed a substantial portion of our revenue during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their associates or any Shareholder which, to the knowledge of our Directors, owns more than 5% of our share capital had any interest in any of our top five customers. Except for Customer B, which is our minority Shareholder and was one of our five largest customers in 2021, 2022 and the nine months ended September 30, 2023, none of our five largest customers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

## BUSINESS

Rank	Name	Revenue (RMB in thousands)	% of Our Total Revenue	Products and Services Sold	Background	Year of Commencement of Business Relationship
<b>In the year ended December 31, 2021</b>						
1 . . .	Customer A	75,066	21.0	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB137.3 billion for the fiscal year ended December 31, 2022.	2017
2 . . .	Customer B	54,744	15.3	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB424.1 billion for the fiscal year ended December 31, 2022.	2021
3 . . .	Customer C	36,380	10.2	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB148.0 billion for the fiscal year ended December 31, 2022.	2015
4 . . .	Customer D	24,367	6.8	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB109.3 billion for the fiscal year ended December 31, 2022.	2016
5 . . .	Customer E	21,296	6.0	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB12.2 billion for the fiscal year ended December 31, 2022.	2016

## BUSINESS

Rank	Name	Revenue (RMB in thousands)	% of Our Total Revenue	Products and Services Sold	Background	Year of Commencement of Business Relationship
<b>In the year ended December 31, 2022</b>						
1 . . .	Customer B	267,122	38.3	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB424.1 billion for the fiscal year ended December 31, 2022.	2021
2 . . .	Customer A	74,717	10.7	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB137.3 billion for the fiscal year ended December 31, 2022.	2017
3 . . .	Customer C	47,579	6.8	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of over RMB148.0 billion for the fiscal year ended December 31, 2022.	2015
4 . . .	Customer D	35,698	5.1	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB109.3 billion for the fiscal year ended December 31, 2022.	2016
5 . . .	Customer E	34,185	4.9	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB12.2 billion for the fiscal year ended December 31, 2022.	2016

## BUSINESS

Rank	Name	Revenue (RMB in thousands)	% of Our Total Revenue	Products and Services Sold	Background	Year of Commencement of Business Relationship
<b>In the nine months ended September 30, 2023</b>						
1 . . .	Customer B	153,618	31.6	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB424.1 billion for the fiscal year ended December 31, 2022.	2021
2 . . .	Customer C	80,364	16.5	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB148.0 billion for the fiscal year ended December 31, 2022.	2015
3 . . .	Customer A	50,901	10.5	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company, which recorded revenue of approximately RMB137.3 billion for the fiscal year ended December 31, 2022.	2017
4 . . .	Customer F	37,911	7.8	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company in China, which recorded revenue of approximately RMB121.3 billion for the fiscal year ended December 31, 2022.	2017
5 . . .	Customer D	20,879	4.3	Sales of smart home EV chargers and provision of installation and after-sales services	A publicly listed EV automaker company in China, which recorded revenue of approximately RMB109.3 billion for the fiscal year ended December 31, 2022.	2016

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For key terms of agreements with customers, please see “— Our Diversified Sales and Distribution Channels” for details.

### OUR SUPPLIERS

During the Track Record Period, our suppliers mainly include (i) raw material suppliers for production and (ii) service suppliers, mainly including third-party installation and after-sales service providers.

We select suppliers based on factors such as their business scale, capacity, quality, price, years of operation, reputation and compliance with applicable laws and regulations. For details in management of suppliers, see “Quality Control — Manufacturing and Supply Chain — Raw Materials Procurements.”

#### Raw Material Suppliers

For the production of our products, our principal raw materials include outer casings, charging guns, electronic components and PCBs, and packaging and labeling materials.

We use a limited number of suppliers for our principal raw materials, although there are a sufficient number of alternative suppliers available for such materials with comparable prices and quality standards. As of the Latest Practicable Date, our principal suppliers for raw materials of our product are based in China, from whom we purchased raw materials necessary for our production on an as-needed basis.

## **BUSINESS**

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We generally enter into supply agreements with our principal raw material suppliers. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements. The key terms of the agreements primarily include:

Duration:	The supply agreements typically have a term of three years or five years and may be renewed upon mutual consent.
Supply:	The suppliers will deliver the relevant raw material as requested by us from time to time to the location designated by us within the time stipulated in the relevant agreements.
Payment Term:	We typically settle payments with the suppliers on a monthly basis. We are granted a credit term ranging from 30 to 120 days after receipt of invoice.
Quality:	The suppliers are obligated to take measures to comply with national quality control standard and pre-agreed quality control standards for their products and production process. Upon receiving supplies, we retain the right to reject or return based on our inspection and examination results.
Liability:	The suppliers are responsible for product liabilities and claims for any loss and penalty arising from quality issues and late delivery.
Termination:	The agreement will be terminated upon the expiration and by other means as set forth in the relevant agreements.

### **Service Suppliers**

Our service suppliers provide services, including installation and after-sales services to our users via our digital platform and service network.

As of the Latest Practicable Date, our principal service suppliers are based in China, from whom we contracted for services on an as-needed basis. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements.



## **BUSINESS**

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We typically enter into an agreement with service providers. The key terms of the agreements primarily include:

**Duration:** The supply agreements typically have a term of two years and may be renewed upon mutual consent.

**Supply:** The suppliers will provide installation and after-sales services to our clients and users, including scheduling on-site visits, conducting surveys, performing installation work, and troubleshooting in accordance with our requirements and specifications. The suppliers are responsible for preparing all matters related to the installation, including but not limited to tools, auxiliary materials, labor protection supplies, safety protection facilities, and transportation.

**Payment Term:** We typically settle payments with the suppliers on a monthly basis. We are granted a credit term ranging from 60 to 90 days after receipt of invoice.

**Quality:** The suppliers are expected to complete the installation work within a specified number of days. In the event of rework due to issues attributable to the suppliers, they are required to carry out unconditional rework within 24 hours as per our requirements. Both we and our clients reserve the right to conduct spot checks on completed installation and after-sales services. If the quality of work is found to be unsatisfactory during these checks, fines will be imposed on the suppliers. The suppliers generally commit to a warranty period of two years during which the suppliers provide maintenance services free of charge.

**Liability:** The suppliers are responsible for any breaches and for any loss and penalty arising from such breaches.

**Termination:** The agreement will be terminated upon the expiration and by other means as set forth in the relevant agreements.

During the Track Record Period, our suppliers did not materially breach our contract terms, and we did not have any disputes with our suppliers.

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### Major Suppliers

In 2021, 2022 and the nine months ended September 30, 2023, the aggregate purchase amount from our five largest suppliers were RMB70.4 million, RMB109.5 million and RMB117.3 million, representing 19.8%, 17.9% and 25.7% of our total purchase amount, respectively. The purchase amount from our largest supplier in the same periods were RMB21.2 million, RMB24.3 million and RMB59.0 million, representing 5.9%, 4.0% and 12.9% of our total purchase amount, respectively. Our five largest suppliers during the Track Record Period included raw material suppliers and service suppliers. As of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owns more than 5% of our share capital had any interest in any of our top five suppliers. None of our five largest suppliers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

Rank	Suppliers	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Products and Services Purchased	Background	Year of Commencement of Business Relationship	Credit Terms
<b>In the year ended December 31, 2021</b>							
1	Supplier A	21,200	5.9	Charging guns with cables	A subsidiary of a publicly listed company, engaged in manufacturing and sales of automobile components and accessories including chargers, charging guns, charging cables, power distribution units, high voltage connectors and others, based in Nanjing, China.	2021	90 days
2	Supplier B	16,723	4.7	Outer casings	A privately owned company engaged in manufacturing and sales of injection molded parts and plastic products, based in Shanghai, China.	2016	90 days

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Rank	Suppliers	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Products and Services Purchased	Background	Year of Commencement of Business Relationship	Credit Terms
3	Supplier C	12,368	3.5	Charging guns with cables	A subsidiary of a publicly listed company, engaged in manufacturing and sales of vehicle high and low voltage wiring harness assemblies, automotive core electrical equipment and charging products, based in Suzhou, China.	2021	90 days
4	Supplier D	11,284	3.2	Outer casings	A privately owned company engaged in manufacturing and sales of plastic packaging box, based in Jiaxing, China.	2021	60 days
5	Supplier E	8,785	2.5	Installation and maintenance labor	A privately owned company engaged in general mechanical equipment installation services and power electronic component sales, based in Hangzhou, China.	2020	90 days
<b>In the year ended December 31, 2022</b>							
1	Supplier F	24,322	4.0	Charging guns with cables	A privately owned company, engaged in manufacturing and sales of connecting terminal block and switch, based in Wenzhou, China.	2022	90 days
2	Supplier A	24,032	3.9	Charging guns with cables	A subsidiary of a publicly listed company, engaged in manufacturing and sales of automobile components and accessories including chargers, charging guns, charging cables, power distribution units, high voltage connectors and others, based in Nanjing, China.	2021	90 days

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Rank	Suppliers	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Products and Services Purchased	Background	Year of Commencement of Business Relationship	Credit Terms
3	Supplier B	20,556	3.4	Outer casings	A privately owned company engaged in manufacturing and sales of injection molded parts and plastic products, based in Shanghai, China.	2016	90 days
4	Supplier G	20,387	3.3	Power modules	A privately owned company, engaged in industrial control remote control solutions, frequency converter solutions and modular power supply, based in Shenzhen, China.	2021	30 days
5	Supplier H	20,163	3.3	Charging guns with cables	A privately owned company, engaged in manufacturing and sales of EV cables and EV charging connectors, based in Ningbo, China.	2022	90 days
<b>In the nine months ended September 30, 2023</b>							
1	Supplier I	59,011	12.9	Cables	A privately owned company, engaged in manufacturing and sales of EV cables and EV charging connectors, based in Changsha, China.	2022	30 days
2	Supplier A	19,019	4.2	Charging guns with cables	A subsidiary of a publicly listed company, engaged in manufacturing and sales of automobile components and accessories including chargers, charging guns, charging cables, power distribution units, high voltage connectors and others, based in Nanjing, China.	2021	90 days

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Rank	Suppliers	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Products and Services Purchased	Background	Year of Commencement of Business Relationship	Credit Terms
3	Supplier J	18,398	4.0	Installation and maintenance labor	A privately owned company, engaged in electronic product services, based in Qingdao, China.	2022	60 days
4	Supplier E	10,841	2.4	Installation and maintenance labor	A privately owned company, engaged in general mechanical equipment installation services, power electronic component sales, based in Hangzhou, China.	2020	90 days
5	Supplier K	10,074	2.2	Charging guns with cables	A privately owned company, engaged in manufacturing and sales of EV charging connectors and wiring harness solutions, based in Xuzhou, China.	2021	90 days to 120 days

### Overlapping Customer and Supplier

During the Track Record Period, to the best knowledge of our Directors, one of our top five customers during Track Record Period was also our supplier who provided us with EV cables and accessories compatible with their customized products, and two of our top five suppliers during the Track Record Period were also our customers who purchased smart home EV chargers and accessories from us for their after-sales purposes. The following table sets forth the details.

Customers/Suppliers	Period	Revenue Amount (RMB in thousands)	% of total revenue	Nature of Revenue	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Nature of Purchase
Customer B	FY 2021	54,744	15.3	Sales of smart home EV chargers and provision of installation and after-sales services	N/A	N/A	N/A

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Customers/Suppliers	Period	Revenue Amount (RMB in thousands)	% of total revenue	Nature of Revenue	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Nature of Purchase
	FY 2022	267,122	38.3	Sales of smart home EV chargers and provision of installation and after-sales services	33	0.0	We purchased from Customer B EV cables and accessories compatible with Customer B’s customized products, which we incorporated into the EV chargers that Customer B ordered from us.
	9M 2023	153,618	31.6	Sales of smart home EV chargers and provision of installation and after-sales services	97	0.0	We purchased from Customer B EV cables and accessories compatible with Customer B’s customized products, which we incorporated into the EV chargers that Customer B ordered from us.
Supplier E . . . . .	FY 2021	416	0.1	We sold to Supplier E accessories for them to use in the installation after-sale services to our users for replacement or maintenance	8,785	2.5	Installation and maintenance labor

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Customers/Suppliers	Period	Revenue Amount (RMB in thousands)	% of total revenue	Nature of Revenue	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Nature of Purchase
	FY 2022	2,571	0.4	We sold to Supplier E smart home EV chargers and accessories for them to use in the installation after-sale services to our users for replacement or maintenance	19,587	3.2	Installation and maintenance labor
	9M 2023	645	0.1	We sold to Supplier E smart home EV chargers and accessories for them to use in the installation after-sale services to our users for replacement or maintenance	10,841	2.4	Installation and maintenance labor
Supplier J . . . . .	FY 2021	N/A	N/A	N/A	796	0.2	Installation and maintenance labor
	FY 2022	228	0.0	We sold to Supplier J accessories for them to use in the installation after-sale services to our users for replacement or maintenance	8,403	1.4	Installation and maintenance labor



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Customers/Suppliers	Period	Revenue Amount (RMB in thousands)	% of total revenue	Nature of Revenue	Purchase Amount (RMB in thousands)	% of Total Purchase Amount	Nature of Purchase
	9M 2023	500	0.1	We sold to Supplier J accessories for them to use in the installation after-sale services to our users for replacement or maintenance	18,398	4.0	Installation and maintenance labor

Negotiations of the terms of our sales to and purchases from the overlapping customers and suppliers were conducted on a transaction-by-transaction basis. We have established solid business relationships with our overlapping customers and suppliers. Our sales to and purchases from our overlapping customers and suppliers were not related to or inter-conditional upon each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis. As of the Latest Practicable Date, none of our Directors, their close associates or any shareholders who owned more than 5% of the issued share capital of our Company, had any interest in any of our overlapping customers and suppliers during the Track Record Period.

## INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and knowhow related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent.

For details, please see “Appendix IV Statutory and General Information — 2. Further Information About Our Business — Our Intellectual Property Rights.”

### Patent

As of September 30, 2023, we owned 159 patents and patent applications, among which we self-owned 124 of our patents and 35 patent applications.

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### **Trade Secrets and Confidential Information**

We may rely, in some circumstances, on trade secrets and confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisers and contractors, as the case may be. We have entered into confidentiality agreements and non-competition agreement with our key employees who have access to trade secrets or confidential information in relation to our business. Our standard employment contract contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee’s work.

### **Trademark and Copyright**

We own a number of registered trademarks and pending trademark applications. We conduct our business under the tradename “摯達(Zhida).” As of the Latest Practicable Date, we had registered trademarks for our Company and our corporate logo in the PRC and other jurisdictions and are seeking trademark protection for our Company and our corporate logo in other countries where available and appropriate. As of September 30, 2023, we owned 112 copyrights.

### **Information Technology System**

We seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

We are committed to protecting the data security and privacy of our customers, suppliers and business partners, and to complying with all applicable laws and regulations on data security and privacy. The type of personal data involved in the course of our business include names, addresses, telephone numbers, product or service requests, and other data necessary to the sales of products or provision of our value-added services through our digital platform. Our data generated or collected in the daily operation within the territory of the PRC are processed and stored at servers located in China and such data generated or collected overseas are processed and stored at servers located overseas. We have established and implemented a strict group-wide policy on data collection, processing and usage. We encrypt confidential data and take other technological measures to ensure the secure collection, storage, processing, transmission, usage and deletion of data. We have also established stringent internal protocols under which we grant classified access to data so as to only allow minimum data access by limited employees with strictly defined and layered access authority. Data access records are kept for review on a regular basis. We strictly control and manage the use of data in the Company. To ensure reliability and availability of our operations, we have designed emergency plan in response to events of potential security breaches and attacks. We back up our data daily to minimize the risk of data loss. We also conduct periodical reviews of our back-up systems to ensure that they function properly and are well maintained. To identify potential security risks, ensure strict compliance of our data security and privacy policies and applicable laws and regulations, we regularly conduct security reviews. In addition, we have prepared a detailed

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data security emergency plan to deal with any potential breakdowns and data loss. Our senior management are responsible to establish and update our network and data security related policies and strategies in compliance with applicable laws and regulations, assign security management responsibilities to relevant departments, among others.

During the Track Record Period and as of the Latest Practicable Date, we have not been subject to fines or penalties for non-compliance with laws and regulations related to data privacy, nor have we been criticized or investigated by relevant governmental authorities in relation to the protection of personal information. Based on the above, we are of the view that we complied with personal data and privacy protection laws and regulation in all material respects.

Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorized use of our technology and intellectual property rights. Any such events could harm our competitive position and also subject us to litigations brought by third parties, which could adversely affect our business, results of operations, financial condition and prospects.”

## COMPETITION

EV home charging solutions mainly refer to comprehensive charging solutions including product offerings and value-added service offerings for EV home users, providing a safe and intelligent charging experience as well as smart energy management. Specifically, the product offerings of EV home charging solutions mainly include smart home EV chargers and related accessories, whilst the value-added service offerings mainly include installation and maintenance services of home EV chargers, and smart energy management services during charging process, such as smart remote control, safe charging, off-peak charging and data analytics.

Driven by the growing sales volume of EVs, the global sales volume of home EV chargers increased from 0.6 million in 2018 to 4.0 million in 2022, representing a CAGR of 58.5%. In 2020, due to the impact of COVID-19 pandemic, the global sales volume of EVs experienced a decrease, causing a decrease in the sales volume of home EV chargers. From 2018 to 2022, the sales volume of home EV chargers in China, Europe, Americas and Southeast Asia grew at a CAGR of 62.4%, 55.6%, 33.3% and 199.1%, respectively. The EV industry’s growth is expected to drive the rapid growth in home EV charger demand. In 2027, the global sales volume of home EV chargers is expected to reach 15.2 million, representing a CAGR of 30.5% from 2022 to 2027. During the same period, the sales volume of home EV chargers in China, Europe, Americas and Southeast Asia are expected to grow at a CAGR of 22.4%, 30.6%, 43.8% and 126.5%, respectively.

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There are approximately 4,000 home EV charger manufacturers in the world, most of which are small and medium-sized manufacturers. In terms of global sales volume of home EV chargers during the Track Record Period, the global top five providers of EV home charging solutions accounted for approximately 36.9%, among which we ranked first, with a market share of approximately 9.8%.

However, the EV home charging solutions market in China is developing rapidly and the competition landscape is constantly evolving, as driven by technological advancement and business model innovation. This results in the frequent introduction of new products and price competition from our competitors in the EV home charging solution industry. Further, some of our current or potential competitors have greater resources or may be acquired by third parties with greater resources. New competitors or alliances may emerge in the future that have greater market share, more widely adopted technologies, greater marketing expertise and greater financial resources, which could put us at a competitive disadvantage. Future competitors could also be better positioned to serve certain segments of our current or future target markets, which could create price pressure. For details, see “Risk Factors — Risks Related to Our Business and Industry — We face competition as the EV home charging solution market develops and evolves.” For competitive landscape, see “Industry Overview — EV Home Charging Solutions — Competitive Landscape of Global EV Home Charging Solutions.”

## EMPLOYEES

As of September 30, 2023, we had 525 employees in total. The following table sets forth the number of our employees categorized by function as of the same date.

Function	Number
Manufacturing . . . . .	143
Sales and Marketing . . . . .	159
Research and Development . . . . .	116
Quality Control . . . . .	17
General <sup>(1)</sup> . . . . .	90
<b>Total</b> . . . . .	<b>525</b>

*Note:*

(1) General includes human resource department, finance department, and other administrative departments.

Substantially all of our employees are stationed in China. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. The terms of our employment contracts are stipulated in the relevant agreements on a case-by-case basis.

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To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and stock incentive plans to our employees especially key employees. We require all of our employees, especially those involved in sales and marketing and business development activities, to abide by our anti-bribery and anti-corruption compliance requirements and applicable laws and regulations to eliminate bribery and corruption risks. We closely monitor our employees’ compliance with anti-bribery and anti-corruption policies.

We enter into standard confidentiality and employment agreements with all our employees. We also enter into non-compete agreements with key employees that prohibit them from competing with us, directly or indirectly, during his or her employment and for two years after the termination of his or her employment. Employees also assign inventions and discoveries made during the course of his or her employment to us as stipulated in such agreements.

None of our employees are currently represented by labor unions. We believe that we maintain good working relationships with our employees, and we did not experience any significant labor disputes or any significant difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, we did not have any non-compliance with statutory social security insurance fund and housing fund obligations applicable to us under applicable laws in all material respects.

## **INSURANCE**

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We are acutely aware of the importance of employee safety, especially for those engaged in after-sales on-site installation and repair services. Given that these positions may involve hazardous operations, we have insured our related staff with personal accident insurance to provide them with protection and peace of mind. We also maintain social welfare insurance for our employees in accordance with relevant PRC laws and regulations. We currently do not maintain product liability insurance.

## **SEASONALITY**

Our business experiences seasonal fluctuations due to its dependency on EV sales. The demand for our products and services is influenced by the sales patterns of EVs, particularly in China where the automotive industry typically promotes sales in the fourth quarter of the year. This leads to an increase in EV purchases during this period, and consequently, a higher demand for our products and services.

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We have implemented strategies to manage the impact of seasonality on our operations. By adjusting our production capacity and managing our inventory effectively, we are able to mitigate the effects of these seasonal fluctuations. Due to these seasonal variations, comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years may not necessarily be meaningful. Therefore, such comparisons should not be relied upon as indicators of our future performance. We expect the impact of seasonality on our business to continue in the future, and we will continue to leverage our strategies to manage this aspect of our operations effectively.

### PROPERTIES

Our headquarters is located in Shanghai, China and our principal manufacturing facilities are located in Anhui, China. As of the Latest Practicable Date, we leased an aggregate area of approximately 51,000 sq.m., including 44,000 sq.m. of GFA for manufacturing facilities, and 7,000 sq.m. for office use. The relevant lease agreements generally provide a duration ranging from one years to three years.

We are subject to certain risks related to our leased properties. As of the Latest Practicable Date, with respect to one of our leased properties used as non-headquarter office space in the PRC, the lessor has not provided valid title certificate, valid title certificate for commercial purpose or relevant authorization document evidencing right to lease the property to us. As a result, we cannot assure you that we will not be subject to any challenges, lawsuits or other actions taken against us with respect to the property defect and property leased by us for which the relevant lessor does not hold valid title certificate. If such property was successfully challenged, it may be subject to suspension of use and the lease may be void and no more binding, and we may be forced to relocate our operation on the affected property. In addition, under the relevant PRC law, all lease agreements are required to be registered and filed with the relevant land and real estate administration bureaus. However, as of the Latest Practicable Date, the lease agreements with respect to 13 of our leased properties had not been registered or filed with the relevant land and real estate administration bureaus in the PRC because the relevant lessors failed to provide necessary documents for us to register or file the leases with the local government authorities. As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. However, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements.

During the Track Record Period, we did not experience any dispute arising out of our leased properties. For details of risks relating to our leased properties, see “Risk Factors — Risks Related to Our Business and Industry — Some of our leased properties have title defects and did not complete registration procedures at relevant authorities.”

We do not have any single property interest with a carrying amount of 15% or more of our consolidated total assets as of December 31, 2022. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document 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 of our Group’s interests in land or buildings.

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### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to social responsibilities, and consider environmental, social and governance (“ESG”) essential to our continuous development.

In pursuit of sustainable development, we plan to build and use distributed photovoltaics on the rooftop of our plant by 2025 and gradually reduce energy consumption in our production process and lower our carbon footprint by purchasing green power. To effectively reduce resource usage, we have set a material recycling target, which includes a recycling plan for 10 types of materials such as charging guns, outer cases and packaging materials, aiming to achieve a recycling ratio of over 40% by 2025.

We believe we have adequate policies ensuring compliance with all ESG-related regulations. During the Track Record Period and up to the Latest Practicable Date, we had been in compliance with the relevant PRC laws and regulations in all material aspects and had not been subject to any material claim or penalty in relation to health, safety, social and environmental protection, or been involved in any significant workplace accident or fatality.

#### Governance Structure

We acknowledge our environmental protection and social responsibility and realize that ESG-related issues may affect our business operations. Our Board has collective responsibility for managing the impact of the material ESG risks and opportunities affecting us, formulation and establishment of our ESG-related mechanisms, policies and objectives, and reviewing our performance against the ESG objectives on an annual basis and revising the ESG policy as appropriate if significant deviations from the objectives are identified. Under the supervision of our Board, we established an ESG task force for addressing such risks and formulated not only corresponding working rules to supervise our corporate social responsibility but also measures for sustainable development. Our ESG task force consists of five members, including our Director, senior managements and department heads who will gain experience for monitoring ESG-related matters. This dedicated group of senior personnel is responsible for (i) assessing and managing our ESG-related risks and opportunities, and deliberating on the formulation of, among others, our ESG strategic plans, management structure, systems, strategies and implementation rules so as to ensure the continuous execution and implementation of our ESG policies; (ii) identifying significant ESG issues, gathering stakeholder opinions, and formulating ESG guidelines based on our business development, industry trends, and regulatory requirements; (iii) reviewing our ESG work and internal monitoring systems, and making recommendations on their appropriateness and effectiveness; (iv) reviewing our ESG-related disclosure documents, including but not limited to the annual ESG reports; (v) monitoring our ESG-related risks and making inquiries on and formulating corresponding measures for major issues that affect our performance of ESG-related work, and reviewing and supervising how such issues are handled; and (vi) providing ESG-related training and materials to the Board of Directors. The Board and the ESG task force will



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continue to monitor our strategic planning for risk management, including climate-related risks and those risks that were monitored as part of standard operating procedures, to ensure that appropriate mitigation measures are implemented as part of regular management reviews.

We plan to adopt governance measures in place to comply with all ESG-related laws and regulations and to monitor and collect ESG-related data for preparing disclosure in compliance with the requirements of the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules after the [REDACTED].

### Materiality Assessment

We believe that the conduct of materiality assessments is critical to our long-term development, as they allow us to properly analyze and consider important ESG-related issues. We have developed a materiality assessment process as follows: (i) identifying potentially significant ESG issues that may have an impact on our business or related parties based on our development, Sustainability Accounting Standards Board (SASB) standards and peer industry references; (ii) inviting stakeholders (directors, shareholders, investors, senior management, employees, suppliers and partners, government and regulatory bodies) to participate in questionnaires and interviews to express their concerns on each potentially significant issue; (iii) analyzing the responses collected and prioritizing potential material issues; and (iv) reviewing and determining the material issues for us and making disclosures. Through materiality assessment, we have identified a total of 21 areas of focus as follows:

Environmental Issues	Social Issues	Governance Issues
Carbon Emissions Management . . . . .	Supply Chain Management	Economic Benefits
Green Products Opportunity . . . . .	Customer Management	Risk management and control
Waste Management . . . . .	Diversity and Inclusion	Business Ethics and Anti-Corruption
Water Resources Management . . . . .	Employee Rights and Benefits	Cyber Data Security and User Privacy Protection
Energy Consumption Management . . .	Employee Development	Environmental Management System
	Occupational Health and Safety	Intellectual Property Management
	Public Welfare and Charity	Product Innovation
	Product Quality and Safety	
	Responsible Marketing	

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### ESG-Related Risks and Management

In order to comprehensively identify and respond to risks faced by our business, our ESG working group works with each of our divisions on a regular basis to identify the risks that exist, establish methods to identify and respond to them. Through this process, we have identified the following material risks.

*Physical risks.* We believe that climate change-induced extreme weather events pose both short-term and long-term risks to our business. In the short term, unstable weather conditions such as heavy rain, typhoons, or droughts could damage our manufacturing facilities, disrupt logistics, and lead to delays in the transportation of our products, potentially causing financial losses. In the long term, climate change may lead to irreversible changes in temperatures and increased extreme weathers that could profoundly affect the global supply chain, consumer habits, demand for EVs and economy. To mitigate these risks, we have established a management system for determining the best course of action when facing extreme weather events and have formulated countermeasures to combat the possible decline in the availability of raw materials from long-term climate change.

*Transition risks.* As climate change exacerbates, we foresee that market sentiment may shift towards products and alternatives that have a more environmentally friendly image than ours. Additionally, the transition towards a low-carbon economy may bring about risks to our manufacturing. As the electricity grid switches to renewable energy, the demand for electricity may outpace supply, possibly leading to an increase in frequency of electricity outages and unpredictable disturbances to our EV charger manufacturing. To mitigate these risks, we, as a green company and a provider of smart home energy management solutions, will leverage our environmentally friendly image and share sustainability concepts through various media channels. This not only promotes the environmental benefits of our EV chargers but also fosters customer confidence in our products, thereby encouraging more sustainable choices in energy consumption. To lower the risk of interruptions in manufacturing due to blackouts, we may maintain a backup energy source for our factories.

### Social Responsibility

#### *Equality in Hiring*

We have established a recruitment policy to clearly define the responsibilities of the human resources department and the hiring departments. Our commitment is unwavering in upholding the principles of equal competition, information transparency, and two-way selection throughout the open recruitment process. Whether in written examinations, interviews, or setting recruitment conditions, we adhere strictly to the principles of fair competition, ensuring transparent disclosure of recruitment information and maintaining open communication with all candidates. Simultaneously, we uphold compliance with applicable laws, regulations, and policies regarding equal employment and anti-discrimination in various countries and regions. In recruitment, career development, promotion, and other aspects, we provide equal opportunities to all employees, without differentiation based on gender, age, or

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marital status. As of September 30, 2023, we had 525 employees in total, and our female employees represented 50.1% of our total number of employees. Moreover, we attach particular importance to the diversity of the Board. The Board of Directors of the Group has five directors, including two female directors and two PhD holders.

### *Development and Training*

We offer a comprehensive array of training programs for our employees. Our internal training curriculum encompasses diverse topics including product knowledge, intellectual property, work skills, product management, financial management and interpersonal communication. These programs aim to cultivate versatile talents across various domains. Additionally, we conduct induction training for new hires, covering essential areas such as employee code of conduct, business ethics, office etiquette, compliance, laws and regulations, and industry know-how. This onboarding process serves to acquaint new employees with our corporate culture and values, enhancing their understanding of our company, industry trends, business operations, and compliance standards. As of September 30, 2023, we had organized several training sessions for our employees, and each employee had received an average of 4.63 hours of training between January and September 2023, for a cumulative total of 2,429.50 hours of training.

### *Workplace Safety*

We strive to provide and maintain a safe and healthy working environment by complying with all relevant laws and regulations. These include, but not limited to the Law of China on the Prevention and Treatment of Occupational Diseases as well as the Work Safety Law of China. In addition, we have adopted and maintained a series of rules, standard operating procedures, and measures to maintain our employees’ healthy and safe environment. We implement safety guidelines to set out information about potential safety hazards and procedures for operating in the manufacturing facilities. We ensure safe storage and handling of flammable and corrosive materials used in our manufacturing process. We also have safety equipment and instruments in place, and we periodically inspect our utility equipment and fire services to ensure the safety of our employees. We require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. Also, we have policies in place and have adopted relevant measures to ensure the hygiene of our work environment and the health of our employees. We provide benefits such as an improved health insurance plan to bring a better welfare experience to our employees. There was no work-related fatality or significant work-related injuries during the Track Record Period.

### *Supply Chain Management and Green Packaging*

Our raw material suppliers could profoundly impact the safety and quality of our products as well as our overall brand image. Therefore, we have a supplier management policy, based on which we evaluate our suppliers carefully according to their historical quality performance. In addition, we also encourage our suppliers to comply with relevant environmental and social regulations. We have established Zhida Procurement Control Procedures, Supplier Access

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Management Mechanism and other systems to enhance supply chain management. All these procedures, mechanisms and systems have been regularly reviewed and updated. We strictly manage the performance of our suppliers in terms of labor standards, occupational health and safety, environmental management, product quality, and business ethics. Meanwhile, our supplier procurement contracts include sustainable procurement clauses. As of September 30, 2023, six core suppliers have signed our Sustainable Procurement Commitments. We may purchase and use cartons and other packaging in the manufacturing and delivery process, and our business partners’ packaging may involve usage of packaging materials such as packaging tapes, labels and cartons. We commit to reducing our environmental footprint and adhere to the principles of simplicity, high efficiency and convenient use for customers. Thus, we expect to collaborate with our suppliers to package the products in a more environment friendly manner.

### Metrics and Targets

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business and production activities. All the data below demonstrate the environmental performance of our factory in Xuancheng city in 2022:

- *Power consumption.* We regularly monitor our electricity consumption level and implement measures to improve energy efficiency. In 2022, our electricity consumption level was 681,146 kWh, representing 2.171 kWh/product produced.
- *Water consumption.* We regularly monitor our water consumption level and implement measures to promote water conservation. In 2022, our water consumption level was 1,922.00 tons, representing 0.006 tons/product produced.
- *Emission of greenhouse gases.* We regularly monitor the level of greenhouse gas (“GHG”) emissions. Our Scope 1 emission in 2022 included emissions from mobile combustion of gasoline, with the number of 17.26 tCO<sub>2</sub>e. Our Scope 2 emission in 2022 included emissions generated from electricity consumption, with the number of 479.19 tCO<sub>2</sub>e. In total, our Scope 1 and Scope 2 greenhouse gas emissions were 496.45 tCO<sub>2</sub>e, representing 0.002 tons/product produced. We plan to conduct Scope 3 carbon emission accounting in the future.
- *Hazardous waste management.* We regularly monitor the management of our hazardous waste. In 2022, we generated 30.42 kilograms of hazardous waste, representing 0.097 grams/product produced. The hazardous waste was entrusted to the qualified third parties for disposal.
- *General industrial waste management.* We regularly monitor the management of our general industrial waste. In 2022, we generated 4.36 tons of waste carton boxes, representing 0.014 kilograms/product produced.

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### Certifications

The table below sets forth an indicative list of some of the ESG related certifications we have received as of the Latest Practicable Date.

Certifications	Standards	Year	Certification Authority
Corporate Integrity Management System Certification . . . . .	GBT 31950	2024	TILVA
Social Responsibility Management System Certification . . . . .	GBT 39604	2024	TILVA
Anti-Bribery Management System Certification . . . . .	ISO 37001	2024	TILVA
Sustainable Procurement Management System Certification . . . . .	ISO 20400	2024	TILVA
Information Technology Service Management System Certification . . . . .	ISO 20000	2024	ZQHX
Business Continuity Management System Certification . . . . .	ISO 22301	2024	ZQHX
Information Security Management System Certification . . . . .	ISO 27001	2024	ZQHX
Privacy Information Management System Certification . . . . .	ISO 27701	2024	ZQHX

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Risk Management

We recognize that risk management is critical to the success of our business. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of our industry, our ability to develop and manufacture our products and provide value-added services, and our ability to compete with other market participants. We also face various financial risks. In particular, we are exposed to credit, liquidity, interest rate and foreign exchange risks that may arise in the normal course of our business, results of operations, financial condition and prospects.

We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our Audit Committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by us and reported to our Directors.

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The following key principles outline our approach to risk management and internal control:

Our senior management oversees and manages the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) monitoring the most significant risks associated with our business operations and our management’s handling of such risks; and (iii) ensuring the appropriate application of our risk management framework across our Group. Our legal and internal control personnel are responsible for developing and implementing our risk management policy and carrying out our day-to-day risk management practice, such as assessing risks on key business operations, advising risk responses and optimizing risk management policies. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

### Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. During the Track Record Period, we regularly reviewed and enhanced our internal control system. As of the Latest Practicable Date, there were no material outstanding issues relating to our internal control.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our operations, such as intellectual property protection and ESG initiatives. We provide periodic training on these measures and procedures for our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control team for each stage of the produce development process.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations upon [REDACTED].

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- Upon [REDACTED], we will establish the Audit Committee which shall (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee the risk management and internal control procedures of our Group.
- We will engage a compliance adviser to provide advice to our Directors and management team upon [REDACTED] regarding matters relating to the Listing Rules. Our compliance adviser is expected to, inter alia, ensure our use of the [REDACTED] from the [REDACTED] complies with the section entitled “Future Plans and Use of [REDACTED]” in this Document after the [REDACTED] and provide support and advice regarding the requirements of relevant regulatory authorities on a timely basis.
- We will engage a PRC legal advisor to advise us on and keep us abreast with PRC laws and regulations upon [REDACTED]. We will continue to arrange various training to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, members of our senior management and relevant employees on the latest applicable laws and regulations.
- We maintain strict anti-corruption policies among our sales personnel and distributors in our sales and marketing activities. We have issued anti-fraud and anti-bribery management measures and anti-money laundering policies in place, which clearly define the key areas and key steps of our anti-fraud function and the responsibilities and authorities of relevant departments in carrying out our anti-fraud function, and set up the internal protocols for reporting, investigation and remedy procedures, reporting channels and whistle-blower protection mechanisms. We also monitor our sales and marketing personnel to ensure their compliance with applicable promotion and advertising requirements.
- We maintain a comprehensive treasury policy, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management, separation of capital management responsibilities, liquidity management and follow-up and analysis of the implementation of capital plan.
- Our Directors believe that compliance creates value for us. We are dedicated to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across our Group, we conduct regular internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.



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- We will comply with the Corporate Governance Code. We have established three board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, with respective terms of reference in compliance with the Corporate Governance Code.
- We have adopted internal protocols governing both the confidentiality and privacy for user personal information and data. We have a standard operation procedure in place for data collection, data storage as well as data access. Such data access is on an as-needed basis for internal employees, and external access is not allowed and requires written approvals from the head of the quality control department.

### **Third-Party Settlement Arrangement**

#### ***Background***

Historically, we settled transactions with a small number of our customers (individual or collectively, the “Relevant Customer(s)”), through the accounts of third parties designated by them (the “Third-Party Settlement Arrangement”). In 2021, 2022 and the nine months ended September 30, 2023, the aggregate amount of payment from designated third parties to us represented less than 0.2% of our total revenue in each period. During the Track Record Period, the third parties designated by certain of our customers primarily consisted of such customers’ related parties that are under common control within the same group or other entities or persons with whom these customers had business or other relationships. The use of the Third-Party Settlement Arrangement was primarily due to such customers’ requirement in the ordinary course of business for convenience or internal arrangements. As confirmed by Frost & Sullivan, for convenience purpose, it is not uncommon for the related parties’ accounts of such customers to be used for corporate transaction settlements. As advised by our PRC Legal Advisor, the Third-Party Settlement Arrangement is not in breach of mandatory requirements of applicable laws or regulations in China. Our Directors have confirmed that, none of the designated third parties of any customers during the Track Record Period is a connected person of ours and such designated third parties are independent from each of our Directors, senior management and Shareholders.

#### ***Responsive Internal Control Measures***

Transactions involving the Third-Party Settlement Arrangement may negatively affect the integrity of our financial information and our normal business operations. Furthermore, misconducts involved during the settlement, such as embezzlement, fraud or other illegal activities, may significantly harm our reputation and brand image. For further information, see “Risk Factors — Risks Related to Our Business and Industry — We are subject to various risks relating to third-party settlement arrangements by our customers in the past.” To mitigate the risks associated with the Third-Party Settlement Arrangement, going forward, we plan to either terminate such arrangement, or request the relevant customers to enter into agreement with us and provide appropriate documentation that evidences the legality and the commercial intention of the transacting parties.

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### **LEGAL PROCEEDINGS AND NON-COMPLIANCE**

#### **Legal Proceedings**

We may from time to time be involved in contractual or other disputes or legal proceedings arising out of the ordinary course of business or pursuant to governmental or regulatory enforcement actions.

During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our Directors were involved in or subject to any litigation, arbitration, administrative proceedings, claims, damages or losses which would have a material adverse effect on our business, results of operations, financial position and prospects as a whole. As of the Latest Practicable Date, we were not aware of any pending or threatened material litigation, arbitration or administrative proceedings against us or any of our Directors, which individually as a whole would have a material adverse effect on our business, results of operations, financial position and prospects.

#### **Non-Compliance**

During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business as a whole.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in all material respects.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall and return.

#### ***Social Insurance and Housing Provident Funds***

During the Track Record Period and as of the Latest Practicable Date, we had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations.

#### ***Potential Legal Consequences***

For the shortfall of social insurance, we may be subject to the following legal consequences: (i) to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions are due, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. For the shortfall

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of housing provident funds, we may be subject to the following legal consequences: (i) to pay the outstanding amount within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit.

### *Latest Status and Remedial Measures*

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. As of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy. Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material and adverse effect on our business and results of operations, considering that: (i) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident funds; (ii) we had not been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date; (iii) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident funds; (iv) if the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or make such rectification measures promptly within the specified period; and (v) as advised by our PRC Legal Advisor, considering the relevant regulatory policies, regulatory confirmations and the facts as mentioned above, in the absence of employees' complaints, the likelihood that we are subject to any order to settle the deficit amount or material administrative penalties due to our failure to make full contribution of social insurance and housing provident funds during the Track Record Period is remote.

We have taken the following internal control enhancement measures relating to social insurance and housing provident funds contributions:

- We have designated our human resources department to monitor the reporting and contributions of social insurance and housing provident funds;
- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and
- We will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing fund. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we undertake to make such payments or take such rectification measures promptly within the specified period.

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See also “Risk Factors — Risks Related to Doing Business in the Country where We Mainly Operate in — The relevant competent authorities may require us to pay additional social insurance fees or housing provident fund or impose late payment penalties on us.”

### LICENSES AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations, and there is no legal impediment to the renewal of such licenses, approvals and permits. The following table sets forth our material licenses, approvals and permits.

License/Permit	Holder	Grant Date	Expiration Date
Construction Enterprise Qualification Certificate . . .	Shanghai Zhida Technology Development Co., Ltd.	June 29, 2023	June 28, 2028
Construction Enterprise Qualification Certificate . . .	Zhida Jidian	April 27, 2023	April 26, 2028
Safety Production License . . .	Shanghai Zhida Technology Development Co., Ltd.	June 1, 2023	May 31, 2026
People’s Republic of China Customs Declaration Unit Registration Certificate . . .	Shanghai Zhida Technology Development Co., Ltd.	July 4, 2016	long term
High-Tech Enterprise Certificate . . . . .	Shanghai Zhida Technology Development Co., Ltd.	December 14, 2022	December 14, 2025
Quality Management System Certification . . . . .	Shanghai Zhida Technology Development Co., Ltd.	October 19, 2016	August 10, 2025
Certificate of Compliance for Environmental Management System Certification . . . . .	Shanghai Zhida Technology Development Co., Ltd.	May 11, 2015	May 10, 2024
Occupational Health and Safety Management System Certification . . . . .	Shanghai Zhida Technology Development Co., Ltd.	December 25, 2020	May 10, 2024

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### AWARDS AND RECOGNITION

The table below sets forth an indicative list of some of the awards and recognitions we have received as of the Latest Practicable Date.

Award/Project	Award/Grant Year	Award/Grand Authority
Shanghai Municipal Enterprise Technology Center . . . . .	2023	Shanghai Municipal Economic and Informatization Commission, Shanghai Municipal Finance Bureau, State Administration of Taxation Shanghai Municipal Tax Bureau, Shanghai Customs District P.R. China
High-Tech Enterprise . . . . .	2022, 2019 & 2016	Shanghai Science and Technology Commission, Shanghai Municipal Finance Bureau and State Administration of Taxation Shanghai Municipal Tax Bureau
Shanghai High-Tech Achievement Transformation Project . . . . .	2022	Shanghai Science and Technology Commission
Top 20 in Shanghai High-Value Patent Operation Competition . .	2022	Shanghai Intellectual Property Bureau
2022 11th BRICS Value List Annual Science and Innovation Pioneer Award . . . . .	2022	BRICS Forum
China Charging and Battery Swapping Industry Top 10 Most Valuable Investment Brand 2022 . . . . .	2022	Chongdian360.cn and Charging and Battery Swapping Industry 100 Forum
Specialized, High-End and Innovation-Driven Small and Medium-Sized Enterprises (SMEs) . . . . .	2021, 2018 & 2015	Shanghai Municipal Economic and Informatization Commission
Ministry of Industry and Information Technology Specialized, Fined, Peculiar, and Innovative “Little Giant” Enterprise . . . . .	2021	Ministry of Industry and Information Technology
Member of China Energy Conservation Association Carbon Trading Industry Alliance . . . . .	2021	China Energy Conservation Association Carbon Trading Industry Alliance
Shanghai Industrial Design Center .	2020	Shanghai Municipal Economic and Informatization Commission
2020 China Annual Digital Technology Star Product Award .	2020	Shanghai Service Federation
Executive President Member . . . .	2019	Tongji University Alumni Industrial Innovation Alliance
TopDigital Gold Award & Special Prize . . . . .	2017	TopDigital

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

Our Board consists of five Directors, two of whom are Executive Directors and three of whom are independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments. Our Board is responsible and has general powers for the management and operation of the Company’s business.

The table below sets forth certain information in respect of the members of the Board:

Name	Age	Time of joining the Group	Date of appointment as a Director	Position for the current tenure	Roles and responsibility
Dr. Huang Zhiming (黃志明)	[49]	November 2010	November 2010	Chairman of the Board, Executive Director and chief executive officer	Overall strategic planning, business and technology direction and operational management of the Group
Mr. Li Xinrui (李欣瑞)	[54]	March 2020	August 2022	Executive Director and senior vice president	Investment and financing, securities and legal affairs of our Group and assisting the chairman of the Board in formulating the long-term development strategic plan of our Group
Ms. Sun Zhili (孫枝麗)	[55]	February 2024	February 2024	Independent non-executive Director	Participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management
Ms. Wu Yushan (吳瑜珊)	[34]	February 2024	February 2024	Independent non-executive Director	Participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Time of joining the Group	Date of appointment as a Director	Position for the current tenure	Roles and responsibility
Dr. Lu Ming (陸銘)	[54]	February 2024	February 2024	Independent non-executive Director	Participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management

### DIRECTORS

#### Executive Directors

**Dr. Huang Zhiming (黃志明)**, aged [49], is our Founder, an Executive Director, chairman of the Board and chief executive officer of our Company. Dr. Huang has been the chairman of the Board, our Director and chief executive officer since he founded our Group in November 2010, and he was redesignated as an Executive Director in February 2024. Dr. Huang has also been serving as the legal representative, general manager, and/or director at certain of our subsidiaries. He is primarily responsible for the overall strategic planning, business and technology direction and operational management of our Group.

Dr. Huang has over 25 years of experience in the automotive industry. Prior to founding our Group, Dr. Huang worked at Shanghai Volkswagen Powertrain Co., Ltd.\* (上海大眾動力總成有限公司) from November 2005 to May 2010. He previously worked at the engine factory of Shanghai Volkswagen Automotive Co., Ltd. (上海大眾汽車有限公司), currently known as SAIC Volkswagen Automotive Co., Ltd. (上汽大眾汽車有限公司), and served as its technical director from February 2001 to October 2005 and the production supervisor and process designer from August 1998 to November 1999.

Dr. Huang received his bachelor’s degree in mechanical engineering and automation from Tongji University (同濟大學) in the PRC in July 1998. He then obtained the master of business administration (international) degree (IMBA) issued by the University of Hong Kong in Hong Kong in December 2005. Dr. Huang also obtained his doctoral degree in management science and engineering from Tongji University (同濟大學) in the PRC in May 2013. Dr. Huang was also recognized as an engineer in mechanical engineering and automation by the Professional Qualification Evaluation Committee for Intermediate Professional and Technical Positions in Engineering Series of Shanghai Automotive Industry (Group) Corporation\* (上海汽車工業(集團)總公司工程系列中級專業技術職務任職資格評審委員會) in December 2006.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Leveraging Dr. Huang’s extensive experience in leadership and management over the years and his contribution to the Group’s fast growth, Dr. Huang has received numerous accolades and awards, including, among others,

- in February 2020, awarded as a “2019 Shanghai Leading Talent (上海領軍人才)” by the Organization Department of Shanghai City Committee of the CPC (中共上海市委組織部) and Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局);
- in March 2019, was awarded the title of the Tenth Batch of Top Talents in Yangpu District (楊浦區第十批拔尖人才) by the Shanghai Yangpu District Committee of the CPC (中共上海市楊浦區委) and the People’s Government of Yangpu District, Shanghai (上海市楊浦區人民政府);
- in April 2018, was honored with the title of “Yangpu Craftman (楊浦工匠)” by Shanghai Yangpu Federation of Trade Unions (上海市楊浦區總工會) and Publicity Department of Shanghai Yangpu District Committee of the CPC (中共上海市楊浦區委宣傳部);
- in August 2020, was named as an Entrepreneurial Leadership Talent (創業領軍人才) under “Taihu Talent Plan (太湖人才計劃)” for the year of 2020 by Wuxi Talent Work Leadership Group (無錫市人才工作領導小組);
- in 2019, was named as an Innovation and Entrepreneurship Talent (Entrepreneurship Talent) (“雙創人才”創業類) by Organization Department of the Jiangsu Provincial Committee of the CPC (中共江蘇省委組織部), Jiangsu Provincial Talent Work Leading Group Office (江蘇省人才工作領導小組辦公室), Publicity Department of Jiangsu Provincial Committee of the CPC (中共江蘇省委宣傳部), Jiangsu Provincial Development and Reform Commission (江蘇省發展和改革委員會), Jiangsu Provincial Bureau of Education (江蘇省教育廳), Jiangsu Provincial Bureau of Science and Technology (江蘇省科學技術廳), Jiangsu Provincial Bureau of Finance (江蘇省財政廳), Jiangsu Provincial Bureau of Human Resources and Social Security (江蘇省人力資源和社會保障廳), Jiangsu Provincial Bureau of Agriculture and Rural Affairs (江蘇省農業農村廳), Jiangsu Provincial Bureau of Commerce (江蘇省商務廳) and Jiangsu Provincial Health Commission (江蘇省衛生健康委員會);
- in December 2019, was named as a Leading Entrepreneurship Talent in Wuxi Economic Development Zone (無錫經濟開發區領軍人才) by Wuxi Economic Development Zone Talent Work Office (無錫經濟開發區人才工作辦公室);
- in February 2021, was named as a Pioneer in the Establishment of “Four Areas” in Wuxi Economic Development Zone (無錫經濟開發區“四區”建設先鋒人物) by Jiangsu Wuxi Economic Development Zone Committee of the CPC (中共江蘇無錫經濟開發區工作委員會) and Jiangsu Wuxi Economic Development Zone Management Committee (江蘇無錫經濟開發區管理委員會);
- in January 2024, was named as a 2023 Annual Outstanding Alumni Pursuing Excellence (2023年度追求卓越校友) by Tongji University Wuxi Alumni Association (同濟大學無錫校友會);
- in 2020, was named as an Annual Outstanding Alumni (年度卓越校友) by Tongji University Pursuing Excellence Award Foundation (同濟大學追求卓越獎勵基金);

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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- in September 2023, was named as an Integrity Manager (誠信經理人) and an Integrity Entrepreneur (誠信企業家) by Business Integrity Public Service Platform\* (商務誠信公共服務平台) and Huaxia Zhongcheng (Beijing) International Information Evaluation Co., Ltd.\* (華夏眾誠(北京)國際信用評價有限公司) from September 2023 to September 2026; and
- in 2013, was nominated for the 2013 Innovation Achievement Award (2013年度創新成就獎入圍獎) by Fudan University School of Management (復旦大學管理學院).

In addition, Dr. Huang was appointed as an adjunct professor of innovation and entrepreneurship at Tongji University (同濟大學) from May 2017 to May 2020. He was also appointed as a vice president of the Seventh Council of the Tongji University Alumni Association (同濟大學校友會) in December 2022, a council member of the tenth council of Shanghai Management Science Society (上海市管理科學學會) in September 2020 and chairman of the University of Hong Kong – Fudan University IMBA Automotive Industry Club (香港大學-復旦大學IMBA汽車行業俱樂部) from September 2022 to September 2025.

**Mr. Li Xinrui (李欣瑞)**, aged [54], is an Executive Director and senior vice president of our Company. Mr. Li has been appointed as our Director since August 2022 and was redesignated as an Executive Director and senior vice president in February 2024. Mr. Li joined our Group in March 2020, as a deputy general manager. He is primarily responsible for the investment and financing, securities and legal affairs of our Group and assisting the chairman of the Board in formulating the long-term development strategic plan of our Group.

Mr. Li has extensive experience in corporate management and investment financing operations. Prior to joining our Company, Mr. Li worked at Beijing Lewei Biology Technology Co., Ltd.\* (北京樂維生物技術有限公司), a company established in the PRC principally engaged in technology promotion. He served as chairman and general manager from January 2005 to December 2018, overseeing the overall operation and development of the company. Prior to that, he worked at certain members of State Development and Investment Group Co., Ltd. (國家開發投資集團有限公司), an state-owned backbone enterprise founded in 1995, including Guotou Xingye Co., Ltd.\* (國投興業公司) and Guotou Pharmaceutical Investment Co., Ltd.\* (國投藥業投資有限公司) from May 1995 to October 2001. Mr. Li was a director of Beijing Lewei Medical Technology Co., Ltd.\* (北京樂維醫療科技有限公司, “Lewei Medical”), and Lewei Medical’s business license was revoked by local SAIC authority in October 2018 due to the fact that Lewei Medical was not engaging in any business activities for more than six months prior to the date of the revocation. As of the time of the revocation, such company was not insolvent, had any outstanding liabilities nor was involved in any pending claims. As of the Latest Practicable Date, Lewei Medical had not been dissolved, and since the revocation and as of the Latest Practicable Date, Lewei Medical had not carried out any business activities and, so far as Mr. Li was aware, the revocation of the business license of Lewei Medical has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against Lewei Medical or Mr. Li.

Mr. Li received his bachelor’s degree in investment management from Dongbei University of Finance and Economics (東北財經大學) in July 1992 in the PRC. He obtained an executive master of business administration (EMBA) degree from Peking University (北京大學) in July 2010 in the PRC.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Independent non-executive Directors

Ms. Sun Zhili (孫枝麗), aged [55], was appointed as an independent non-executive Director in February 2024. She is primarily responsible for participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management.

Ms. Sun has nearly 27 years of extensive experience in the capital markets, corporate financing, and financial management of listed companies. She previously worked in financial institutions including Peregrine Capital Limited in 1997, BNP Paribas Capital (Asia Pacific) Limited from April 2003 to February 2004, HSBC Markets (Asia) Limited in 2004, Yuanta Asia Investment (Hong Kong) Limited from June 2005 to August 2007, Polaris Capital (Asia) Limited from June 2007 to December 2007, Vision Finance International Company Limited from July 2008 to March 2012, Convoy Capital Hong Kong Limited from August 2012 to May 2015, Jun Yang Securities Co., Ltd. (君陽證券有限公司) from June 2015 to April 2016, Taiping Capital Limited from May 2016 to January 2018, and BNP Paribas Securities (Asia) Limited from July 2018 to September 2022.

Ms. Sun worked at Bosideng International Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 3998), and served as its vice president from July 2013 to March 2014, responsible for corporate development and investor relations of Bosideng group. Prior to that, she was appointed as a director in April 2008 and chief financial officer in December 2010 at China Mass Media International Advertising Corp., a company previously listed on the New York Stock Exchange (stock symbol: CMM) and delisted in 2012 due to privatization.

Ms. Sun previously served as an independent non-executive director for several listed companies. From May 2015 to October 2018, she served as an independent non-executive director and chairman of the audit committee at Century Ginwa Retail Holdings Limited (世紀金花商業控股有限公司), a company listed on the Stock Exchange (stock code: 0162). From June 2017 to September 2018, she served as an independent non-executive director at Green International Holdings Limited (格林國際控股有限公司), a company listed on the Stock Exchange (stock code: 2700). From July 2017 to October 2018, she held the position of independent non-executive director and chairman of the audit committee at Huili Resources (Group) Limited (匯力資源(集團)有限公司), a company listed on the Stock Exchange (stock code: 1303).

Ms. Sun obtained her bachelor’s degree in English from Nanjing Normal University (南京師範大學) in the PRC in July 1990 and her master’s degree in education from the University of Houston in the United States in May 1993.

**Ms. Wu Yushan (吳瑜珊)**, aged [34], was appointed as an independent non-executive Director in February 2024. She is primarily responsible for participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Ms. Wu has over 12 years of experience in accounting, investment banking and financial management. She was appointed as a finance director in June 2019 and a board secretary in October 2020 at Anyue Environment Technology Co., Ltd.\* (安越環境科技股份有限公司), formerly known as Xiamen Anyue Non-Excavation Engineering Technology Co., Ltd.\* (廈門安越非開挖工程技術股份有限公司), a company previously listed on the National Equities Exchange and Quotations (stock code: 871493) and voluntarily delisted in March 2020. She previously worked at the Xiamen branch of Industrial Securities Co., Ltd. (興業證券股份公司廈門分公司) from April 2017 to July 2018. Prior to that, she worked at Grant Thornton Certified Public Accountants LLP\* (致同會計師事務所(特殊普通合夥)) from November 2012 to February 2017 and Ascenda Certified Public Accountants Ltd. (天健正信會計師事務所有限公司) from November 2011 to December 2012.

Ms. Wu obtained her bachelor’s degree in accounting from Jimei University (集美大學) in the PRC in July 2011 and is pursuing her master’s degree in business administration from Xiamen University (廈門大學) in the PRC with an expected graduation in June 2024. Ms. Wu obtained her certified public accountant qualification from the Fujian Institute of Certified Public Accountants (福建省註冊會計師協會) in July 2018. She was also awarded the certificate of secretary of board of the listed company (上市公司董事會秘書資格證書) in May 2019.

**Dr. Lu Ming (陸銘)**, aged [54], was appointed as an independent non-executive Director in February 2024. He is primarily responsible for participating in the decision making for our Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management.

Dr. Lu possesses an extensive and diverse professional background. He has been the founder and the principal of Shanghai Pudong Technology Financial Services Association (上海浦東科技金融服務聯合會) since June 2017. He previously worked at Shanghai Municipal Pudong New Area Science and Technology Committee\* (上海市浦東新區科學技術委員會) from October 2014 to May 2017.

Dr. Lu obtained his bachelor’s degree in highway and urban road engineering from Shanghai Institute of Urban Construction (上海城市建設學院) (subsequently incorporated into Tongji University (同濟大學)) in the PRC in July 1990. He also obtained a master’s degree in business administration from Tongji University (同濟大學) in the PRC in July 1999. He further obtained a master’s degree in development and planning for urban economic development from University College London in the United Kingdom in November 2001 and a doctoral degree of management science majoring in management science and engineering from Tongji University (同濟大學) in the PRC in November 2012.

Dr. Lu has obtained various professional qualifications across diverse fields throughout his career. He was accredited as a senior engineer by Shanghai Municipal Engineering Series Civil Engineering Construction Senior Professional and Technical Qualification Evaluation Committee\* (上海市工程系列土建施工專業高級專業技術職務任職資格評審委員會) in January 2001. He was also recognized as a professor-level senior economist in financial services industry by Shanghai Professor-level Senior Economist Professional Qualification Evaluation Committee\* (上海市正高級經濟師職稱評審委員會) in September 2019. Dr. Lu passed the AMAC Fund Practitioner Qualification Examination in September 2016, and obtained the corresponding certificate from the Asset Management Association of China. He was appointed as an expert of Shanghai Institute for the Evaluation of Scientific and Technological Achievements Expert Database (上海市科技成果評價研究院) in June 2021. In October 2020, he was certified as a qualified independent director by the Shanghai Stock Exchange.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### SUPERVISORS

The PRC Company Law requires a joint-stock limited company to establish a board of supervisors. Our Supervisory Committee currently consists of three supervisors, one of whom is the chairperson of our Supervisory Committee. Pursuant to our Articles of Association, at least one-third of our supervisors must be employee representatives elected by our employees. We have one employee representative supervisor elected by our employees and two shareholder representative supervisors elected and appointed by our Shareholders at the Shareholders’ meeting.

Each of the supervisors is appointed for a term of three years which is renewable upon re-election and re-appointment. Pursuant to the Articles of Association, the functions and powers of the board of supervisors include, but not limited to, reviewing the financial management of our Company, supervising the performance of our Directors and senior management members, and monitoring as to whether they comply with the law, administrative stipulations and Articles of Association when performing their duties, requesting Directors and senior management members to rectify actions detrimental to our Company’s interests. In addition, our Supervisory Committee is responsible for exercising other powers, functions and duties in accordance with the Articles of Association, and all applicable laws and regulations.

The following table sets forth the key information of our Supervisors:

<b>Name</b>	<b>Age</b>	<b>Time of joining the Group</b>	<b>Date of appointment as a Supervisor</b>	<b>Position for the current tenure</b>	<b>Responsibility</b>
Mr. Shen Qi (沈琪)	[48]	May 2015	August 2022	Chairperson of the Supervisory Committee and employees’ representative Supervisor	Supervising our Board and senior management
Ms. Dai Can (戴燦)	[37]	February 2024	February 2024	Shareholders’ representative Supervisor	Supervising our Board and senior management
Mr. Liu Xi (劉希)	[34]	September 2021	September 2021	Shareholders’ representative Supervisor	Supervising our Board and senior management



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Shen Qi (沈琪)**, aged [48], has been the chairperson of the Supervisory Committee and employees’ representative Supervisor of our Company since August 2022. He joined our Group in May 2015, as the assistant to the general manager. Mr. Shen is primarily responsible for supervising our Board and senior management. Mr. Shen has been serving as the legal representative, general manager, or a director at certain of our subsidiaries.

Prior to joining our Group, Mr. Shen has extensive experience in the automotive industry. Mr. Shen was the business director of Tesla Motors (Beijing) Co., Ltd.\* (特斯拉汽車(北京)有限公司) from May 2013 to February 2015. He worked at Shanghai Bentley Automobile Sales Co., Ltd.\* (上海賓利汽車銷售有限公司) as a China senior business manager from August 2008 to January 2013. Prior to that, Mr. Shen worked at Apacer Electronic (Shanghai) Co., Ltd.\* (宇瞻電子(上海)有限公司) from May 2002 to September 2003. Prior to this, He worked at Shanghai Yingnuo Furniture Co., Ltd.\* (上海英諾傢俱有限公司) from November 2001 to May 2002 and Shanghai Ruigeng Industrial Co., Ltd.\* (上海瑞耕實業有限公司) from January 1997 to October 2001.

Mr. Shen received his college diploma in industrial design from Shanghai Second Light Industry Bureau Workers University (上海市第二輕工業局職工大學) in the PRC in July 1996. He obtained a master of business administration degree from Donghua University (東華大學) in the PRC in June 2012.

**Ms. Dai Can (戴燦)**, aged [37], has been our Shareholders’ representative Supervisor since February 2024. Ms. Dai is primarily responsible for supervising our Board and senior management.

Ms. Dai joined BYD Auto Industry Co., Ltd.\* (比亞迪汽車工業有限公司) in May 2016 and currently serves as an investment manager at the joint venture management department of BYD Auto Industry Co., Ltd. She has also been serving as a director of Shenzhen Microgrid Digital Power Technology Co., Ltd.\* (深圳市微網數電科技有限公司) since November 2021. Prior to this, she worked at Shenzhen FRD Science & Technology Co., Ltd.\* (深圳市飛榮達科技股份有限公司), a company listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300602), from December 2013 to April 2016.

Ms. Dai received her bachelor’s degree in finance from Hunan Agricultural University (湖南農業大學) in the PRC in June 2010.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Liu Xi (劉希)**, aged [34], has been our Shareholders’ representative Supervisor since September 2021. Mr. Liu is primarily responsible for supervising our Board and senior management.

Mr. Liu joined Ningbo Longhuahui Equity Investment Management Co., Ltd.\* (寧波隆華匯股權投資管理有限公司), an investment arm of Jintong Capital, in May 2017, and currently serves as its managing partner. He has been a representative of the general partner at Ningbo Jintong Jiuge Enterprise Management Limited Partnership\* (寧波金通九格企業管理合夥企業(有限合夥)) since January 2021. Prior to that, he worked at BDO China Shu Lun Pan CPAS (立信會計師事務所有限公司) and BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) from August 2011 to May 2017.

Mr. Liu has been a supervisor of Henan Huiqiang New Energy Material Technology Co., Ltd. (河南惠強新能源材料科技股份有限公司) since December 2020. Mr. Liu has been serving as the director of Hefei Huaqing Optical Technology Co., Ltd.\* (合肥華清光學科技有限公司) since March 2020 and Dongguan Huaqing Optical Technology Co., Ltd.\* (東莞華清光學科技有限公司) since September 2019. Mr. Liu also served as a director of Xinxiang Tianli Energy Co., Ltd.\* (新鄉天力鋰能股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301152), from June 2020 to July 2022. Mr. Liu served as a supervisor of Anhui Andeli Department Store Co., Ltd.\* (安徽安德利百貨股份有限公司, currently known as Anhui Anfu Battery Technology Co., Ltd. (安徽安孚電池科技股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 603031), from June 2020 to June 2022.

Mr. Liu obtained dual bachelor’s degrees in financial management and computer science and technology from Shanghai University of Finance and Economics (上海財經大學) in July 2011 in the PRC. He obtained his master of business administration degree from Fudan University (復旦大學) in January 2023 in the PRC.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

Our senior management is responsible for our day-to-day management and business operation. The following table sets forth the key information of our senior management:

Name	Age	Time of joining the Group	Date of appointment as senior management	Position for the current tenure	Roles and responsibility
Dr. Huang Zhiming (黃志明)	[49]	November 2010	November 2010	Chairman of the Board, Executive Director and chief executive officer	Overall strategic planning, business and technology direction and operational management of our Group
Mr. Li Xinrui (李欣瑞)	[54]	March 2020	March 2020	Executive Director and senior vice president	Investment and financing, securities and legal affairs of our Group and assisting the chairman of the Board in formulating the long-term development strategic plan of our Group
Dr. Cao Guangyu (曹光宇)	[52]	July 2022	August 2022	Executive president	Marketing, sales, hardware and products services of our Group
Ms. Luo Tao (羅韜)	[45]	November 2014	November 2014	Senior vice president and chief digital officer	Development and management of digitalization of our Group
Mr. Li Bin (李斌)	[37]	May 2023	January 2024	Finance director	Operation of finance department of our Group
Mr. Jiang Yuxiao (蔣宇驍)	[30]	April 2017	October 2022	Secretary of the Board and joint company secretary	Overall information disclosure and investor relationship of our Group

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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For biographical details of Dr. Huang Zhiming (黃志明) and Mr. Li Xinrui (李欣瑞), see “— Directors — Executive Directors” in this section. The details of each other senior management members are set out below:

**Dr. Cao Guangyu (曹光宇)**, aged [52], joined the Company in July 2022 and served as the deputy general manager of our Company since August 2022. He was designated as executive president in February 2024. Dr. Cao is primarily responsible for the marketing, sales, hardware and products services of our Group.

Dr. Cao has extensive experience in the automotive industry. Dr. Cao worked at East China Normal University (華東師範大學) from October 2019 to July 2022. He served as a chief engineer at Shanghai Embedded System Research Institute (上海嵌入式系統研究所) from June 2019 to September 2019. He worked at Global Car Sharing Car Rental Co., Ltd.\* (環球車享汽車租賃有限公司, “EVCARD”), a State-owned company controlled by SAIC Motor Corporation Limited (上海汽車工業集團), as its general manager from May 2017 to May 2019. During his employment at EVCARD, he was appointed as legal representative for certain of its subsidiary, including Global Car Sharing (Kunming) Car Rental Co., Ltd.\* (環球車享(昆明)汽車租賃有限公司, “EVCARD Kunming”). In his capacity as legal representative, he was listed as a defendant in the claims related to the ordinary business operations of EVCARD Kunming, where he subsequently received consumption restriction orders by the PRC courts in connection with the payment of judgement debt of such lawsuits. Following his resignation from EVCARD in May 2019, Dr. Cao was removed from the list of defendants in such lawsuits and released from the consumption restriction order by the PRC courts. Based on publicly available information, EVCARD Kunming was primarily engaged in car rental business in Kunming City and declared bankruptcy in October 2022. As of the Latest Practicable Date, there was no unsatisfied judgment or court order of continuing effect against Dr. Cao. Previously, Dr. Cao worked at Ningbo Sichuang Mechanical and Electrical Co., Ltd.\* (寧波思創機電有限公司) from May 2006 to March 2011.

Dr. Cao graduated from Harbin Institute of Technology (哈爾濱工業大學) in the PRC and received his bachelor’s degree in automotive design and manufacturing in July 1994 and then his doctoral degree in mechanical manufacturing and automation in December 1999. After graduation, Dr. Cao was a postdoctoral fellow at Shanghai Academy of Spaceflight Technology (上海航天技術研究院) from December 1999 to January 2001. He also worked as a postdoctoral fellow at Shanghai Jiao Tong University (上海交通大學), conducting postdoctoral research in the field of instrument science and technology from June 2006 to September 2008.

Dr. Cao was engaged as an adjunct professor at Tongji University (同濟大學) in December 2015. He was appointed as the deputy general secretary at Shanghai New Energy Vehicle and Application Standardization Technical Committee (上海市新能源汽車及應用標準化技術委員會) in December 2011. Dr. Cao was also accredited as a senior engineer by China Aerospace Industry Corporation (China National Space Administration).

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

He was awarded as one of the “Top Ten Outstanding Talents in Ningbo (寧波市十大傑出青年)” in December 2007, the “Excellent Technical Leader in Shanghai (上海市優秀技術帶頭人)” in April 2014 and as the “Leading Scientific and Technological Talents in Jiading District, Shanghai (上海市嘉定區科技領軍人才)” in September 2017. Dr. Cao was appointed as a Jiading District Academic and Technical Leader (嘉定區學術技術帶頭人) by the People’s Government of Jiading District, Shanghai (上海市嘉定區人民政府), from April 2017 to March 2019. In September 2016, Dr. Cao was awarded the 2016 Annual Jiading District Scientific and Technological Progress Award (2016年度嘉定區科學技術進步獎) by the People’s Government of Jiading District, Shanghai (上海市嘉定區人民政府). Dr. Cao was selected as the third batch of Jiading High-level Innovation and Entrepreneurship and Urgently Needed Talents (嘉定區第三批高層次創新創業和急需緊缺人才) by the Jiading District Evaluation Committee for the Introduction of High-level Innovation and Entrepreneurship and Urgently Needed Talents (嘉定區引進高層次創新創業和急需緊缺人才工作評定委員會) in September 2013. Dr. Cao was honored as one of the 2017 Ningbo Top Ten Youth Innovation and Entrepreneurship Stars (2007寧波市十佳青年創新創業之星) by the Publicity Department of Ningbo City Committee of the CPC (中共寧波市委宣傳部), the Communist Youth League Ningbo City Committee (共青團寧波市委), Ningbo Municipal Bureau of Science and Technology (寧波市科學技術局), Ningbo Municipal Human Resources Bureau (寧波市人事局), Ningbo Youth Federation (寧波市青年聯合會) and Ningbo Daily Office (寧波日報社) in 2017. In the same year, he was awarded as 2017 Shanghai Smart City Construction “Leading Pioneer” (2017上海智慧城市建設“領軍先鋒”) by the Shanghai Federation of Trade Unions (上海市總工會), the Shanghai Economic and Information Committee of the CPC (中共上海市經濟和信息化工作委員會) and the Shanghai Economic and Information Committee (上海市經濟和信息化委員會).

**Ms. Luo Tao (羅韜)**, aged [45], joined the Company in November 2014, serving as deputy general manager from November 2014 to November 2018 and was designated as senior vice president and chief digital officer in February 2024. She also served as the general manager of our subsidiary, Wuxi Zhida Wulian Technology Co., Ltd.\* (無錫摯達物聯科技有限公司) from December 2018 to December 2021. Ms. Luo is primarily responsible for the development and management of digitalization of our Group.

Besides the positions within our Group, Ms. Luo worked at subsidiaries of IBM (China) Investment Company Limited, namely the Shanghai Branch of IBM Solution and Services (Shenzhen) Co., Ltd. (國際商業機器科技(深圳)有限公司上海分公司) from February 2008 to February 2011 and the Shanghai Branch of IBM Global Service (Dalian) Co., Ltd. (國際商業機器全球服務(大連)有限公司上海分公司) from October 2013 to October 2014. She also worked at Hitachi Information Systems (Shanghai) Co., Ltd. (日立信息系統(上海)有限公司) from September 2011 to August 2012. Prior to that, Ms. Luo worked at Shanghai Jiao Tong University Omron Software Co., Ltd.\* (上海交大歐姆龍軟件股份有限公司, subsequently known as Shanghai Ersansiwu Network Holdings Group Co., Ltd.\* (上海二三四五網絡控股集團股份有限公司) and currently known as Shanghai Yanshan Technology Co., Ltd.\* (上海燕山科技股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 002195), from May 2004 to January 2008.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Ms. Luo received her bachelor’s degree majoring in information management and information system from Shanghai University (上海大學) in July 2001 in the PRC.

**Mr. Li Bin (李斌)**, formerly known as Li Fei (李飛), aged [37], has been our finance director since January 2024. He joined the Company in May 2023 and served as deputy finance director from May 2023 to December 2023. Mr. Li is primarily responsible for the operation of finance department of our Group.

Mr. Li has extensive experience in financial management and accounting. Prior to joining the Group, he served as the finance director of Hengguang Asset Management Co., Ltd.\* (恆光資產管理有限公司) from January 2021 to April 2023. He served as vice president of Shanghai Guangwei Investment Co., Ltd.\* (上海廣微投資有限公司) from August 2019 to December 2020. He also worked at Zhengqi (Shanghai) Equity Investment Management Co., Ltd.\* (正奇(上海)股權投資管理有限公司) from August 2017 to August 2019. Prior to that, Mr. Li worked at BDO China Shu Lun Pan Certified Public Accountants LLP\* (立信會計師事務所(特殊普通合夥)) from October 2012 to July 2017.

Mr. Li received his bachelor’s degree in accounting from Yangzhou University (揚州大學) in the PRC in June 2009. He completed the master’s program in economics at Shanghai University of Finance and Economics (上海財經大學) in the PRC in April 2021. He was awarded the completion certificate for the 2018 Shanghai Advanced (Reserve) Talent Development Program by Shanghai Municipal Finance Bureau (上海市財政局) and Shanghai University of Finance and Economics (上海財經大學) in August 2018. Mr. Li was granted the legal professional qualification by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2017. He obtained his certified public accountant qualification from the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in September 2017. He also obtained the senior accountant qualification from Shanghai Municipal Accounting Series Senior Professional and Technical Qualification Evaluation Committee\* (上海市會計系列高級專業技術職務任職資格評審委員會) in November 2019.

**Mr. Jiang Yuxiao (蔣宇驍)**, formerly known as Jiang Yuxiao (蔣宇梟), aged [30], joined the Company in April 2017, and has been our secretary of the Board since October 2022. Mr. Jiang has also been serving as the supervisor at certain of our subsidiaries. Mr. Jiang is primarily responsible for the overall information disclosure and investor relationship of our Group.

He served as the investment manager of our Company from April 2017 to February 2021. Mr. Jiang worked as the senior manager at Guangkong Terminus (Shanghai) Information Technology Co., Ltd.\* (光控特斯聯(上海)信息科技有限公司) from March 2021 to May 2021. He rejoined our Company in May 2021, and successively served as the investment and financing director, and the secretary of the Board.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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Mr. Jiang received his dual bachelor’s degrees in business management from Tongji University (同濟大學) in July 2015 in the PRC and from ESSEC Business School in July 2015 in France. He also obtained a master’s degree in business from IE Universidad in September 2016 in Spain. Mr. Jiang has been a member of Chartered Financial Analyst since January 2021.

### **GENERAL**

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors, Supervisors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document. There are no other matters with respect to the appointment of our Directors and Supervisors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, as of the Latest Practicable Date, none of our Directors, Supervisors or senior management were related to other Directors, Supervisors or senior management of our Company.

Saved as disclosed in the sections headed “Relationship with our Controlling Shareholders,” “Substantial Shareholders” and “Appendix VI — Statutory and General Information — 4. Disclosure of Interests — Disclosure of Interests of Directors and Supervisors,” as of the Latest Practicable Date, none of our Directors and Supervisors held any interest in the securities within the meaning of Part XV of the SFO.

### **JOINT COMPANY SECRETARIES**

Mr. Jiang Yuxiao (蔣宇驍) was appointed as our joint company secretary in February 2024. For further details, see the section headed “— Senior Management” above.

Ms. Au Wing Sze (區詠詩), was appointed as our joint company secretary in February 2024. Ms. Au has over 10 years of experience in the corporate secretarial field. She is an assistant manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Au obtained her bachelor’s degree in business administration from Hong Kong Shue Yan University in July 2013 and her master’s degree in corporate governance from Hong Kong Metropolitan University in August 2019. Ms. Au currently serves as the company secretary of CNQC International Holdings Limited, a company listed on the Stock Exchange (stock code: 1240).

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

#### Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Ms. Wu Yushan (吳瑜珊), Ms. Sun Zhili (孫枝麗) and Dr. Lu Ming (陸銘), with Ms. Wu Yushan (吳瑜珊) serving as the chairperson of the Audit Committee. Ms. Wu Yushan (吳瑜珊) holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Ms. Sun Zhili (孫枝麗), Dr. Huang and Dr. Lu Ming (陸銘). Ms. Sun Zhili (孫枝麗) serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board.

### Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Dr. Huang, Ms. Sun Zhili (孫枝麗) and Dr. Lu Ming (陸銘). Dr. Huang serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company’s business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;



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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

### **CONFIRMATION FROM OUR DIRECTORS**

#### **Rule 8.10 of the Listing Rules**

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

#### **Rule 3.09D of the Listing Rules**

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in February 2024, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

#### **Rule 3.13 of the Listing Rules**

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

### **COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

The Directors, Supervisors and senior management receive their remuneration in the form of Directors’ or Supervisors’ salaries, bonuses, contributions to defined contribution plans, share-based payment, contributions to other social security costs, housing benefits and other employee benefits (if applicable).

For the two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, the total remuneration paid to our then Directors amounted to RMB2.9 million, RMB4.0 million and RMB2.4 million, respectively.

For the two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, the total remuneration paid to our then Supervisors amounted to RMB0.3 million, RMB0.2 million and RMB0.6 million, respectively.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors and our Supervisors in kind for their service for the year ending December 31, 2024 to be approximately RMB4.3 million. The actual remuneration of Directors and Supervisors in 2024 may be different from the expected remuneration.

For the two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, the total emoluments paid to the five highest paid individuals (including Directors and Supervisors) by our Group amounted to RMB3.5 million, RMB5.3 million and RMB4.7 million, respectively.

For the two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, no fees were paid by our Group to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

Save as disclosed above, none of the Directors or Supervisors waived their remuneration during the relevant period. Save as disclosed above, no other payments have been paid, or are payable, by the Company or any of its subsidiaries to the Directors, Supervisors or the five highest paid individuals during the Track Record Period. The remuneration of Directors, Supervisors and senior management is determined with reference to factors including operating results of our Company, market comparable and the achievement of major operating indicators of our Company.

## CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies [REDACTED] on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Huang, our chairman of the Board, Executive Director and chief executive officer, currently performs these two roles. Dr. Huang is the founder of our Company and has extensive experience in the automotive industry. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, given that: (1) decision to be made by our Board of Directors requires approval by at least a majority of our Directors; (2) Dr. Huang and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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decisions for our Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board of Directors, including three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board of Directors, and senior management levels.

The Board will continue to review and consider splitting the roles of chairman and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. For further information relating to the Company’s corporate governance measures, please see the section headed “Relationship with our Controlling Shareholders — Corporate Governance.”

### BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We [have adopted] the board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of automotive, finance, corporate management and governance. They obtained degrees in various areas including automotive, pharmacy, engineering, management and business administration. Our Board Diversity Policy is well implemented as evidenced by the fact that there are Directors ranging from [34] years old to [55] years old and comprises two female Directors and three male Directors. We will use our best efforts to maintain at least one or 10% female representation in the Board and continue to take steps to promote diversity at all levels of the Company including but without limitation to our Board and senior management levels, to enhance the effectiveness of corporate governance of the Company as a whole. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### COMPLIANCE ADVISER

We have appointed Shenwan Hongyuan Capital (H.K.) Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] volume of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [REDACTED], our Company is owned by Dr. Huang (i) directly as to approximately 28.68%, and (ii) indirectly through Tongdu E-Commerce as to approximately 15.78%, Tongdu Intelligent as to approximately 4.13% and Tongdu Technology, the Employee Incentive Platform, as to approximately 0.28%. Dr. Huang, our Founder, chairman of the Board and Executive Director, is the sole general partner of each of Tongdu E-Commerce and Tongdu Intelligent, and controls the sole general partner of Tongdu Technology, namely Tongdu Enterprise. He is responsible for the day-to-day management and exercise of the voting rights attaching to the Shares held by each of Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology. As such, each of Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise is a close associate of Dr. Huang.

Dr. Huang and these entities controlled by him form a group of Controlling Shareholders of our Company for the purpose of the Listing Rules. As of the Latest Practicable Date, the group of Controlling Shareholders were in aggregate entitled to control the exercise of approximately 48.87% of the voting rights of our Company.

Immediately following the completion the [REDACTED], the group of Controlling Shareholders will be, in aggregate entitled to control the exercise of approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is not exercised) or approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is exercised in full) of our Company and thus remain as a group of Controlling Shareholders.

For details of the relationship among the group of Controlling Shareholders, and their shareholding in our Company, see the sections headed “History, Development and Corporate Structure” and “Substantial Shareholders.”

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after [REDACTED].

#### Management Independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board consists of five Directors, including two Executive Directors and three independent non-executive Directors.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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Our Executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Dr. Huang in our Board and our senior management team, our Directors are of the view that our Company is able to function independently from Dr. Huang for the following reasons:

- (a) all of the independent non-executive Directors are independent of Dr. Huang, and decisions of our Board require the approval of a majority vote from members of our Board;
- (b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) 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;
- (d) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management, in accordance with our Articles, relevant corporate governance policies and the Listing Rules as well as other applicable rules, laws and regulations.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [REDACTED].

### **Operational Independence**

We do not rely on the Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently from the Controlling Shareholders and their close associates.

### Financial Independence

Our Group has a finance center independent from our Controlling Shareholders and their respective close associates. We have also established an independent financial system to make the decisions based on our own business needs. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with Controlling Shareholders. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with Controlling Shareholders or any other entities controlled by them.

Our Group has sufficient capital to operate its business independently and has adequate internal resources and a strong credit profile to support its daily operations. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, all loans and advances due to or from the Controlling Shareholders or their close associates have been fully settled. All guarantees provided by or to the Controlling Shareholders or their close associates on the borrowings of our Group have either been fully released as of the Latest Practicable Date, or are expected to be released upon the [REDACTED]. Save as disclosed in notes 31 and 40(d) to the Accountant Report in Appendix I in relation to guarantee of bank borrowings provided by Dr. Huang, we have not entered into any financing arrangements or loans with our Controlling Shareholders or any of their close associates during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, we had received the Pre-[REDACTED] Investments from Pre-[REDACTED] Investors independently. For details of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure.”

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

### RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.



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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its [REDACTED] or by way of announcements;
- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (g) we have appointed Shenwan Hongyuan Capital (H.K.) Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

## SUBSTANTIAL SHAREHOLDERS

### SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date			Shares held upon the completion of the [REDACTED] <sup>(1)</sup>		
		Number of Shares	Description of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class and in our total share capital <sup>(1)</sup>
Dr. Huang <sup>(2)(3)(4)</sup>	Beneficial owner	15,063,372	Unlisted Shares	28.68%	15,063,372	[REDACTED] Shares (L)	[REDACTED]%
	Interest in controlled corporations	10,605,643	Unlisted Shares	20.19%	10,605,643	[REDACTED] Shares (L)	[REDACTED]%
Tongdu E-Commerce <sup>(2)</sup>	Beneficial owner	8,287,500	Unlisted Shares	15.78%	8,287,500	[REDACTED] Shares (L)	[REDACTED]%
Chen Qinling (陳欽玲) <sup>(2)(6)</sup>	Interest in controlled corporation	8,287,500	Unlisted Shares	15.78%	8,287,500	[REDACTED] Shares (L)	[REDACTED]%
Tongdu Intelligent <sup>(3)</sup>	Beneficial owner	2,168,540	Unlisted Shares	4.13%	2,168,540	[REDACTED] Shares (L)	[REDACTED]%
Shen Haiying (沈海鷹) <sup>(3)</sup>	Interest in controlled corporation	2,168,540	Unlisted Shares	4.13%	2,168,540	[REDACTED] Shares (L)	[REDACTED]%
Tongdu Technology <sup>(4)</sup>	Beneficial owner	149,603	Unlisted Shares	0.28%	149,603	[REDACTED] Shares (L)	[REDACTED]%
Tongdu Enterprise <sup>(4)</sup>	Interest in controlled corporation	149,603	Unlisted Shares	0.28%	149,603	[REDACTED] Shares (L)	[REDACTED]%
Jingzhou Zhida <sup>(5)</sup>	Beneficial owner	4,691,991	Unlisted Shares	8.93%	4,691,991	[REDACTED] Shares (L)	[REDACTED]%
Chen Hanlin (陳涵霖) <sup>(5)</sup>	Interest in controlled corporation	4,691,991	Unlisted Shares	8.93%	4,691,991	[REDACTED] Shares (L)	[REDACTED]%
Shanghai China Power Investment <sup>(6)</sup>	Beneficial owner	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%
State Power Investment Corporation Industrial Fund Management Co., Ltd.* (國家電投集團產業基金管理有限公司) <sup>(6)</sup>	Interest in controlled corporation	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date			Shares held upon the completion of the [REDACTED] <sup>(1)</sup>		
		Number of Shares	Description of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class and in our total share capital <sup>(1)</sup>
State Power Investment Corporation Innovation Investment Co., Ltd.* (國家電投集團創新投資股份有限公司) <sup>(6)</sup>	Interest in controlled corporation	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%
State Power Investment Corporation Co., Ltd.* (國家電力投資集團有限公司) <sup>(6)</sup>	Interest in controlled corporation	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%
China Power Investment Ronghe New Energy Technology Co., Ltd.* (中電投融和新能源科技有限公司) <sup>(6)</sup>	Interest in controlled corporation	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%
Power Investment Ronghe New Energy Development Co., Ltd.* (電投融和新能源發展有限公司) <sup>(6)</sup>	Interest in controlled corporation	4,170,008	Unlisted Shares	7.94%	4,170,008	[REDACTED] Shares (L)	[REDACTED]%
Anhui Zhongding <sup>(7)</sup>	Beneficial owner	4,128,405	Unlisted Shares	7.86%	4,128,405	[REDACTED] Shares (L)	[REDACTED]%
Anhui Zhongding Holding (Group) Co., Ltd.* (安徽中鼎控股(集團)股份有限公司) <sup>(7)</sup>	Interest in controlled corporation	4,128,405	Unlisted Shares	7.86%	4,128,405	[REDACTED] Shares (L)	[REDACTED]%
Anhui Jintong Zhihui Private Equity Fund Management Co., Ltd.* (安徽金通智匯私募基金管理有限公司) <sup>(8)</sup>	Interest in controlled corporations	4,028,407	Unlisted Shares	7.67%	4,028,407	[REDACTED] Shares (L)	[REDACTED]%
Shanghai Rongqian Enterprise Management Center (Limited Partnership)* (上海榮乾企業管理中心(有限合夥)) <sup>(8)</sup>	Interest in controlled corporations	4,028,407	Unlisted Shares	7.67%	4,028,407	[REDACTED] Shares (L)	[REDACTED]%
Xia Zhubing (夏柱兵) <sup>(8)</sup>	Interest in controlled corporations	4,028,407	Unlisted Shares	7.67%	4,028,407	[REDACTED] Shares (L)	[REDACTED]%
Qin Daqian (秦大乾) <sup>(8)</sup>	Interest in controlled corporations	4,028,407	Unlisted Shares	7.67%	4,028,407	[REDACTED] Shares (L)	[REDACTED]%

## SUBSTANTIAL SHAREHOLDERS

*Notes:*

(L) All the interests stated are long positions.

- (1) The calculation is based on the assumption that (i) the [REDACTED] Unlisted Shares will be converted into H Shares, (ii) the total number of the Shares in issue will be [REDACTED] Shares immediately after the completion of the [REDACTED], and (iii) the [REDACTED] is not exercised.
- (2) As of the Latest Practicable Date, Tongdu E-Commerce is controlled by Dr. Huang as its sole general partner. The limited partner holds more than one-third of its limited partnership interest is Chen Qinling (陳欽玲) holding 34.3463% limited partnership interests in Tongdu E-Commerce. By virtue of SFO, each of Dr. Huang and Chen Qinling (陳欽玲) is deemed to be interested in the Shares held by Tongdu E-Commerce. Chen Qinling (陳欽玲) is an associate of Chen Hanlin (陳涵霖), who controlled our Pre-[REDACTED] Investor, Jingzhou Zhida. Please refer to note (5) below for more information.
- (3) As of the Latest Practicable Date, Tongdu Intelligent is controlled by Dr. Huang as its sole general partner. The limited partner holds more than one-third of its limited partnership interest is Shen Haiying (沈海鷹), holding 37.2093% limited partnership interests in Tongdu Intelligent. By virtue of SFO, each of Dr. Huang and Shen Haiying (沈海鷹) is deemed to be interested in the Shares held by Tongdu Intelligent.
- (4) As of the Latest Practicable Date, the general partner of Tongdu Technology is Tongdu Enterprise. Tongdu Enterprise is held by Dr. Huang as to 70% and his spouse as to 30%. None of the limited partners of Tongdu Technology holds more than one third partnership interests of Tongdu Technology. Therefore, by virtue of SFO, each of Dr. Huang and Tongdu Enterprise is deemed to be interested in the Shares held by Tongdu Technology.
- (5) As of the Latest Practicable Date, Jingzhou Zhida has four shareholders, among which, Chen Hanlin (陳涵霖) controlled more than one-third of the voting power at the general meeting of Jingzhou Zhida. Therefore, by virtue of SFO, Chen Hanlin (陳涵霖) is deemed to be interested in the Shares held by Jingzhou Zhida.
- (6) As of the Latest Practicable Date, the general partner of Shanghai China Power Investment is State Power Investment Corporation Industrial Fund Management Co., Ltd.\* (國家電投集團產業基金管理有限公司), holding 7% partnership interests in Shanghai China Power Investment, which is a company controlled by State Power Investment Corporation Innovation Investment Co., Ltd.\* (國家電投集團創新投資股份有限公司) as to 90.01%. State Power Investment Corporation Innovation Investment Co., Ltd.\* (國家電投集團創新投資股份有限公司) is a wholly-owned subsidiary of State Power Investment Corporation Co., Ltd.\* (國家電力投資集團有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會, “SASAC”). The sole limited partner of Shanghai China Power Investment is China Power Investment Ronghe New Energy Technology Co., Ltd.\* (中電投融和新能源科技有限公司), which is wholly owned by Power Investment Ronghe New Energy Development Co., Ltd.\* (電投融和新能源發展有限公司), which is in turn controlled by State Power Investment Corporation Co., Ltd.\* (國家電力投資集團有限公司), a wholly-owned subsidiary of SASAC.

By virtue of SFO, each of State Power Investment Corporation Industrial Fund Management Co., Ltd.\* (國家電投集團產業基金管理有限公司), State Power Investment Corporation Innovation Investment Co., Ltd.\* (國家電投集團創新投資股份有限公司), State Power Investment Corporation Co., Ltd.\* (國家電力投資集團有限公司), China Power Investment Ronghe New Energy Technology Co., Ltd.\* (中電投融和新能源科技有限公司), Power Investment Ronghe New Energy Development Co., Ltd.\* (電投融和新能源發展有限公司) is deemed to be interested in the Shares held by Shanghai China Power Investment.

- (7) Anhui Zhongding is listed on the Shenzhen Stock Exchange (stock code: 000887.SZ). As of the Latest Practicable Date, Anhui Zhongding is controlled by Anhui Zhongding Holding (Group) Co., Ltd.\* (安徽中鼎控股(集團)股份有限公司) as to approximately 40.46%. By virtue of SFO, Anhui Zhongding Holding (Group) Co., Ltd.\* (安徽中鼎控股(集團)股份有限公司) is deemed to be interested in the Shares held by Anhui Zhongding.

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## SUBSTANTIAL SHAREHOLDERS

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- (8) As of the Latest Practicable Date, Anhui Jintong New Energy Vehicle Phase II Fund Partnership (limited Partnership)\* (安徽金通新能源汽車二期基金合夥企業(有限合夥), “**Anhui Jintong**”) directly held 2,653,647 Unlisted Shares of our Company. The general partner of Anhui Jintong is Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership)\* (安徽金通新能源二期投資管理合夥企業(有限合夥)). Xuancheng Jintong Technology Innovation Venture Capital Fund Partnership (Limited Partnership)\* (宣城金通科技創新創業投資基金合夥企業(有限合夥), “**Xuancheng Jintong**”) directly held 824,856 Unlisted Shares of our Company; and Anqing Economic Development Zone Jintong New Energy Automobile Industry Fund Partnership (Limited Partnership)\* (安慶經開區金通新能源汽車產業基金合夥企業(有限合夥), “**Anqing Jintong**”) directly held 549,904 Unlisted Shares of our Company.

The general partner of Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership)\* (安徽金通新能源二期投資管理合夥企業(有限合夥)) is Anhui Jintong Zhihui Private Equity Fund Management Co., Ltd.\* (安徽金通智匯私募基金管理有限公司, “**Jintong Zhihui**”), an investment arm of Jintong Capital. Jintong Zhihui is also the sole general partner of Xuancheng Jintong and Anqing Jintong.

Jintong Zhihui is controlled by Shanghai Rongqian Enterprise Management Center (Limited Partnership)\* (上海榮乾企業管理中心(有限合夥), “**Shanghai Rongqian**”) as to approximately 52.3810%. The general partner of Shanghai Rongqian is Xia Zhubing (夏柱兵) holding as to 2% partnership interests. The limited partner holds more than one-third of its limited partnership interest is Qin Daqian (秦大乾) holding 78% of the limited partnership interests of Shanghai Rongqian.

Therefore, by virtue of SFO, each of Jintong Zhihui, Shanghai Rongqian, Xia Zhubing (夏柱兵) and Qin Daqian (秦大乾) is deemed to be interested in the Shares in aggregate held by Anhui Jintong, Xuancheng Jintong and Anqing Jintong.

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the value of any class of Shares varying rights to vote in all circumstances at general meetings of any member of our Group, see “Statutory and General Information — 4. Disclosure of Interests — Disclosure of Interests of Substantial Shareholders” in Appendix IV.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

### BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB52,527,021, comprising 52,527,021 Unlisted Shares in issue of nominal value RMB1.0 each.

### UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital (%)</u>
Unlisted Shares in issue . . . . .	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares . . . . .	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED] . . . . .	[REDACTED]	[REDACTED]
<b>Total . . . . .</b>	<b>[REDACTED]</b>	<b>100.00</b>

Immediately following completion of the [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company immediately following completion of the [REDACTED], will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital (%)</u>
Unlisted Shares in issue . . . . .	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares . . . . .	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED] . . . . .	[REDACTED]	[REDACTED]
<b>Total . . . . .</b>	<b>[REDACTED]</b>	<b>100.00</b>

### RANKING

Upon completion of the [REDACTED], we would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong

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## SHARE CAPITAL

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Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

### CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

The Company [has filed] for application for a “full circulation” of all the [REDACTED] Unlisted Shares, and [submitted] the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The relevant filings process of the conversion of [REDACTED] Unlisted Shares held by [REDACTED] the existing Shareholders into H Shares on a one-for-one basis [have been] completed on [●] and an application [has been] made to the Listing Committee for such H Shares to be [REDACTED] on the Stock Exchange.

Upon completion of the [REDACTED], if any of our Shares are not [REDACTED] or [REDACTED] on any stock exchange, the holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Hong Kong 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 Hong Kong Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our [REDACTED] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior [REDACTED] for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Hong Kong Stock Exchange. Any [REDACTED] for [REDACTED] of the converted Shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.



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## SHARE CAPITAL

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After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our [REDACTED] will be on the condition that (a) our [REDACTED] lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

For further details, see “Risk Factors — Risks Related to the [REDACTED] — Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.”

### TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

[REDACTED]

### REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC, the domestic shareholders of our Shares that are not [REDACTED] on the overseas stock exchange 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 such shares involved in the application is completed.

### SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting are required, see “Summary of Articles of Association of the Company” in Appendix III to this Document.

## SHARE CAPITAL

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### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted general unconditional mandates to issue and repurchase our Shares. See “Appendix IV — Statutory and General Information — Further Information about our Company — Shareholders’ Resolutions” for further details.

## FINANCIAL INFORMATION

*You should read the following discussion and analysis in conjunction with our consolidated financial information including the notes thereto, included in the Accountant’s Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including “Risk Factors” and “Business.”*

*For the purpose of this section, unless the context otherwise requires, references to 2021 and 2022 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.*

## OVERVIEW

We are the world’s largest provider of EV home charging solutions in terms of sales volume of home EV chargers during the Track Record Period, according to Frost & Sullivan. Starting with offering high-quality smart home EV chargers to both automakers and users, we have since developed a “three-in-one” EV home charging solution consisting of high-quality products, value-added services, and a powerful digital platform.

We believe we are a trusted partner for leading automakers in China. During the Track Record Period, we provided smart home EV chargers and accessories and/or value-added services to eight of the top ten mainstream automakers in China in terms of sales volume of EVs in the nine months ended September 30, 2023, according to Frost & Sullivan. Through our partnerships with well-known automakers, we have established our brand reputation as a leading provider of EV home charging solutions, while expanding into overseas markets alongside these major automakers. Today, our products and services serve eight countries. In Thailand and Brazil, two fast-growing EV markets outside of China, we are one of the first movers that have established a preeminent presence as a highly recognized provider of smart home EV chargers and services, according to Frost & Sullivan.

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## FINANCIAL INFORMATION

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Drawing upon our brand influence and service capabilities we accumulated through our partnerships with leading automakers, we launched our own retail brand “摯達(Zhida)” in 2020. Since its launch, we have efficiently and rapidly accumulated a vast user base, which lays a solid foundation for us to directly reach and better understand the needs of retail users. We cover retail users through multiple channels domestically and internationally. We operate e-stores on platforms such as Tmall (天貓), Douyin (抖音) and Youzan (有贊) in China, and we plan to expand our footprint on international e-commerce platforms. We are one of the top three brands in terms of retail sales of home EV chargers on e-commerce platforms in both 2022 and the nine months ended September 30, 2023, according to Frost & Sullivan. In addition, we collaborate with distributors in 104 cities in China as of September 30, 2023, to further expand the customer base of our products.

During the Track Record Period, we also generated revenues from providing our users with value-added services, mainly including EV charger installation and after-sales services, through third-party service providers connected and managed via our digital platform. According to Frost & Sullivan, we have established China’s largest EV charger service network to provide door-to-door installation and after-sales services, covering over 360 cities nationwide as of September 30, 2023. In addition, our digital energy management services also include, among others, community shared charging and EV home charging control. We are also developing a variety of other value-added services to further digitalize home energy management for our users.

In 2021, 2022, the nine months ended September 30, 2022 and 2023, we recorded revenue of RMB357.6 million, RMB697.1 million, RMB417.5 million and RMB485.8 million, respectively, and our gross profit reached RMB94.3 million, RMB142.1 million, RMB90.2 million and RMB105.9 million, respectively. In the same periods, we recorded loss for the year/period of RMB23.3 million, RMB25.1 million, RMB28.6 million and RMB26.6 million, respectively.

### BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The historical financial information has been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value. The historical financial information has been prepared on a going concern basis.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on January 1, 2022, including IFRS 9, IFRS 15, and IFRS 16, are consistently applied to us for the reporting period. Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period and have not been early adopted by us. Certain amendments to accounting standards and interpretation have been published that are not mandatory for the reporting period ended September 30, 2023 and have not been early adopted by us. These amendments are not expected to have a material impact on us in the current or future reporting periods and on foreseeable future transactions.

For details, see Note 2 to the Accountant’s Report included in Appendix I.

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## FINANCIAL INFORMATION

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### KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been and will continue to be affected by a number of factors that will affect our industry, including macroeconomic trends, industry dynamics, technology innovations, competitive landscape and government regulations and policies. Any negative change in these conditions may adversely impact our industry and our results of operations. Besides the aforementioned general factors, our business and results of operations are also affected by factors that are specific to us.

#### Expand Product and Service Portfolios and Drive Diversified Monetization

Our ability to introduce new products and new value-added services will be an important contributor to our future growth. Our existing product portfolio, which mainly includes smart home EV chargers and accessories, caters to different user needs and serves both automakers and retail customers. We plan to offer in the future new products such as EV charging robots and other smart charging hardware products that we believe will enable us to meet consumer needs for EV charging and more broadly, server as the hardware gateways to home energy management, in diversified scenarios. In addition, as part of our integrated EV charging solutions, we offer value-added services that are highly complementary to our products, including EV charger installation and after-sales services provided through third-party service providers connected via our digital platform, as well as home energy management services. To further expand our value-added services and improve their monetization, we will focus our continuous R&D efforts on developing technologies to increase EV charging efficiency and make EV charging a gateway to our users’ overall home energy management.

Customer acceptance of our products and value-added services, particularly, our new products and services, also depends on our ability to maintain competitive pricing and optimize our product and service mix. We aim to offer users compelling value propositions by providing them with a one-stop EV home charging and digital energy management solution, which we believe will allow us to diversify our monetization channels for our existing and new product and services and promote cross-selling of multiple products and services. As part of our monetization strategies, we will also continue to focus on enhancing our product features as well as service capabilities.

#### Diversify Sales and Distribution Channels to Reach Broader Customer Base

Our continued revenue growth depends on our ability to rapidly expand our customer base through diversified sales and distribution channels. Currently, we sell our products to both leading automakers and retail customers and provide our value-added services to them. We will continue to leverage our established brand reputation to serve a diversified group of high-quality automakers, especially those with increasing market shares in overseas EV markets. Moreover, we intend to extensively increase retail penetration in both China and overseas. Since 2020, when we opened our first online store on Tmall (天貓), we have significantly increased sales of products to retail customers. We currently sell our products and services to retail customers through self-operated online stores e-commerce platforms and distributors. In 2021, 2022 and the nine months ended September 30, 2022 and 2023, we generated RMB31.5 million, RMB53.7 million, RMB32.2 million and RMB38.9 million in revenue from sales of products to retail customers. We expect our sales to retail customers to continue increasing in the future.

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Our future growth in retail sales will depend on our ability to promote our products and services via a wider array of sales and distribution channels, including both online and offline avenues and through both direct e-commerce sales and third-party distributors. Besides these efforts, there are other factors that will impact our success in driving revenue growth, including but not limited to our supply chain capabilities, our marketing strategies, and consumer behavior shifts. We remain vigilant to these risks and are prepared to adapt our strategies in a swift and cost-effective manner.

### **Expand Rapidly in Overseas Markets**

Our global footprint currently extends to various overseas countries through both increased sales to automakers and our expanding retail network coverage. During the Track Record Period, our overseas revenue contributed an increasing portion of our total revenue from 2.3% in 2021 to 9.8% in the nine months ended September 30, 2023, which was mainly driven by increased sales to Chinese automakers who expanded their EV sales in overseas markets.

To capitalize on tremendous market opportunities in overseas markets (especially those with increasing sales of EVs and attractive demographics with respect to pricing power), we are committed to expanding our global presence through our multifaceted strategic initiatives. Under this approach, we aim to make our products in conformity with global standards and adaptable to EVs of global automakers, expand our local service network through our digital platform, establish robust and localized overseas manufacturing capabilities, and build brand awareness to support our worldwide expansion.

### **Prudently Manage Costs and Improve Operating Efficiency**

With an increasingly diversified product and service portfolio, our profitability depends on our proficiency in managing costs and improving operational efficiency. Our cost of sales as a percentage of revenue was 73.6%, 79.6%, 78.4% and 78.2% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. We have been consistently working to optimize our cost efficiency, where we effectively manage our procurements and supply chain efficiency through partnering with high-quality suppliers as well as improving the production efficiency at our manufacturing facilities.

Our operational expenses consist of research and development, general and administrative, as well as sales and marketing expenses. Our operating expenses as a percentage of revenue was 26.0%, 22.3%, 27.1% and 28.6% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. Such increase was largely driven by our enhanced investments in sales and marketing to expand our retail sales network as well as continued investments in R&D to drive new technology and product innovation. These expenses, benchmarked as a percentage of revenue, have been maintained within strategic thresholds to ensure an optimal balance between growth investment and cost discipline. Going forward, we will continue to focus on improving the economies of scale, optimizing compensation structure and driving the cost effectiveness for our operating expenses.

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### CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that we believe are most significant to the preparation of our historical financial statements. Some of our material accounting policies involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. Our material accounting policies are set forth in details in Note 4 to the Accountant’s Report included in Appendix I to this Document.

The judgments, estimates and associated assumptions are based on our historical experience and various other relevant factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. When reviewing our financial results, you should consider: (i) our selection of material accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. The determination of these items requires management judgments based on information and financial data that may change in future years, and as a result, actual results could differ from those estimates.

We set forth below those accounting policies that we believe involve the most significant estimates and judgements used in preparing of our consolidated financial statements.

#### **Revenue Recognition**

Revenue is recognized when or as the control of the goods or services is transferred to a customer. A customer is the party that contracts with us to purchase goods or services which are the output of our ordinary activities in exchange for consideration.

Contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, we present the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before we transfer a good or service to the customer, we present the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is our obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.



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The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties.

The accounting policy for our principal revenue sources includes the following:

### *Sales of products*

We manufacture and sell EV chargers and related parts in the market, and generate revenue from sales of EV chargers, accessories, electrical cables, and other related products. The revenue for sales of the products mentioned above is recognized at a point in time when control of the products is transferred to the customer. Specifically, sales are recognized when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products. The standard warranty we provide, including free assistance service for hardware quality problems and etc., is accounted for as provisions, and the estimated costs are recorded as a liability when we transfer the control of the products to a customer.

### *Provision of value-added services*

Value-added services mainly comprise EV charger installation and after-sales services. Since services are usually completed only in a short period of time, the revenue generated from the services mentioned above is recognized upon completion of the services.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “other gains — net” in the consolidated statements of profit or loss.

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Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

### **Deferred Income Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where we are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where we have a legally enforceable right to offset and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

### **Inventories**

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted

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average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **Trade and Notes Receivables**

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore all classified as current. Trade and notes receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. We hold the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measure them subsequently at amortized cost using the effective interest method. See Note 21 to the Accountant’s Report included in Appendix I for further information about our accounting for trade and notes receivables and Note 3 to the Accountant’s Report included in Appendix I for a description of our impairment policies. We apply the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. Information about the impairment of trade and notes receivables and our exposure to credit risk is described in Note 3.1. The carrying amounts of our trade and notes receivables approximated their fair values as at the balance sheet dates.

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### Financial assets

#### *Classification*

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on our business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether we have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). We reclassify debt investments when and only when our business model for managing those assets changes.

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which we commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and we have transferred substantially all the risks and rewards of ownership.

#### *Measurement*

At initial recognition, we measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on our business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which we classify our debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in “other gains — net”. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

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- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in “other gains — net”. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in “other gains — net” and impairment expenses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within in “other gains — net” in the period in which it arises.

### *Equity instruments*

We subsequently measure all equity investments at fair value. Where our management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when our right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in profit or loss and presented in “other gains — net” in the consolidated statements of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### *Impairment*

We assess on a forward-looking basis the expected credit loss associated with our debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents, restricted cash and long-term bank time deposits, the expected credit loss risk is considered immaterial. For trade and notes receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the balance sheets where we currently have a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to us prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### **Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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### Provisions

Provisions for legal claims, service warranties, and make-good obligations are recognized when we have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

### SUMMARY OF OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

The table below sets forth our consolidated statements of comprehensive loss in the periods indicated derived from the Accountant’s Report included in Appendix I:

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)			
	(unaudited)			
Revenue . . . . .	357,607	697,060	417,478	485,821
Cost of sales . . . . .	(263,299)	(554,986)	(327,312)	(379,946)
<b>Gross profit . . . . .</b>	<b>94,308</b>	<b>142,074</b>	<b>90,166</b>	<b>105,875</b>
Sales and marketing expenses . . . .	(32,747)	(67,615)	(47,913)	(64,895)
General and administrative expenses . . . . .	(34,884)	(53,695)	(40,510)	(46,942)
Research and development expenses . . . . .	(25,411)	(34,099)	(24,830)	(26,945)
Net impairment reversal/(losses) on financial assets . . . . .	745	(6,700)	(3,794)	421
Other income . . . . .	4,022	3,150	2,413	4,791
Other gains – net . . . . .	320	757	979	139



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	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)			
	(unaudited)			
<b>Operating profit/(loss)</b> . . . . .	6,353	(16,128)	(23,489)	(27,556)
Finance income . . . . .	246	1,416	831	1,649
Finance costs . . . . .	(30,797)	(14,338)	(11,585)	(7,460)
Finance costs – net . . . . .	(30,551)	(12,922)	(10,754)	(5,811)
Share of net loss of an associate accounted for using the equity method . . . . .	(477)	–	–	–
<b>Loss before income tax</b> . . . . .	(24,675)	(29,050)	(34,243)	(33,367)
Income tax credit . . . . .	1,353	3,903	5,654	6,807
<b>Loss for the year/period</b> . . . . .	<u>(23,322)</u>	<u>(25,147)</u>	<u>(28,589)</u>	<u>(26,560)</u>
<b>Attributable to:</b>				
Owners of the Company . . . . .	(25,981)	(26,306)	(29,209)	(26,556)
Non-controlling interests . . . . .	2,659	1,159	620	(4)
	<u>(23,322)</u>	<u>(25,147)</u>	<u>(28,589)</u>	<u>(26,560)</u>
<b>Loss per share attributable to the equity holders of the Company</b>				
Basic and diluted loss per share . .	<u>(0.59)</u>	<u>(0.53)</u>	<u>(0.60)</u>	<u>(0.51)</u>

## DESCRIPTION OF KEY COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### Revenue

We derive our revenue primarily from sales of our EV chargers and accessories and provision of our value-added services (which mainly include EV charger installation and after-sales services). Our revenue is recognized when or as the control of the goods or services is transferred to a customer and is measured at the transaction price agreed under the contract.

### *Revenue by nature*

The following table sets forth the breakdown of our revenue generated from sales of products and provision of value-added services in the periods indicated.

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	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
By nature								
Sales of products . . . . .	190,130	53.2	407,434	58.5	213,240	51.1	242,397	49.9
Provision of value-added services . . . . .	167,477	46.8	289,626	41.5	204,238	48.9	243,424	50.1
Total. . . . .	357,607	100.0	697,060	100.0	417,478	100.0	485,821	100.0

- *Sales of products.* We generate revenue from sales of products to automakers, distributors and retail customers, including smart home EV chargers and accessories such as portable charging devices and electrical cables. Substantially all of the revenue from sales of products were derived from sales of smart home EV chargers during the Track Record Period.
- *Provision of value-added services.* We also generate revenue from provision of value-added services to users, mainly including EV charger installation and after sales services. Substantially all of the revenue generated from provision of value-added services were derived from provision of installation and after-sales services in connection with the sales of our smart home EV chargers and accessories during the Track Record Period.

### Revenue by geographic region

We generate revenue through sales of products and services used in China and overseas. During the Track Record Period, our overseas revenue mainly included sales of smart home EV chargers made for Chinese automakers in conformity with overseas product specifications in connection with sales of their EVs to overseas markets. The following table sets forth a breakdown of our revenue by geographic region in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
By geographic region								
China . . . . .	349,461	97.7	684,150	98.1	412,750	98.9	438,122	90.2
Overseas. . . . .	8,146	2.3	12,910	1.9	4,728	1.1	47,699	9.8
Total. . . . .	357,607	100.0	697,060	100.0	417,478	100.0	485,821	100.0

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### *Revenue by sales channel*

Our sales and distribution channels consist of direct sales and sales through distributors. Our provision of value-added services is all delivered directly to users. Our sales of products include both direct sales and sales through distributors. The direct sale channels comprise (i) sales to automakers, mainly including automakers and their related customers who were designated or recommended by automakers and enjoy the same price terms as automakers, and (ii) sales to retail customers mainly through online stores we operate on major e-commerce platforms. In addition to direct sale channels, we also sell our products to third-party distributors who purchase and resell our products to end users.

The following table sets forth a breakdown of our revenue by sales channel in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
(unaudited)								
(in thousands, except for percentages)								
<b>By sales channel</b>								
<b>Sales of products</b>								
Direct sales . . . . .	174,216	48.7	362,280	52.0	184,327	44.2	202,609	41.7
Sales to automakers . . .	142,735	39.9	308,630	44.3	152,142	36.5	163,681	33.7
Retail sales . . . . .	31,481	8.8	53,650	7.7	32,185	7.7	38,928	8.0
Sales through distributors . .	15,914	4.5	45,154	6.5	28,913	6.9	39,788	8.2
<b>Provision of value-added</b>								
services . . . . .	<u>167,477</u>	<u>46.8</u>	<u>289,626</u>	<u>41.5</u>	<u>204,238</u>	<u>48.9</u>	<u>243,424</u>	<u>50.1</u>
<b>Total . . . . .</b>	<u><b>357,607</b></u>	<u><b>100.0</b></u>	<u><b>697,060</b></u>	<u><b>100.0</b></u>	<u><b>417,478</b></u>	<u><b>100.0</b></u>	<u><b>485,821</b></u>	<u><b>100.0</b></u>

### **Cost of Sales**

Our cost of sales primarily consists of outsourced installation cost, raw material, warranty expenses, freight expenses, direct labor cost, depreciation and amortization expenses, and others. In 2021 and 2022, our cost of sales was RMB263.3 million and RMB555.0 million, respectively, representing 73.6% and 79.6% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our cost of sales was RMB327.3 million and RMB379.9 million, respectively, representing 78.4% and 78.2% of our revenue, respectively.

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The following table sets forth a breakdown of our cost of sales by offering category, in absolute amounts and percentages, in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
<b>Cost of sales</b>								
Sales of products . . . . .	138,412	52.6	322,552	58.1	168,095	51.4	187,849	49.4
Provision of value-added services . . . . .	124,887	47.4	232,434	41.9	159,217	48.6	192,097	50.6
<b>Total. . . . .</b>	<b>263,299</b>	<b>100.0</b>	<b>554,986</b>	<b>100.0</b>	<b>327,312</b>	<b>100.0</b>	<b>379,946</b>	<b>100.0</b>

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and percentages, in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
<b>Cost of sales</b>								
Outsourced installation cost . . . . .	112,492	42.7%	220,853	39.8%	152,605	46.6%	186,237	49.0%
Raw material . . . . .	112,349	42.7%	265,464	47.8%	137,305	41.9%	155,425	40.9%
Warranty expenses . . . . .	9,758	3.7%	25,994	4.7%	13,453	4.1%	11,555	3.0%
Freight expenses . . . . .	4,923	1.9%	13,026	2.3%	7,525	2.3%	7,666	2.0%
Direct labor cost . . . . .	7,749	2.9%	9,772	1.8%	5,879	1.8%	5,917	1.6%
Depreciation and amortization expenses . . . . .	5,541	2.1%	5,310	1.0%	4,062	1.2%	3,935	1.0%
Others . . . . .	10,487	4.0%	14,567	2.6%	6,483	2.0%	9,211	2.4%
<b>Total. . . . .</b>	<b>263,299</b>	<b>100.0</b>	<b>554,986</b>	<b>100.0</b>	<b>327,312</b>	<b>100.0</b>	<b>379,946</b>	<b>100.0</b>

### Gross Profit and Gross Profit Margin

In 2021 and 2022, our gross profit was RMB94.3 million and RMB142.1 million, respectively. In the nine months ended September 30, 2022 and 2023, our gross profit was RMB90.2 million and RMB105.9 million, respectively. Our gross profit margin reached 26.4%, 20.4%, 21.6% and 21.8% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively.

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The following table sets forth a breakdown of our gross profit and gross profit margin by offering category in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
Sales of products . . . . .	51,718	27.2	84,882	20.8	45,145	21.2	54,548	22.5
Provision of value-added services . . . . .	42,590	25.4	57,192	19.7	45,021	22.0	51,327	21.1
<b>Total . . . . .</b>	<b>94,308</b>	<b>26.4</b>	<b>142,074</b>	<b>20.4</b>	<b>90,166</b>	<b>21.6</b>	<b>105,875</b>	<b>21.8</b>

### Sales and Marketing Expenses

Our sales and marketing expenses consist of (i) employee benefit expenses, (ii) marketing and advertisement expenses, (iii) customer support expenses, (iv) office and rental expenses, (v) travel expenses, (vi) business development expenses in connection with sales and marketing activities, and (vii) others. In 2021 and 2022, our sales and marketing expenses were RMB32.7 million and RMB67.6 million, respectively, representing 9.2% and 9.7% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our sales and marketing expenses were RMB47.9 million and RMB64.9 million, respectively, representing 11.5% and 13.4% of our revenue, respectively. The following table sets forth a breakdown of our sales and marketing expenses by nature, in absolute amounts and percentages, in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
<b>Sales and marketing expenses</b>								
Employee benefit expenses . . . . .	22,103	67.5%	35,159	52.0%	24,318	50.8%	30,861	47.6%
Marketing and advertisement expenses . . . . .	2,969	9.1%	14,298	21.1%	10,167	21.2%	15,733	24.2%
Customer support expenses . . . . .	2,847	8.7%	11,337	16.8%	8,925	18.6%	11,134	17.2%
Office and rental expenses . . . . .	1,111	3.4%	2,347	3.5%	1,337	2.8%	2,807	4.3%
Travel expenses . . . . .	902	2.8%	1,138	1.7%	667	1.4%	1,350	2.1%
Business development expenses . . . . .	1,254	3.8%	1,383	2.0%	1,004	2.1%	1,255	1.9%
Others . . . . .	1,561	4.8%	1,953	2.9%	1,495	3.1%	1,755	2.7%
<b>Total . . . . .</b>	<b>32,747</b>	<b>100.0</b>	<b>67,615</b>	<b>100.0</b>	<b>47,913</b>	<b>100.0</b>	<b>64,895</b>	<b>100.0</b>

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### General and Administrative Expenses

Our general and administrative expenses consist of (i) employee benefit expenses, (ii) depreciation and amortization expenses, (iii) professional service fees, (iv) office and rental expenses, (v) business development expenses in connection with our general and administrative activities, (vi) travel expenses, and (vii) others. In 2021 and 2022, our general and administrative expenses were RMB34.9 million and RMB53.7 million, respectively, representing 9.8% and 7.7% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our general and administrative expenses were RMB40.5 million and RMB46.9 million, respectively, representing 9.7% and 9.7% of our revenue, respectively. The following table sets forth a breakdown of our general and administrative expenses by nature, in absolute amounts and percentages, in the periods indicated.

	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
General and administrative expenses								
Employee benefit expenses . . . . .	17,443	50.0%	28,967	53.9%	20,738	51.2%	25,326	53.9%
Depreciation and amortization expenses . . . . .	3,533	10.1%	6,811	12.7%	4,383	10.8%	7,023	15.0%
Professional service fees . . . . .	4,686	13.4%	8,514	15.9%	7,656	18.9%	5,783	12.3%
Office and rental expenses . . . . .	5,691	16.3%	5,133	9.6%	4,623	11.4%	3,879	8.3%
Business development expenses . . .	1,999	5.7%	2,082	3.9%	1,400	3.4%	2,160	4.6%
Travel expenses . . . . .	603	1.7%	510	0.9%	304	0.8%	804	1.7%
Others . . . . .	929	2.7%	1,678	3.1%	1,406	3.5%	1,967	4.2%
Total . . . . .	34,884	100.0	53,695	100.0	40,510	100.0	46,942	100.0

### Research and Development Expenses

Research and development expenses represent (i) employee benefit expenses, (ii) product testing expense, and (iii) others. In 2021 and 2022, our research and development expenses were RMB25.4 million and RMB34.1 million, respectively, representing 7.1% and 4.9% of our revenue, respectively. In the nine months ended September 30, 2022 and 2023, our research and development expenses were RMB24.8 million and RMB26.9 million, respectively, representing 5.9% and 5.5% of our revenue, respectively. The following table sets forth a breakdown of our research and development expenses by nature, in absolute amounts and percentages, in the periods indicated.

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	Year Ended December 31,				Nine Months Ended September 30,			
	2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)							
	(in thousands, except for percentages)							
<b>Research and development expenses</b>								
Employee benefit expenses . . . . .	20,048	78.9	25,983	76.2	20,167	81.2	21,974	81.5
Product testing expense . . . . .	4,237	16.7	6,815	20.0	4,069	16.4	4,249	15.8
Others . . . . .	1,126	4.4	1,301	3.8	594	2.4	722	2.7
<b>Total . . . . .</b>	<b>25,411</b>	<b>100.0</b>	<b>34,099</b>	<b>100.0</b>	<b>24,830</b>	<b>100.0</b>	<b>26,945</b>	<b>100.0</b>

### Net Impairment (Losses)/Reversal on Financial Assets

Net impairment (losses)/reversal on financial assets consist of impairment losses recognized, net of reversal, on (i) trade and note receivables, and (ii) other receivables and other non-current assets. We recorded net impairment reversal on financial assets of RMB745 thousand in 2021, net impairment losses on financial assets of RMB6.7 million in 2022, net impairment losses on financial assets of RMB3.8 million in the nine months ended September 30, 2022, and net impairment reversal on financial assets of RMB421 thousand in the nine months ended September 30, 2023.

### Finance Costs

Finance costs consist of (i) interest expense on lease liabilities, (ii) interest expenses on financial instruments with preferred rights at amortized cost, and (iii) interest expense on borrowings. Our finance costs amounted to RMB30.8 million and RMB14.3 million in 2021 and 2022, respectively. In the nine months ended September 30, 2022 and 2023, our finance costs amounted to RMB11.6 million and RMB7.5 million, respectively.

## TAXATION

### PRC

We and our subsidiaries established in the PRC are generally subject to statutory income tax at a rate of 25% in accordance with the relevant PRC income tax laws, subject to preferential tax treatments available to certain qualified enterprises. We and one of our subsidiaries were approved as “high and new technology enterprise” and, accordingly, enjoy a preferential income tax rate of 15% during the Track Record Period. Certain of our subsidiaries in the PRC have been granted certain tax concessions to small scale entities by tax authorities in the PRC whereby the subsidiaries operating in the respective region are entitled to tax concessions.



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Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. In April 2009, the SAT issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, if the PRC tax authorities determine that any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then such subsidiary could be subject to PRC tax at a rate of 25% on the subsidiary’s worldwide income. In addition, such subsidiaries will also be subject to PRC enterprise income tax reporting obligations. For details, see “Risk Factors — Risks Related to Doing Business in the Country where We Mainly Operate in — Our operations are subject to and may be affected by changes in PRC tax laws and regulations.”

### **Singapore**

Our subsidiaries in Singapore are subject to Singapore corporate income tax, which is calculated based on the applicable tax rate of 17% on the assessable profits of the subsidiaries in accordance with Singapore tax laws and regulations during the Track Record Period.

### **Thailand**

Our subsidiaries in Thailand are subject to Thailand corporate income tax, which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations during the Track Record Period.

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### DISCUSSION OF RESULTS OF OPERATIONS

#### Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

##### *Revenue*

Our revenue increased by 16.4% from RMB417.5 million in the nine months ended September 30, 2022 to RMB485.8 million in same period in 2023, driven by the increase in the sales of products and provision of value-added services.

- *Sales of products.* Our revenue generated from sales of products increased by 14.2% from RMB213.2 million in the nine months ended September 30, 2022 to RMB242.4 million in the nine months ended September 30, 2023, primarily driven by the increase in sales volume of our smart home EV chargers across our distribution channels and geographic markets. In the nine months ended September 30, 2023, we sold 167.3 thousand smart home EV chargers in China, representing a decrease of 22.7% as compared to 216.5 thousand smart home EV chargers sold in China in the nine months ended September 30, 2022, due to a decrease in sales to automakers while we continued to diversify our sales channel in China. On the other hand, our expansion into the overseas market achieved an initial success, as evidenced by the increase in sales volume of our smart home EV chargers. In the nine months ended September 30, 2023, we sold 60.6 thousand smart home EV chargers in overseas markets, representing an increase of 2,551.1% as compared to 2,284 smart home EV chargers sold in overseas markets in the nine months ended September 30, 2022.
- *Provision of value-added services.* Our revenue generated from provision of services increased by 18.7% from RMB204.2 million in the nine months ended September 30, 2022 to RMB243.4 million in the nine months ended September 30, 2023, primarily driven by the increase in sales volume of installation and after-sales service, which increased along with the increased sales of our smart home EV chargers and the increased acceptance and adoption of EVs. In the nine months ended September 30, 2023, we fulfilled 272.0 thousand installation and after-sale service tasks, representing an increase of 60.1% as compared to 169.9 thousand in the nine months ended September 30, 2022.

Our provision of value-added services is all delivered directly to users. For sales of products, our revenue generated through distributors reached RMB39.8 million in the nine months ended September 30, 2023, representing 16.1% of our total revenue from sales of products in the same period, as compared to RMB28.9 million in the nine months ended September 30, 2022, representing 13.6% of our total revenue from sales of products in the same period. Our revenue generated from direct sales of products reached RMB202.6 million in the nine months ended September 30, 2023, representing 83.6% of our total revenue from sales of products in the same period, as compared to RMB184.3 million in the nine months ended September 30, 2022, representing 87.8% of our total revenue from sales of products in the same period. The increase in the proportion of revenue generated from sales of products through

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distributors compared to that from direct sales was primarily driven by our efforts to diversify our sales channels beyond sales to automakers, which allowed us to achieve swift expansion within retail markets and increase our potential to improve our overall gross margin profile. We collaborated with 28 and 102 distributors as of September 30, 2022 and 2023, respectively. In particular, among direct sales of products, our revenue generated from retail sales reached RMB38.9 million in the nine months ended September 30, 2023, representing 16.1% of our total revenue from sales of products in the same period, as compared to RMB32.2 million in the nine months ended September 30, 2022, representing 15.1% of our total revenue from sales of products in the same period. The increase in the proportion of revenue generated from retail sales compared to that from sales to automakers was primarily driven by our successful brand establishment, diversified sales channels, and expanded user base, creating potential for future gross profit margin enhancement.

Our revenue generated from overseas markets reached RMB47.7 million in the nine months ended September 30, 2023, representing 9.8% of our total revenue in the same period, as compared to RMB4.7 million in the nine months ended September 30, 2022, representing 1.1% of our total revenue in the same period. Our revenue generated from China reached RMB438.1 million in the nine months ended September 30, 2023, representing 90.2% of our total revenue in the same period, as compared to RMB412.8 million in the nine months ended September 30, 2022, representing 98.9% of our total revenue in the same period. The increase in the proportion of overseas revenue compared to revenue generated in China was primarily driven by our successful investments in product development to meet internal standards of smart home EV chargers. During the Track Record Period, our overseas revenue was primarily generated from sales to automakers in connection with sales of their EVs to overseas market, which helped us to break into the overseas market and build our brand recognition. Looking ahead, we plan to diversify our revenue streams in overseas markets by virtue of our localized manufacturing capabilities and expanding sales channels, which we believe has the potential to yield a higher profit margin compared to sales in the PRC.

### *Cost of sales*

Our cost of sales increased by 16.1% from RMB327.3 million in the nine months ended September 30, 2022 to RMB379.9 million in the nine months ended September 30, 2023, primarily driven by the increase in sales volume of the sales of products and the provision of value-added services.

- *Sales of products.* Our cost of sales allocated to sales of products increased by 11.8% from RMB168.1 million in the nine months ended September 30, 2022 to RMB187.8 million in the nine months ended September 30, 2023, primarily driven by the increase in sales volume of our EV chargers in line with our business growth.
- *Value-added services sales.* Our cost of sales allocated to value-added services sales increased by 20.7% from RMB159.2 million in the nine months ended September 30, 2022 to RMB192.1 million in the nine months ended September 30, 2023, primarily driven by the increase in sales volume of installation and after-sales service in line with our business growth.

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In addition, from the perspective of breakdown by nature, the increase of our cost of sales was mainly attributable to (i) an increase of RMB33.6 million in outsourced installation cost, primarily driven by the increase in sales volume of installation and after-sales service; (ii) an increase of RMB18.5 million in raw material, primarily driven by the increase in sales volume of our smart home EV chargers.

### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 17.4% from RMB90.2 million in the nine months ended September 30, 2022 to RMB105.9 million in the nine months ended September 30, 2023. Our gross profit margin remained relatively stable at 21.6% and 21.8% in the nine months ended September 30, 2022 and 2023, respectively.

- *Sales of products.* Gross profit of sales of products increased from RMB45.1 million in the nine months ended September 30, 2022 to RMB54.5 million in the nine months ended September 30, 2023, primarily due to the increase in sales volume of smart home EV chargers due to our business growth. Gross profit margin of sales of products remained relatively stable at 21.2% and 22.5% in the nine months ended September 30, 2022 and 2023, respectively.
- *Provision of value-added services.* Gross profit of provision of value-added services increased from RMB45.0 million in the nine months ended September 30, 2022 to RMB51.3 million in the nine months ended September 30, 2023, primarily due to the increase in sales volume of installation and after-sales service due to our business growth. Gross profit margin of provision of value-added services remained relatively stable at 22.0% and 21.1% in the nine months ended September 30, 2022 and 2023, respectively.

### *Sales and marketing expenses*

Our sales and marketing expenses increased by 35.4% from RMB47.9 million in the nine months ended September 30, 2022 to RMB64.9 million in the nine months ended September 30, 2023, mainly attributable to (i) an increase of RMB5.6 million in marketing and advertisement expenses, primarily due to our efforts in marketing and advertising activities, especially for online sales through e-commerce platforms; (ii) an increase of RMB6.5 million in employee benefit expenses, primarily due to the increase in our team size to support our continued growth, especially the increase in the team to support expansion into overseas markets; and (iii) an increase of RMB2.2 million in customer support expenses, primarily due to our investments in customer support before and after sales, especially for online sales through e-commerce platforms.

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### *General and administrative expenses*

Our administrative expenses increased by 15.9% from RMB40.5 million in the nine months ended September 30, 2022 to RMB46.9 million in the nine months ended September 30, 2023, mainly attributable to (i) an increase of RMB4.6 million in employee benefit expenses, primarily due to the increase in our team size to support our continued growth; and (ii) an increase of RMB2.6 million in depreciation and amortization expenses.

### *Research and development expenses*

Our research and development expenses increased by 8.5% from RMB24.8 million in the nine months ended September 30, 2022 to RMB26.9 million in the nine months ended September 30, 2023, mainly attributable to an increase of RMB1.8 million in employee benefit expenses, primarily due to the increase in our team size to support our continued growth.

### *Net impairment (losses)/reversal on financial assets*

We recorded net impairment losses on financial assets of RMB3.8 million in the nine months ended September 30, 2022 and net impairment reversal of RMB0.4 million in the nine months ended September 30, 2023, mainly attributable to the recovery of trade receivables exceeding the impairment recorded during the relevant period.

### *Other income*

Our other income increased by 98.5% from RMB2.4 million in the nine months ended September 30, 2022 to RMB4.8 million in the nine months ended September 30, 2023. The increase in other income was mainly due to the fluctuation in the governmental subsidies we received during the relevant period due to applicable policies.

### *Other gains — net*

Our other net gains losses decreased from RMB1.0 million in the nine months ended September 30, 2022 to RMB0.1 million in the nine months ended September 30, 2023, mainly due to a decrease of RMB673 thousand in the net loss on disposals of property, plant and equipment and intangible assets.

### *Operating loss*

As a result of the foregoing, our operating loss increased by 17.3% from RMB23.5 million in the nine months ended September 30, 2022 to RMB27.6 million in the nine months ended September 30, 2023.

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### *Finance costs, net*

Our net finance costs decreased by 46.3% from RMB10.8 million in the nine months ended September 30, 2022 to RMB5.8 million in the nine months ended September 30, 2023, mainly attributable to a decrease of RMB6.2 million in interest expenses on financial instruments with preferred rights at amortized cost, due to the extinguishment of such financial instruments. Our finance costs were partially offset by financial income, which increased by 98.4% from RMB831 thousand in the nine months ended September 30, 2022 to RMB1,649 thousand in the nine months ended September 30, 2023, mainly attributable to the increase in the balance of bank deposits.

### *Income tax credit*

We had an income tax credit of RMB6.8 million in the nine months ended September 30, 2023, as compared to RMB5.7 million in the nine months ended September 30, 2022.

### *Loss for the year/period*

As a result of the foregoing, we recorded net loss of RMB26.6 million in the nine months ended September 30, 2023, as compared to RMB28.6 million in the nine months ended September 30, 2022.

## **Year Ended December 31, 2022 Compared with Year Ended December 31, 2021**

### *Revenue*

Our revenue increased by 94.9% from RMB357.6 million in 2021 to RMB697.1 million in 2022, driven by the increase in the sales of products and provision of value-added services.

- *Sales of products.* Our revenue generated from sales of products increased by 114.3% from RMB190.1 million in 2021 to RMB407.4 million in 2022, primarily driven by the increase in sales volume of our smart home EV chargers due to our business growth and the increased acceptance and adoption of EVs in China. In 2022, we sold 484.8 thousand smart home EV chargers, representing an increase of 205.0% as compared to 159.0 thousand smart home EV chargers sold in 2021.
- *Provision of value-added services.* Our revenue generated from sales of our services increased by 72.9% from RMB167.5 million in 2021 to RMB289.6 million in 2022, primarily driven by the increase in sales volume of installation and after-sales service due to the increased sales of our smart home EV chargers and the increased acceptance and adoption of EVs in China. In 2022, we fulfilled 257.6 thousand installation and after-sale service tasks, representing an increase of 146.0% as compared to 104.7 thousand in 2021.

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Our provision of value-added services is all delivered directly to users. For sales of products, our revenue generated from direct sales reached RMB362.3 million in 2022, representing 88.9% of our total revenue from sales of products in the same period, as compared to RMB174.2 million 2021, representing 91.6% of our total revenue from sales of products in the same period. Our revenue generated from sales of products through distributors reached RMB45.2 million in 2022, representing 11.1% of our total revenue from sales of products in the same period, as compared to RMB15.9 million in 2021, representing 8.4% of our total revenue from sales of products in the same period. The increase in the proportion of revenue generated from distributor sales of products compared to that through direct sales was primarily due to our fast growing distributor network where we collaborated with 7 distributors as of December 31, 2021 and 51 distributors as of December 31, 2022.

In 2021 and 2022, substantially all of our revenue was generated from China, primarily due to our strategic focus on the Chinese market in the early stage of our operations. While we initiated our expansion into overseas markets during such periods, the revenue derived from these markets demonstrated fluctuations during the initial phase of our expansion.

### *Cost of sales*

Our cost of sales increased by 110.8% from RMB263.3 million in 2021 to RMB555.0 million in 2022, primarily driven by the increase in sales volume of the sales of products and the provision of value-added services.

- *Sales of products.* Our cost of sales allocated to sales of products increased by 133.0% from RMB138.4 million in 2021 to RMB322.6 million in 2022, primarily driven by the increase in sales volume of our smart home EV chargers due to our business growth.
- *Value-added services sales.* Our cost of sales allocated to value-added services increased by 86.1% from RMB124.9 million in 2021 to RMB232.4 million in 2022, primarily driven by the increase in sales volume of installation and after-sales service due to our business growth.

In addition, from the perspective of breakdown by nature, the increase of our cost of sales was mainly attributable to (i) an increase of RMB153.1 million in raw material, primarily driven by the increase in sales volume of our smart home EV chargers; (ii) an increase of RMB108.4 million in outsourced installation cost, primarily driven by the increase in sales volume of installation and after-sales service due to the increased sales of our smart home EV chargers.



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### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 50.6% from RMB94.3 million in 2021 to RMB142.1 million in 2022. Our gross profit margin decreased from 26.4% in 2021 to 20.4% in 2022.

- *Sales of products.* Gross profit of sales of products increased from RMB51.7 million in 2021 to RMB84.9 million in 2022, primarily due to the increase in sales volume of smart home EV chargers due to our business growth. Gross profit margin of sales of products decreased from 27.2% in 2021 to 20.8% in 2022, primarily due to the decrease in the gross profit margin of smart home EV chargers, primarily attributable to leading Chinese automakers’ ability to negotiate for lower prices due to their substantial purchase amounts and industry influence.
- *Provision of value-added services.* Gross profit of provision of value-added services increased from RMB42.6 million in 2021 to RMB57.2 million in 2022, primarily due to the increase in sales volume of installation and after-sales service due to our business growth. Gross profit margin of provision of value-added services decreased from 25.4% in 2021 to 19.7% in 2022, primarily due to the decrease in the gross profit margin of installation and after-sales services, primarily attributable to leading Chinese automakers’ ability to negotiate for lower prices due to their substantial purchase amounts and industry influence with respect to our installation and after-sales services which were provided in conjunction with smart home EV chargers sold to automakers.

### *Sales and marketing expenses*

Our sales and marketing expenses increased by 106.5% from RMB32.7 million in 2021 to RMB67.6 million in 2022, mainly attributable to (i) an increase of RMB11.3 million in marketing and advertisement expenses, primarily due to our efforts in marketing and advertising activities, especially for online sales through e-commerce platforms; (ii) an increase of RMB8.5 million in customer support expenses, primarily due to our investments in customer support before and after sales, especially for online sales through e-commerce platforms; and (iii) an increase of RMB13.1 million in employee benefit expenses, primarily due to the increase in our team size to support our continued growth.

### *General and administrative expenses*

Our administrative expenses increased by 53.9% from RMB34.9 million in 2021 to RMB53.7 million in 2022, mainly attributable to (i) an increase of RMB11.5 million in employee benefit expenses, primarily due to the increase in our team size to support our continued growth; and (ii) an increase of RMB3.8 million in professional service fees, primarily due to our consulting fees paid to professional parties for our financing activities including this [REDACTED].

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### ***Research and development expenses***

Our research and development expenses increased by 34.2% from RMB25.4 million in 2021 to RMB34.1 million in 2022, mainly attributable to (i) an increase of RMB5.9 million in employee benefit expenses, primarily due to the expansion of our R&D team to support our continued investments in technology and product innovation; and (ii) an increase of RMB2.6 million in product testing expenses, primarily due to our investment in research and development activities for new products.

### ***Net impairment losses on financial assets***

We recorded net impairment reversal on financial assets of RMB0.7 million in 2021 and net impairment losses on financial assets of RMB6.7 million in 2022, mainly attributable to an increase in sales of our products in the relevant period, which resulted in an increase in trade and notes receivables and subsequently an increase in the impairment assessment as per our accounting policies. Such impairment losses were partially reversed in the nine months ended September 30, 2023.

### ***Other income***

Our other income decreased by 21.7% from RMB4.0 million in 2021 to RMB3.2 million in 2022, mainly due to the fluctuation in the governmental subsidies we received during the relevant period due to applicable policies.

### ***Other gains — net***

Our other net gains increased by 136.6% from RMB0.3 million in 2021 to RMB0.8 million in 2022, mainly due to an increase of RMB0.6 million in net fair value gains on financial assets at fair value through profit, partially offset by an increase of RMB0.3 million in net loss on disposals of property, plant and equipment and intangible assets.

### ***Operating loss***

As a result of the foregoing, we recorded operating gains of RMB6.4 million in 2021 and operating losses of RMB16.1 million in 2022.

### ***Finance costs — net***

Our finance costs decreased by 57.7% from RMB30.6 million in 2021 to RMB12.9 million in 2022, mainly attributable to a decrease of RMB19.1 million in interest expenses on financial instruments with preferred rights at amortized cost, due to the extinguishment of such financial instruments. Our financial costs were partially offset by our finance income, which increased significantly from RMB246 thousand in 2021 to RMB1.4 million in 2022, mainly attributable to the increase in the balance of bank deposits.

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### *Income tax credit*

We had an income tax credit of RMB1.4 million in 2022, as compared to RMB3.9 million in 2021.

### *Loss for the year/period*

As a result of the foregoing, we recorded net loss of RMB25.1 million in 2022, as compared to RMB23.3 million in 2021.

## DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix I:

	As of December 31,		As of
	2021	2022	September 30,
	RMB in thousands		2023
			(unaudited)
Non-current assets . . . . .	45,325	79,794	98,902
Current assets . . . . .	475,818	909,403	764,701
<b>Total assets . . . . .</b>	<b>521,143</b>	<b>989,197</b>	<b>863,603</b>
Non-current liabilities . . . . .	442,016	14,046	6,766
Current liabilities. . . . .	326,370	651,882	560,115
<b>Total liabilities . . . . .</b>	<b>768,386</b>	<b>665,928</b>	<b>566,881</b>
<b>Net current assets . . . . .</b>	<b>149,448</b>	<b>257,521</b>	<b>204,586</b>
<b>Net (liabilities)/assets . . . . .</b>	<b>(247,243)</b>	<b>323,269</b>	<b>296,722</b>
<b>(Deficit)/equity attributable to owners of</b>			
<b>the Company . . . . .</b>	<b>(261,433)</b>	<b>309,911</b>	<b>283,368</b>
<b>Total (deficit)/equity . . . . .</b>	<b>(247,243)</b>	<b>323,269</b>	<b>296,722</b>
<b>Total (deficit)/equity and liabilities . . . . .</b>	<b>521,143</b>	<b>989,197</b>	<b>863,603</b>

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### Current Assets and Current Liabilities

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

	As of December 31,		As of September 30,	As of January 31,
	2021	2022	2023	2024
	(RMB in thousands)			
	(unaudited)			
<b>Current assets</b>				
Inventories . . . . .	95,228	138,023	124,451	130,107
Trade and notes receivables . .	244,449	516,440	395,775	463,120
Other current assets . . . . .	19,791	17,762	15,802	34,557
Financial assets at fair value through profit or loss . . . . .	1,410	31,983	1,004	–
Cash and cash equivalents . . .	114,940	205,195	227,669	190,255
<b>Total current assets . . . . .</b>	<b>475,818</b>	<b>909,403</b>	<b>764,701</b>	<b>818,039</b>
<b>Current liabilities</b>				
Trade payables . . . . .	190,537	351,735	259,380	288,404
Other payables and accruals . .	12,213	17,101	27,342	21,569
Borrowings . . . . .	114,233	253,282	244,260	295,051
Lease liabilities . . . . .	2,315	7,286	6,601	6,966
Contract liabilities . . . . .	1,308	5,375	6,382	12,575
Provisions . . . . .	4,361	13,061	14,280	14,407
Current income tax liabilities . . . . .	1,403	4,042	1,870	1,870
<b>Total current liabilities . . . . .</b>	<b>326,370</b>	<b>651,882</b>	<b>560,115</b>	<b>640,842</b>
<b>Net current assets . . . . .</b>	<b>149,448</b>	<b>257,521</b>	<b>204,586</b>	<b>177,197</b>

Our net current assets decreased from RMB204.6 million as of September 30, 2023 to RMB177.2 million as of January 31, 2024, primarily due to (i) an increase in borrowings from RMB244.3 million as of September 30, 2023 to RMB295.1 million as of January 31, 2024, (ii) a decrease in cash and cash equivalents from RMB227.7 million as of September 30, 2023 to RMB190.3 million as of January 31, 2024, (iii) an increase in trade payables from RMB259.4 million as of September 30, 2023 to RMB288.4 million as of January 31; partially offset by an increase in trade and notes receivables from RMB395.8 million as of September 30, 2023 to RMB463.1 million as of January 31, 2024.

Our net current assets decreased from RMB257.5 million as of December 31, 2022 to RMB204.6 million as of September 30, 2023, primarily due to (i) a decrease in trade and notes receivables from RMB516.4 million as of December 31, 2022 to RMB395.8 million as of September 30, 2023, primarily due to the seasonality of our sales pattern where the demand of

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our products and services is higher in the fourth quarter, (ii) a decrease in financial assets at fair value through profit or loss from RMB32.0 million as of December 31, 2022 to RMB1.0 million as of September 30, 2023, primarily due to the fluctuation of fair value of such financial assets; partially offset by (i) a decrease in trade payables from RMB351.7 million as of December 31, 2022 to RMB259.4 million as of September 30, 2023, primarily due to the seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter; (ii) an increase in cash and cash equivalents from RMB205.2 million as of December 31, 2022 to RMB227.7 million as of September 30, 2023, primarily due to an increase in cash generated from operating activities and an increase in borrowings.

Our net current assets increased from RMB149.4 million as of December 31, 2021 to RMB257.5 million as of December 31, 2022, primarily due to (i) an increase in trade and notes receivables from RMB244.4 million as of December 31, 2021 to RMB516.4 million as of December 31, 2022, primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022, (ii) an increase in cash and cash equivalents from RMB114.9 million as of December 31, 2021 to RMB205.2 million as of December 31, 2022, primarily due to an increase in cash generated from operating activities and an increase in borrowings; partially offset by (i) an increase in trade payables from RMB190.5 million as of December 31, 2021 to RMB351.7 million as of December 31, 2022, primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022; (ii) an increase in borrowings from RMB114.2 million as of December 31, 2021, to RMB253.3 million as of December 31, 2022, primarily due to adjustment based on our operation need.

### Assets

#### *Inventories*

Our inventories consist primarily of (i) finished goods, (ii) raw materials, and (iii) work in progress. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		As of
	2021	2022	September 30,
			2023
	(RMB in thousands)		
	(unaudited)		
<b>Inventories</b>			
Finished goods . . . . .	55,450	72,069	73,708
Raw materials . . . . .	36,673	51,605	45,737
Work in progress . . . . .	7,007	18,967	10,059
Less: allowance for impairment of inventories . . . . .	(3,902)	(4,618)	(5,053)
<b>Total . . . . .</b>	<b>95,228</b>	<b>138,023</b>	<b>124,451</b>

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As of December 31, 2021 and 2022, and September 30, 2023, our inventories amounted to RMB95.2 million, RMB138.0 million and RMB124.5 million, respectively. The increase from December 31, 2021 to December 31, 2022 was primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022. The decrease from December 31, 2022 to September 30, 2023 was primarily due to the seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter.

As of December 31, 2021 and 2022, and September 30, 2023, we recorded allowance for impairment of inventories of RMB3.9 million, RMB4.6 million and RMB5.1 million, respectively. Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. We assess impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to the net realizable value if the inventories become expired or damaged, or their prices went down, and their realizable value substantially decreases.

The following table sets forth our inventory turnover days for the years indicated. Inventory turnover days for a period equals the average of the opening and closing inventories balance divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period.

	Year Ended December 31,		Nine Months Ended September 30,
	2021	2022	2023
	(days)		(unaudited)
Average inventory turnover days <sup>(1)</sup> . . . . .	84	80	97

*Note:*

- (1) Average inventory turnover days for a period is the arithmetic mean of the beginning and ending balances of inventory for the relevant period divided by cost of sales for the relevant year/period and multiplied by 365 days for the full-year period and 270 days for the nine-month period.

In 2021, 2022 and the nine months ended September 30, 2023, our average inventory turnover days were 84 days, 80 days and 97 days, respectively. The decrease in the inventory turnover days from 2021 to 2022 was primarily attributable to (i) our enhanced inventory management ability, allowing us to forecast the sales demand more accurately and respond to market change more rapidly; and (ii) the increased demand for our products, enabling us to sell out our inventory more quickly. The increase in the inventory turnover days from 2022 to the nine months ended September 30, 2023 was primarily attributable to the increase in the level of inventories compared to cost of sales in anticipation of larger amount of sales due to our business growth and seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter.

As of Latest Practicable Date, RMB53.5 million, or 41.3% of our inventories outstanding as of September 30, 2023, had been subsequently used.

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### *Trade and notes receivables*

Our trade and notes receivables primarily represent amounts due from customers for goods sold or services performed in the ordinary course of business. The following table sets forth our trade and notes receivables and the provision for impairment as of the dates indicated:

	As of December 31,		As of September 30,
	2021	2022	2023
	(RMB in thousands)		(unaudited)
<b>Trade and notes receivables</b>			
Notes receivables . . . . .	18,597	23,020	40,585
Trade receivables . . . . .	233,114	507,101	368,395
Less: provision for impairment . . . . .	(7,262)	(13,681)	(13,205)
<b>Total . . . . .</b>	<b><u>244,449</u></b>	<b><u>516,440</u></b>	<b><u>395,775</u></b>

As of December 31, 2021 and 2022, and September 30, 2023, our trade and notes receivables amounted to RMB244.4 million, RMB516.4 million and RMB395.8 million, respectively. As of the same dates, we recorded provision for impairment of RMB7.3 million, RMB13.7 million and RMB13.2 million, respectively, due to our expected recovery loss based on our assessment after considering factors such as the aging analysis and our experience in practice. The increase from December 31, 2021 to December 31, 2022 was primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022. The decrease from December 31, 2021 to September 30, 2023 was primarily due to the seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter. We generally allow a credit period to our automaker customers ranging from 15 to 90 business days after invoicing them, who contributed a substantial portion of our revenue during the Track Record Period.

The following table sets forth trade receivable turnover days in the periods indicated. Trade receivable turnover days for a period equals the average of the opening and closing trade receivables balance divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period.

	Year Ended December 31,		Nine Months Ended September 30,
	2021	2022	2023
	(days)		(unaudited)
Average trade receivable turnover days . . . . .	186	194	243



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*Note:*

- (1) Average turnover days of trade receivables for a period equals the arithmetic mean of the beginning and ending balances of trade receivables for the relevant period divided by revenue for that period and multiplied by 365 days for the full-year period and 270 days for the nine-month period.

In 2021, 2022 and the nine months ended September 30, 2023, our average trade receivable turnover days were 186 days, 194 days and 243 days, respectively. According to Frost & Sullivan, the standard EV delivery time may reach up to five months, and the subsequent delivery of installation and after-sales services of smart home EV chargers may result in a longer delivery time. As automakers usually do not receive customer payments until delivery of vehicles and thus do not make payments for our EV chargers, our average trade receivable turnover period is extended as a result. The increase in the trade receivable turnover days during the Track Record Period was primarily attributable to leading automakers’ ability to negotiate for longer credit period in practice due to their substantial purchase amounts and industry influence. Our Directors are of the view that the increase in the trade receivable turnover days does not have material adverse impact on our liquidity and our business in general.

As of December 31, 2021 and 2022, and September 30, 2023, the aging analysis of the trade and notes receivables based on date of revenue recognition is as follows:

	As of December 31,		As of
	2021	2022	September 30,
			2023
	(RMB in thousands)		
			(unaudited)
Within 1 year . . . . .	238,049	508,403	380,399
1-2 years . . . . .	6,642	15,675	19,793
Over 2 years . . . . .	7,020	6,043	8,788
<b>Total . . . . .</b>	<b><u>251,711</u></b>	<b><u>530,121</u></b>	<b><u>408,980</u></b>

Throughout the Track Record Period, we have not experienced material recoverability issues for our trade and notes receivables.

As of Latest Practicable Date, RMB256.1 million, or 57.6% of our trade and notes receivables outstanding as of September 30, 2023, had been subsequently settled.

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### *Other current assets*

Our other current assets consist of (i) other receivables, including loans to related parties, deposits, advance to staff and others, (ii) prepayment, including prepayments for materials, and prepaid expenses, and (iii) input VAT to be deducted. As of December 31, 2021 and 2022, and September 30, 2023, our other current assets amounted to RMB21.1 million, RMB19.0 million and RMB16.5 million, respectively. The following table sets forth a breakdown of our other current assets as of the dates indicated:

	As of December 31,		As of
	2021	2022	September 30,
	(RMB in thousands)		2023
			(unaudited)
<b>Other current assets</b>			
Other receivables			
– Deposits . . . . .	4,304	5,796	6,157
– Loans to related parties . . . . .	2,580	2,203	–
– Others . . . . .	1,765	1,975	3,609
Less: allowance for credit losses . . . . .	(173)	(198)	(238)
	8,476	9,776	9,528
Prepayment			
– Prepaid expenses . . . . .	1,484	2,662	3,864
– Prepayments for materials . . . . .	6,131	268	2,115
	7,615	2,930	5,979
Input VAT to be deducted . . . . .	3,700	5,056	295
<b>Total . . . . .</b>	<b>19,791</b>	<b>17,762</b>	<b>15,802</b>

### *Financial assets at fair value through profit or loss*

As of December 31, 2021 and 2022, and September 30, 2023, our financial assets at fair value through profit or loss was RMB1.4 million, RMB32.0 million and RMB1.0 million, respectively. Our financial assets at fair value through profit or loss represent our investments in wealth management products, which are deposited in or managed by state-owned or reputable national commercial banks which are high credit-quality financial institutions without significant credit risk. The principal and return of the wealth management products is not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products issued by banks are measured at fair value through profit or loss. For details, see Note 23 to the Accountant’s Report included in Appendix I.

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Our finance department is responsible for managing our investments in wealth management products. We primarily invest in wealth management products with relatively low risks and the proposed investment must not interfere with our daily operation and business prospects.

### *Cash and cash equivalents*

As of December 31, 2021 and 2022, and September 30, 2023, our cash and cash equivalents was RMB114.9 million, RMB205.2 million and RMB227.7 million, respectively. Such increase was primarily due to an increase in cash generated from operating activities and an increase in borrowings.

### *Property, plant and equipment*

Our property, plant and equipment consist primarily of (i) machinery and molds, (ii) electronic equipment and others, (iii) vehicles, (iv) leasehold improvements, and (v) construction in progress. As of December 31, 2021 and 2022, and September 30, 2023, our property, plant and equipment was RMB17.9 million, RMB31.0 million and RMB38.7 million, respectively. Such increase was primarily due to construction of new manufacturing facilities and production lines during the Track Record Period.

### *Intangible assets*

Our intangible assets consist primarily of (i) software and (ii) non-patented technology and others. As of December 31, 2021 and 2022, and September 30, 2023, our intangible assets was RMB3.2 million, RMB6.3 million and RMB16.0 million, respectively. Such increase was primarily due to the increase in our intellectual property during the Track Record Period due to our acquisition of such intellectual property.

### *Deferred income tax assets*

Deferred income tax assets are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences. As of December 31, 2021 and 2022, and September 30, 2023, our deferred income tax assets amounted to RMB16.1 million, RMB24.0 million and RMB35.1 million, respectively.

## **Liabilities**

### *Trade payables*

Our trade payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Our trade payables amounted to RMB190.5 million, RMB351.7 million and RMB259.4 million as of December 31, 2021 and 2022, and September 30, 2023, respectively. The increase from December 31, 2021 to

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December 31, 2022 was primarily attributable to our business growth and the large number of sales orders in the fourth quarter of 2022. The decrease from December 31, 2022 to September 30, 2023 was primarily attributable to seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter. The credit terms granted to us range from generally 30 days to 120 days after we receive the invoice from our suppliers.

The following table sets forth our trade payable turnover days for the years indicated. Trade payable turnover days for a period equals the average of the opening and closing trade payable balance divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period.

	Year Ended December 31,		Nine Months Ended September 30,
	2021	2022	2023
	(days)		(unaudited)
Average trade payable turnover days . . . . .	198	178	217

*Note:*

- (1) Average turnover days of trade payables for a period equals the arithmetic mean of the beginning and ending balances for trade payables for the relevant period divided by cost of sales for that period and multiplied by 365 days for the full-year period and 270 days for the nine-month period.

In 2021, 2022 and the nine months ended September 30, 2023, our average trade payable turnover days were 198 days, 178 days and 217 days, respectively. The decrease in the trade payable turnover days from 2021 to 2022 was primarily attributable our efforts in enhancing and establishing relationship with suppliers to support our rapid growth by offering improved credit terms to them. The increase in the trade payable turnover days from 2022 to the nine months ended September 30, 2023 was primarily attributable to the extended credit period granted to us by our suppliers because we have gradually built trusted relationships with them.

As of December 31, 2021 and 2022, and September 30, 2023, the aging analysis of the trade payables based on purchase date is as follows:

	As of December 31,		As of September 30,
	2021	2022	2023
	(RMB in thousands)		(unaudited)
Within 1 year . . . . .	182,501	346,131	253,513
1-2 years . . . . .	4,874	2,384	2,877
Over 2 years . . . . .	3,162	3,220	2,990
<b>Total . . . . .</b>	<b><u>190,537</u></b>	<b><u>351,735</u></b>	<b><u>259,380</u></b>

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As of Latest Practicable Date, RMB227.9 million, or 73.0% of our trade payables outstanding as of September 30, 2023, had been subsequently settled.

### *Other payables and accruals*

Our other payables and accruals consist of (i) salary and welfare payables, (ii) tax payables, (iii) accrued expenses, (iv) deposits and security deposits, (v) payables related to long-term assets and (vi) others.

Our other payables and accruals amounted to RMB12.2 million, RMB17.1 million and RMB27.3 million as of December 31, 2021 and 2022, and September 30, 2023, respectively. Such increase was primarily attributable to our business growth and the increase in the number of our employees. We recorded payables related to long-term assets of RMB8.6 million as of September 30, 2023, which mainly represented the outstanding payable in relation to an intangible asset acquisition to enhance our technologies.

The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,		As of
	2021	2022	September 30,
			2023
	(RMB in thousands)		
	(unaudited)		
<b>Accruals and other payables</b>			
Salary and welfare payables . . . . .	6,219	8,603	9,274
Accrued expenses . . . . .	3,004	2,498	4,005
Tax payables . . . . .	2,157	4,556	2,807
Deposits and security deposits . . . . .	292	976	1,444
Payables related to long-term assets . . . . .	266	—	8,615
Others . . . . .	275	468	1,197
<b>Total . . . . .</b>	<b>12,213</b>	<b>17,101</b>	<b>27,342</b>

### *Contract liabilities*

Our contract liabilities represent consideration made upfront by our customers and distributors. Our contract liabilities amounted to RMB1.3 million, RMB5.4 million and RMB6.4 million as of December 31, 2021 and 2022, and September 30, 2023, respectively. Such increase was primarily due to our business growth, especially the increase in online sales where our revenue will be recorded as contract liabilities until the expiration of the unconditional return period of seven days in accordance with the rule of relevant e-commerce platforms.

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### *Borrowings*

Our borrowings amounted to RMB114.2 million, RMB253.3 million and RMB244.3 million as of December 31, 2021 and 2022, and September 30, 2023, respectively. The amount of our borrowings is adjusted based on our operation need. For details, see “— Indebtedness — Borrowings.”

### LIQUIDITY AND CAPITAL RESOURCES

The following table presents our consolidated cash flow data for the years presented.

	Years Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)			
	(unaudited)			
<b>Net cash (used in)/generated from operating activities . . . . .</b>	(96,388)	(133,215)	(37,808)	21,498
<b>Net cash (used in)/generated from investing activities . . . . .</b>	(223)	(59,520)	(34,382)	23,217
<b>Net cash generated from/(used in) financing activities . . . . .</b>	<u>195,704</u>	<u>283,003</u>	<u>165,569</u>	<u>(21,993)</u>
<b>Net increase in cash and cash equivalents . . . . .</b>	99,093	90,268	93,379	22,722
Cash and cash equivalents at the beginning of the year/period . . .	15,847	114,940	114,940	205,195
Effects of foreign exchange rate changes on cash and cash equivalents . . . . .	<u>—</u>	<u>(13)</u>	<u>1</u>	<u>(248)</u>
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	<u>114,940</u>	<u>205,195</u>	<u>208,320</u>	<u>227,669</u>

During the Track Record Period and up to the Latest Practicable Date, our principal sources of liquidity have been cash generated from operating activities and financing activities.

### **Net Cash (Used in)/Generated from Operating Activities**

Net cash generated from operating activities was RMB21.5 million in the nine months ended September 30, 2023. The difference between our loss for the year/period of RMB26.6 million and the net cash generated from operating activities was mainly due to movements in working capital, including (i) a decrease in trade and note receivables of RMB121.1 million, (ii) a decrease in inventories of RMB13.1 million; partially offset by a decrease in trade payables of RMB92.4 million; all primarily due to the seasonality of our sales pattern where the demand of our products and services is higher in the fourth quarter. The amount was further

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adjusted positively by non-cash items, primarily including (i) depreciation of property, plant and equipment of RMB6.0 million; (ii) depreciation of right-of-use assets of RMB5.5 million, (iii) finance costs of RMB5.8 million; and (iii) income tax credit of RMB6.8 million.

Net cash used in operating activities was RMB133.2 million in 2022. The difference between our loss for the year/period of RMB25.1 million and the net cash used in operating activities was mainly due to movements in working capital, including (i) an increase in trade and notes receivables of RMB278.6 million, (ii) an increase in inventories of RMB43.5 million; partially offset by (i) an increase in trade payables of RMB161.2 million, and (ii) an increase in accruals and other payables of RMB14.1 million; all primarily due to our business growth and the large number of sales orders in the fourth quarter of 2022. The amount was further adjusted positively by non-cash items, primarily including (i) finance costs of RMB12.9 million, and (ii) depreciation of property, plant and equipment of RMB7.8 million.

Net cash used in operating activities was RMB96.4 million in 2021. The difference between our loss for the year/period of RMB23.3 million and the net cash used in operating activities was mainly due to movements in working capital, including (i) an increase in trade and notes receivables of RMB112.6 million, (ii) an increase in inventories of RMB77.5 million, and (iii) an increase in prepayments, other receivables, and other assets of RMB17.2 million; partially offset by an increase in trade payables of RMB96.0 million; all primarily due to our business growth. The amount was further adjusted positively by non-cash items, primarily including finance costs of RMB30.6 million.

### **Net Cash (Used in)/Generated from Investing Activities**

Net cash generated from investing activities was RMB23.2 million in the nine months ended September 30, 2023, which was primarily attributable to (i) proceeds from disposals of financial assets at fair value through profit or loss of RMB120.0 million; partially offset by (i) purchase of financial assets at fair value through profit or loss of RMB88.7 million; (ii) purchase of property, plant and equipment of RMB7.4 million and (iii) purchases of intangible assets of RMB4.6 million.

Net cash used in investing activities was RMB59.5 million in 2022, which was primarily attributable to (i) purchase of financial assets at fair value through profit or loss of RMB257.1 million; and (ii) purchase of property, plant and equipment of RMB26.9 million; partially offset by proceeds from disposals of financial assets at fair value through profit of RMB227.3 million.

Net cash used in investing activities was RMB0.2 million in 2021, which was primarily attributable to (i) purchase of financial assets at fair value through profit or loss of RMB47.0 million; and (ii) purchase of property, plant and equipment of RMB7.3 million; partially offset by proceeds from disposals of financial assets at fair value through profit of RMB54.2 million.



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## FINANCIAL INFORMATION

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### Net Cash (Used in)/Generated from Financing Activities

Net cash used in financing activities in the nine months ended September 30, 2023 was RMB22.0 million, which was primarily due to (i) repayment of borrowings of RMB223.0 million; and (ii) interest paid of RMB7.2 million; partially offset by proceeds from borrowings of RMB214.0 million.

Net cash generated from financing activities in 2022 was RMB283.0 million, which was primarily due to (i) proceeds from borrowings of RMB263.1 million; and (ii) proceeds from contributions from equity/share holders of RMB159.5 million; partially offset by (i) repayment of borrowings of RMB123.9 million; and (ii) interest paid of RMB7.5 million.

Net cash generated from financing activities in 2021 was RMB195.7 million, which was primarily due to (i) proceeds from contributions from equity/share holders of RMB155.0 million; and (ii) proceeds from borrowings of RMB111.8 million; partially offset by (i) repayment of borrowings of RMB40.2 million; and (ii) repayment of loans from related parties of RMB22.7 million; and (iii) interest paid of RMB5.5 million.

### Working Capital

As of September 30, 2023, we had RMB227.7 million in cash and cash equivalents. We plan to improve working capital sufficiency by (i) effectively attracting and retaining our customers and users to drive our revenue growth and profitability, (ii) continuing to create value for customers and users to explore additional monetization opportunities that help us scale up our revenue and to achieve profitability, and (iii) effectively managing our cost and expenses by improving our operational efficiency. In addition, to manage our inventory turnovers, trade and notes receivables, and liquidity in general more effectively, we aim to (i) implement stricter credit control measures, (ii) enhance our collection efforts, and (iii) regularly review our credit policies to ensure they align with our business and market conditions. We may also raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from government or financial institutions. We will continue to monitor our cash flows from operations closely.

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We intend to finance our future working capital requirements and capital expenditures primarily from cash expected to be generated from operating activities and funds raised from financing activities, including the net [REDACTED] we will receive from the [REDACTED]. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected. See “Risk Factors — Risks Related to our Business and Industry — We may need to raise additional funds and these funds may not be available when needed on favorable terms, if at all.”

### Working Capital Sufficiency Statement

Taking into account the estimated net proceeds from the [REDACTED], cash and cash equivalents on hand, available banking facilities and cash flows from our operations, the Directors believe that our Group has sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

### CAPITAL EXPENDITURES

Our capital expenditures are incurred primarily in connection with purchase of property, plant and equipment and intangible assets such as software and patents. The following table sets forth our capital expenditures for the years indicated.

	Year Ended December 31,		Nine Months Ended September 30,	
	2021	2022	2022	2023
	(RMB in thousands)			
	(unaudited)			
Additions to:				
Property, plant and equipment . . . .	5,679	21,777	16,212	15,320
Intangible assets . . . . .	127	4,097	723	10,572
<b>Total . . . . .</b>	<b>5,806</b>	<b>25,874</b>	<b>16,935</b>	<b>25,892</b>

Our capital expenditures were RMB5.8 million and RMB25.9 million in 2021 and 2022, respectively. In the nine months ended September 30, 2022 and 2023, our capital expenditures were RMB16.9 million and RMB25.9 million, respectively. We intend to fund our future capital expenditures with our existing cash balance and [REDACTED] from the [REDACTED]. We will continue to make capital expenditures to meet the expected growth of our business. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

## FINANCIAL INFORMATION

### INDEBTEDNESS

The following table sets forth a breakdown of our financial indebtedness as of the dates indicated.

	As of December 31,		As of September 30,	As of January 31,
	2021	2022	2023	2024
	(RMB in thousands)			
			(unaudited)	
<b>Non-Current:</b>				
Lease liabilities, non-current .	3,889	5,119	1,764	4,491
<b>Current:</b>				
Lease liabilities, current . . . .	2,315	7,286	6,601	6,966
Borrowings . . . . .	<u>114,233</u>	<u>253,282</u>	<u>244,260</u>	<u>295,051</u>
<b>Total . . . . .</b>	<b><u>120,437</u></b>	<b><u>265,687</u></b>	<b><u>252,625</u></b>	<b><u>306,508</u></b>

#### *Lease liabilities*

Our lease liabilities, including current and non-current, amounted to RMB6.2 million, RMB12.4 million and RMB8.4 million as of December 31, 2021 and 2022, and September 30, 2023, respectively. The increase from December 31, 2021 to December 31, 2022 was primarily due to additional lease agreements in the relevant period. The decrease from December 31, 2022 to September 30, 2023 was primarily due to our payments according to such lease agreements in the relevant period.

#### *Borrowings*

Our borrowings are primarily from financial institutions. All of our borrowings are denominated in RMB. The amount of our borrowings is adjusted based on our operation need. Our borrowings amounted to RMB114.2 million, RMB253.3 million and RMB244.3 million as of December 31, 2021 and 2022, and September 30, 2023, respectively.

Our borrowings include those that are secured through guarantees provided by related parties, and those that are neither secured nor guaranteed. As of December 31, 2021 and 2022 and September 30, 2023, our secured or guaranteed borrowings amounted to RMB114.0 million, RMB223.2 million and RMB214.3 million, respectively, with weighted average effective interest rates of 4.54%, 4.00%, and 3.83%, respectively. As of December 31, 2021 and 2022 and September 30, 2023, our unsecured and unguaranteed borrowings amounted to nil, RMB30.0 million and RMB30.0 million, respectively, with an effective interest rate of nil, 4.25% and 3.95%, respectively. For details, see Note 31 to the Accountant’s Report included in Appendix I to this Document. All the guarantees provided by related parties are expected to be released upon the [REDACTED].

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## FINANCIAL INFORMATION

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As of January 31, 2024, we had utilized RMB120.0 million from our banking facilities, and RMB60.0 million remained unutilized under our banking facilities. The utilization of the remaining balance of this secured banking facilities is subject to certain conditions, including time limits and certain financial performance requirements.

Generally, the bank loan agreements we have entered into contain covenants that impose certain restrictions or maintenance requirements on the Company, our subsidiaries and/or the guarantor, including among others:

- the guarantor and/or borrower, as applicable, may not change the general nature of its business; and
- the guarantor and/or borrower, as applicable, may not make additional borrowings from third-parties or create any liens on its property or assets without the lender’s approval.

The bank loan agreements contain standard events of default such as the occurrence of a change of control, bankruptcy and an event that has a material adverse effect.

Our Directors further confirm that we had no material defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment.

Save as otherwise disclosed, we did not have any outstanding loan, capital issued or agreed to be issued, debt securities, mortgages, charges, debentures, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase commitments or other contingent liabilities as of January 31, 2024, being the latest practicable date for our indebtedness statement. Our Directors confirm that, as of the Latest Practicable Date, there had no material change in our indebtedness since January 31, 2024. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date.

## FINANCIAL INFORMATION

### CONTRACTUAL OBLIGATIONS

#### Capital Commitments

The following table sets forth our capital commitments as of the dates indicated. During the Track Record Period, our capital commitments mainly represented the capital expenditure for which we entered into contracts in respect of the purchases of property, plant and equipment.

	As of December 31,		As of
	2021	2022	September 30,
			2023
	(RMB in thousands)		
			(unaudited)
<b>Capital commitments</b>			
Property, plant and equipment . . . . .	3,890	4,245	3,649

### OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

### RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 40 to the Accountant’s Report included in Appendix I was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

As of December 31, 2021 and 2022, and September 30, 2023, our outstanding balances with related parties of trade nature included (i) trade and notes receivables of RMB2.4 million, nil and nil, respectively; (ii) trade payables of RMB1.1 million, RMB1.3 million and RMB1.4 million, respectively; and (iii) contract liabilities of nil, RMB0.2 million and RMB1.0 million, respectively. As of December 31, 2021 and 2022, and September 30, 2023, our outstanding balances with related parties of non-trade nature included (i) other receivables of RMB2.5 million, RMB2.2 million and nil, respectively; and (ii) borrowings of RMB0.3 million, nil and nil, respectively. For details of the balances with related parties categorized based on trade and non-trade nature, see Note 40 to the Accountant’s Report included in Appendix I to this Document. The outstanding balances with related parties are expected to be fully settled upon the [REDACTED].

## FINANCIAL INFORMATION

### KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	Year Ended/As of December 31,		Nine Months Ended/As of September 30,	
	2021	2022	2022	2023
			(unaudited)	
Gross profit margin <sup>(1)</sup> . . . . .	26.4%	20.4%	21.6%	21.8%
Current ratio <sup>(2)</sup> . . . . .	145.8%	139.5%	N/A	136.5%
Gearing ratio <sup>(3)</sup> . . . . .	N/A	82.2%	N/A	85.1%

*Notes:*

- (1) Gross profit margin equals gross profit divided by revenue for the period.
- (2) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (3) Gearing ratio equals total debt divided by our total equity as of the end of the period. Total debt includes lease liabilities and borrowings. Our gearing ratio as of December 31, 2021 was negative and not meaningful due to our deficit as of the same date and thus not presented.

Our gross profit margin reached 26.4%, 20.4%, 21.6% and 21.8% in 2021, 2022, the nine months ended September 30, 2022 and 2023, respectively. The decrease from 26.4% in 2021 to 20.4% in 2022 was mainly driven by leading automakers’ ability to negotiate for lower prices due to their substantial purchase amounts and industry influence.

Our current ratio reached 145.8%, 139.5% and 136.5% as of December 31, 2021 and 2022, and September 30, 2023, respectively. Such decrease during the Track Record Period was mainly driven by increase in the borrowings adjusted based on our operation need.

Our gearing ratio reached 82.2% and 85.1% as of December 31, 2022 and September 30, 2023, respectively. The increase from December 31, 2022 to September 30, 2023 was mainly driven by the decrease in our total equity, partially offset by the increase in the borrowings as adjusted based on our operation need.

For a more comprehensive discussion of the factors affecting our key financial ratios during the Track Record Period, see “Financial Information — Discussion of Results of Operations.”

### QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our activities expose us to a variety of financial risks, primarily the market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

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## FINANCIAL INFORMATION

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### Market Risk

#### *Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. We and our primary subsidiaries were incorporated in mainland China. We and these subsidiaries considered Renminbi as our functional currency.

We are primarily exposed to changes in RMB/USD exchange rates. As of December 31, 2021 and 2022, and September 30, 2023, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, loss before income tax for the year/period then ended would have been approximately nil, RMB2.0 thousand and RMB88.0 thousand lower/higher respectively as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents.

#### *Cash flow and fair value interest rate risk*

Except for cash and cash equivalents, we have no significant interest-bearing assets. Our income and operating cash flows are substantially independent of changes in market interest rates.

Our interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose us to cash flow interest-rate risk. Borrowings obtained at fixed rates expose us to fair value interest-rate risk. For details on the interest rates and terms of repayments of borrowings, see Note 31 to the Accountant’s Report included in Appendix I to this Document. We did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

As of December 31, 2021 and 2022, and September 30, 2023, if our interest rates on borrowings obtained at variable rates had been higher/lower by 0.5%, loss before income tax for the year or period then ended would have been nil, approximately RMB100.0 thousand, nil higher/lower respectively.

#### *Price risk*

We have no exposure to equity securities price risk.

### Credit Risk

Credit risk arises from cash and cash equivalents, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.



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## FINANCIAL INFORMATION

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### *Risk Management*

To manage this risk, cash and cash equivalents are mainly placed with state-owned or reputable financial institutions in mainland China which are all high-credit-quality financial institutions.

To manage risk arising from trade and notes receivables, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and our management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, our management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

### *Impairment of Financial Assets*

We have three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents;
- trade and notes receivables;
- other receivables.

### *Cash and cash equivalents*

To manage risk arising from cash and cash equivalents, we only transact with state-owned or reputable financial institutions in mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

### *Trade and notes receivables*

We apply the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

## FINANCIAL INFORMATION

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The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product (“GDP”) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

### *Other receivables*

Other receivables mainly include amounts due from related parties, deposits, advance to staff and others. All of our financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 22 to the Accountant’s Report included in Appendix I to this Document.

Other receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on other receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

### **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, our policy is to regularly monitor our liquidity risk and to maintain adequate cash and cash equivalents to meet our liquidity requirements.

### **DIVIDEND**

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and up to the date of this Document, we did not declare any dividends to our Shareholders.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. Pursuant to the Articles of Association, our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders’ interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into

## FINANCIAL INFORMATION

in the future. Under PRC law, dividends may be paid only out of distributable profit, which is our profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. For details, see “Risk Factors — Risks Related to Doing Business in the Country where We Mainly Operate in — Payment of dividends is subject to restrictions under PRC law.” In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

### DISTRIBUTABLE RESERVES

As of September 30, 2023, we did not have any distributable reserves.

[REDACTED]

Based on the mid-point [REDACTED] of HK\$[REDACTED] (being the mid-point of our [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), the total [REDACTED] (including [REDACTED]) payable by our Company are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming the [REDACTED] is not exercised, representing [REDACTED]% of the gross [REDACTED] from this [REDACTED]. These [REDACTED] mainly comprise professional fees paid and payable to the professional parties, and [REDACTED] payable to the [REDACTED], for their services rendered in relation to the [REDACTED] and the [REDACTED]. The following table sets forth a breakdown of the [REDACTED] for the [REDACTED] based on the mid-point [REDACTED] of HK\$[REDACTED].

<u>[REDACTED]</u>	<u>Based on an [REDACTED] of HK\$[REDACTED]</u>
	(HKD in thousands)
[REDACTED] related expense . . . . .	[REDACTED]
[REDACTED] related expense . . . . .	[REDACTED]
Legal and audit expenses . . . . .	[REDACTED]
Other expenses . . . . .	[REDACTED]
<b>Total . . . . .</b>	<b><u>[REDACTED]</u></b>

As of September 30, 2023, we have incurred nil [REDACTED] for the [REDACTED]. We estimate that an additional [REDACTED] expenses of RMB[REDACTED] (including [REDACTED] of RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]), assuming the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]), accounting for [REDACTED]% of our gross [REDACTED], will be further incurred by us, of which RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]) is expected to be charged to our consolidated statement of comprehensive (loss)/income and RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]) is expected to be charged against equity upon the [REDACTED].

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UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

[REDACTED]

## **FINANCIAL INFORMATION**

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[REDACTED]

### **NO MATERIAL ADVERSE CHANGE**

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since September 30, 2023, being the end of the period reported on the Accountant’s Report included in Appendix I; and there has been no event since September 30, 2023 which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

### **DISCLOSURE REQUIRED UNDER THE LISTING RULES**

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

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## FUTURE PLANS AND USE OF [REDACTED]

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### FUTURE PLANS

Please see “Business — Our Strategies” for detailed descriptions of our future plans.

### USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] fees and [REDACTED] and estimated [REDACTED] expenses payable by us in the [REDACTED], assuming no [REDACTED] is exercised and based on the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED]. Based on the same indicative [REDACTED], the additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be HK\$[REDACTED].

In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below. To the extent that our net [REDACTED] 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.

1. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for research and development to enrich our product and service offerings, and to enhance our digital platform and research and development capabilities.
  - a. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for the research and development of our products and services.
    - EV Charging Robots (approximately [REDACTED]% (HK\$[REDACTED])): We plan to use a portion of our use of [REDACTED] in the research and development of charging robots. Charging robots integrate energy storage and charging into a single mobile unit that overcome limitations of fixed charging stations and facilitating a “station-to-car” service model. We target to complete small-batch manufacturing next year, and continuously upgrade features to make our charging robots suitable for more complex application scenarios. Subject to market surveys and conditions, we aim to achieve mass production in three years.
    - Bidirectional Smart Home EV Chargers (approximately [REDACTED]% (HK\$[REDACTED])): We plan to continue developing our bidirectional technology which can be used for V2H and other V2E applications. It allows for energy transfer from the grid to the vehicle and from the vehicle to the grid, home appliances and other energy generating or consumption devices when needed to cater to household needs for energy consumption and management. We plan to develop bidirectional EV AC/DC chargers to capture the vast domestic and international charging market. We currently expect to complete the first prototype of our bidirectional AC EV charger next year, and subject to market surveys and conditions, develop bidirectional DC EV chargers next year. We aim to complete the development for commercialization in three years.

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## FUTURE PLANS AND USE OF [REDACTED]

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- Silicon Carbide DC Power Module (approximately [REDACTED]% (HK\$[REDACTED])): We expect to invest in the development of silicon carbide DC power module. The competition in the DC charging market is currently focused on the use of MOSFET DC power modules. We plan to develop a silicon carbide DC power module with bidirectional V2H/V2E capabilities which is expected to significantly diversify the use cases and enhance functionalities of our products, cater to broader international markets and break into the DC charging market. We currently expect to complete the testing prototype of our silicon carbide DC power module next year, and subject to market surveys and conditions, complete its development for commercialization in three years.
  - Product Development for Distinctive Demand in Overseas Markets (approximately [REDACTED]% (HK\$[REDACTED])): We plan to invest in product development on tailored products catering to certain key overseas markets in Europe and North America. We are currently providing smart home EV chargers complying with specific certification standards like CE for Europe and UL for the United States, which are acknowledged globally. Besides complying with universal international standards, we prepare to launch smart EV home chargers to meet regional requirements, such as France’s need for B connection wall-mounted chargers, and North America’s need for high-current (48A) portable chargers due to prevalence of such local electrical setups. In the future, we plan to continue our development efforts to address important yet distinctive market demand to expand our global footprint.
- b. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for the enhancement of our digital platform over the next one to three years.
- Energy Management System (EMS) Functional Enhancement (approximately [REDACTED]% (HK\$[REDACTED])): Our EMS is an integrated smart system connecting software and hardware, which serves as a key technology infrastructure to empower us to deliver our digital home energy management services. We plan to continue to optimize and expand its functional capabilities, including but not limited to communication, metering, power connections, monitoring, control, and AI computation of EMS, to make it serve the crucial role in monitoring, controlling, and optimizing energy systems more effectively and efficiently. This includes enhancement of its ability to collect energy data, monitor environmental conditions, communicate and control different energy devices as well as other functions that are essential in helping us to deliver our growing portfolio of value-added services.



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## FUTURE PLANS AND USE OF [REDACTED]

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- EMS AI Empowerment (approximately [REDACTED]% (HK\$[REDACTED])): We are continuously enhancing our intelligent energy management system in collaboration with the EMS system, providing users with a comprehensive solution that can monitor the entire process of energy acquisition, transmission, use, and storage recovery. Through this system, we can perform multi-dimensional data analysis on energy data, and better assist customers in strengthening energy management, reducing consumption, and saving energy costs. We plan to invest in the development of advanced AI and big data technologies, making the intelligent energy management system smarter, and serving our users more effectively in conjunction with the advanced EMS system.
- c. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for the enhancement of our development capabilities.
- Product Testing Lab Upgrade (approximately [REDACTED]% (HK\$[REDACTED])): Recognizing the importance of national certification, we aim to obtain China National Accreditation Service accreditation for our product testing lab this year to ensure data reliability and enhance collaboration with other product testing labs in China. We plan to continue investing in our product testing lab to upgrade its equipment and capabilities over the next one to three years so that it can conduct a wider range of standard tests. We also expect this product testing lab to support our product development, including charging robots.
  - Development of ASPICE 3.0 (approximately [REDACTED]% (HK\$[REDACTED])): Automotive Software Performance Improvement and Capability Determination (ASPICE) is a framework model used in the automotive industry to evaluate the R&D capability of software development teams, aimed at guiding the software development process of automotive component manufacturers to improve the quality of their software. Aiming for global reach, we recognize the need to possess ASPICE development capabilities to attract and maintain global automotive companies as well as being able to build rigorous software and IT systems to better serve our customers. We plan to further invest in this field to achieve ASPICE 3.0 development capability in three years.
2. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for our overseas expansion.
- a. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used in the construction and expansion of our overseas factories. We plan to open our first overseas factory in Thailand in the second quarter of 2024, and we expect to expand its manufacturing capacity depending on the demand growth for our products in the South East Asia market. At the same time, we also plan to build our second and third overseas factories in Europe and North America to meet the market demand in Europe and the Americas.

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## FUTURE PLANS AND USE OF [REDACTED]

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- b. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used in the establishment of our overseas sales and marketing network. Recognizing the diverse yet fragmented nature of international markets, we aim to leverage local sales channels and digital marketing to boost our global business presence. Our plan segments the global market into four major regions: ASEAN, Europe, the Americas and the Pacific & East Asia. We plan to appoint regional leaders and establish country-specific entities with dedicated sales and marketing staff to establish our in-house overseas sales and marketing network. Additionally, we aim to establish partnerships with local distributors to further enhance our overseas sales network infrastructure. We expect our overseas sales and marketing network to cover South East Asia, Europe and Americas.
  - c. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used to enhance our international supply chain. This investment aims to ensure timely and accurate product delivery across diverse global regions and enhance our market share abroad. The localized supply chain’s development will cover end-to-end logistics, including customs, manufacturing, transportation, warehousing, and procurement, addressing the specific needs of different countries and regions. We believe this strategic investment will fortify our ability to meet customer demands worldwide, supporting our growth in international markets.
  - d. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used to establish an overseas installation and after-sales service platform and network to provide professional, localized installation and after-sales services for EV chargers. We currently have established an initial installation network in Thailand, which we plan to continue to expand in Thailand and into other South East Asia countries. We also plan to establish an after-sales service center in South East Asia to improve the services we can provide to customers. For markets in Europe and Americas, we are in preliminary discussion with local service providers in establishing partnerships to provide installation and after-sales services. In preparation of the launch of our more comprehensive and advanced digital home energy management system globally, we also plan to establish a self-operated customer service center dedicated for such services.
3. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used for upgrading our existing factories and adding production lines for new and existing products.
- a. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used for the addition of production lines for new products. As our products become more diverse as our product R&D progresses, we plan to add the following new production lines and associate testing equipment over the next three years: (1) a DC power module production line; (2) a DC charger production line; (3) a charging robot production line; (4) printed circuit board assembling line; and (5) a charging gun production line. We expect to add these production lines in our manufacturing facilities in Xuancheng and Anqing and complete the construction of these production lines in the next four years.

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## FUTURE PLANS AND USE OF [REDACTED]

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- b. Approximately [REDACTED]% (HK\$[REDACTED]) is expected to be used for upgrading our existing factories. We currently have two factories in China, namely our Xuancheng factory and the Anqing factory. To better control product quality, improve production efficiency and reduce labor costs in these two factories, we plan to (1) upgrade our factories to achieve a higher degree of automation, including adding an automated packaging line; (2) upgrade testing equipment to achieve automated testing or increase the level of automation for testing tasks such as aging test; (3) enhance manufacturing process data monitoring and analytics; (4) improve the ability to test mass-produced products; and (5) take other measures that can improve our efficiency.
- 4. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for mergers or acquisitions activities to enhance our capabilities in providing integrated energy management solutions. We target to acquire or invest in companies that (1) are engaged in digital energy storage and energy management, in particular those that have developed new or specialized technologies or products with significant market potential, (2) have proven track records and work references in the relevant technology areas and/or the markets which we intend to solidify our position or expand into, (3) are equipped with personnel who have the relevant experience and expertise and (4) are expected to complement our digital home energy management business. We are not currently engaged in merger and acquisition activities and have not identified any specific merger or acquisition target.
- 5. Approximately [REDACTED]% (HK\$[REDACTED]) of the net [REDACTED] is expected to be used for general corporate purposes, including working capital needs.

To the extent that our actual net [REDACTED] from the [REDACTED] is higher or lower than our estimate above, we will increase or decrease our allocation of the net [REDACTED] for the purposes set out above on a pro rata basis. If the net [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we will only deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO for Hong Kong based deposits or the applicable laws and regulations in the relevant jurisdiction for non-Hong Kong based deposits) so long as it is deemed to be in the best interests of our Company. We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

**[REDACTED]**

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**[REDACTED]**

**[REDACTED]**

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**[REDACTED]**

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**[REDACTED]**

## **STRUCTURE OF THE [REDACTED]**

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**[REDACTED]**

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## **STRUCTURE OF THE [REDACTED]**

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**[REDACTED]**



## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## **STRUCTURE OF THE [REDACTED]**

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**[REDACTED]**

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## HOW TO APPLY FOR [REDACTED]

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[REDACTED]



## HOW TO APPLY FOR [REDACTED]

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[REDACTED]

## HOW TO APPLY FOR [REDACTED]

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[REDACTED]

## HOW TO APPLY FOR [REDACTED]

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[REDACTED]

## APPENDIX I

## ACCOUNTANT’S REPORT

*The following is the text of a report set out on pages [I-1] to [I-3], received from the Company’s reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Shenwan Hongyuan Capital (H.K.) Limited pursuant to the requirements of HKSIR 200 Accountant’s Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.*

*[Letterhead of PricewaterhouseCoopers]*

*[DRAFT]*

### **ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI ZHIDA TECHNOLOGY DEVELOPMENT CO., LTD. AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED**

#### **Introduction**

We report on the historical financial information of Shanghai Zhida Technology Development Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-4] to [I-90], which comprises the consolidated statements of financial position as at 31 December 2021 and 2022, the Company statements of financial position as at 31 December 2021 and 2022, and the consolidated statements of profit or loss, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2021 and 2022 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [I-4] to [I-90] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [document date] (the “Document”) in connection with the [REDACTED] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

#### **Directors’ responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### **Reporting accountant’s 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, *Accountant’s Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

## APPENDIX I

## ACCOUNTANT’S REPORT

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 accountant’s 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 accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 accountant’s report, a true and fair view of the financial position of the Company as at 31 December 2021 and 2022 and the consolidated financial position of the Group as at 31 December 2021 and 2022 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

### Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the consolidated statement of financial position as at 30 September 2023, the Company statement of financial position as at 30 September 2023, the consolidated statements of profit or loss, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the nine months ended 30 September 2022 and 2023 and other explanatory information (the “Stub Period Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has

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**APPENDIX I**

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**ACCOUNTANT’S REPORT**

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come to our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

***Dividends***

We refer to Note 42 to the Historical Financial Information which states that no dividend has been paid by the Company in respect of the Track Record Period.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong

[Date]

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## APPENDIX I

## ACCOUNTANT’S REPORT

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### I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

#### Preparation of Historical Financial Information

Set out below is the Historical Financial Information and the Stub Period Financial Information which forms an integral part of this accountant’s report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing (“ISAs”) issued by the IAASB (“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.



**APPENDIX I**

**ACCOUNTANT’S REPORT**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Note	Year ended 31 December		Nine months ended 30 September	
		2021	2022	2022	2023
		RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	(Unaudited)
Revenue . . . . .	5	357,607	697,060	417,478	485,821
Cost of sales . . . . .	8	(263,299)	(554,986)	(327,312)	(379,946)
<b>Gross profit . . . . .</b>		94,308	142,074	90,166	105,875
Sales and marketing expenses . . . . .	8	(32,747)	(67,615)	(47,913)	(64,895)
General and administrative expenses . . . . .	8	(34,884)	(53,695)	(40,510)	(46,942)
Research and development expenses . . . . .	8	(25,411)	(34,099)	(24,830)	(26,945)
Net impairment reversal/(losses) on financial assets . . . . .	11	745	(6,700)	(3,794)	421
Other income . . . . .	6	4,022	3,150	2,413	4,791
Other gains – net . . . . .	7	320	757	979	139
<b>Operating profit/(loss) . . . . .</b>		6,353	(16,128)	(23,489)	(27,556)
Finance income . . . . .	10	246	1,416	831	1,649
Finance costs . . . . .	10	(30,797)	(14,338)	(11,585)	(7,460)
Finance costs – net . . . . .		(30,551)	(12,922)	(10,754)	(5,811)
Share of net loss of a joint venture accounted for using the equity method . . .	36	(477)	–	–	–
<b>Loss before income tax . . . . .</b>		(24,675)	(29,050)	(34,243)	(33,367)
Income tax credit . . . . .	12	1,353	3,903	5,654	6,807
<b>Loss for the year/period . . .</b>		(23,322)	(25,147)	(28,589)	(26,560)
<b>Attributable to:</b>					
Owners of the Company . . . . .		(25,981)	(26,306)	(29,209)	(26,556)
Non-controlling interests . . . . .		2,659	1,159	620	(4)
		<u>(23,322)</u>	<u>(25,147)</u>	<u>(28,589)</u>	<u>(26,560)</u>
<b>Loss per share attributable to the owners of the Company (in RMB)</b>					
Basic and diluted loss per share . . . . .	13	<u>(0.59)</u>	<u>(0.53)</u>	<u>(0.60)</u>	<u>(0.51)</u>

## APPENDIX I

## ACCOUNTANT’S REPORT

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended 31 December		Nine months ended 30 September	
		2021	2022	2022	2023
		RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	(Unaudited)
<b>Loss for the year/period . . .</b>		(23,322)	(25,147)	(28,589)	(26,560)
<b>Other comprehensive loss</b>					
<i>Item that may be reclassified</i>					
<i>subsequently to profit or</i>					
<i>loss</i>					
Currency translation					
differences . . . . .		—	(15)	—	(293)
<b>Other comprehensive loss</b>					
<b>for the year/period, net</b>					
<b>of tax. . . . .</b>		—	(15)	—	(293)
<b>Total comprehensive loss</b>					
<b>for the year/period . . . . .</b>		<u>(23,322)</u>	<u>(25,162)</u>	<u>(28,589)</u>	<u>(26,853)</u>
<b>Attributable to:</b>					
Owners of the Company . . . .		(25,981)	(26,321)	(29,209)	(26,849)
Non-controlling interests . . . .		2,659	1,159	620	(4)
		<u>(23,322)</u>	<u>(25,162)</u>	<u>(28,589)</u>	<u>(26,853)</u>

## APPENDIX I

## ACCOUNTANT’S REPORT

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 30 September
	Note	2021	2022	2023
		RMB'000	RMB'000	RMB'000
				(Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment . . . . .	15	17,944	31,044	38,656
Right-of-use assets . . . . .	16	6,134	11,723	7,733
Intangible assets . . . . .	17	3,245	6,336	16,030
Investments accounted for using the equity method . . . . .	36	—	—	—
Deferred income tax assets . . . . .	18	16,115	23,970	35,118
Other non-current assets . . . . .	19	1,887	6,721	1,365
		45,325	79,794	98,902
Current assets				
Inventories . . . . .	20	95,228	138,023	124,451
Trade and notes receivables . . . . .	21, 29	244,449	516,440	395,775
Other current assets . . . . .	22, 29	19,791	17,762	15,802
Financial assets at fair value through profit or loss . . . . .	23, 29	1,410	31,983	1,004
Cash and cash equivalents . . . . .	24, 29	114,940	205,195	227,669
		475,818	909,403	764,701
Total assets . . . . .		521,143	989,197	863,603
EQUITY				
Equity attributable to owners of the Company				
Paid-in capital . . . . .	25	47,576	—	—
Share capital . . . . .	26	—	52,527	52,527
Treasury stock . . . . .	27	(353,875)	—	—
Reserves . . . . .	27	260,899	281,561	281,574
Accumulated losses . . . . .		(216,033)	(24,177)	(50,733)
		(261,433)	309,911	283,368
Non-controlling interests . . . . .		14,190	13,358	13,354
Total (deficit)/equity . . . . .		(247,243)	323,269	296,722

## APPENDIX I

## ACCOUNTANT’S REPORT

		As at 31 December		As at 30 September
	Note	2021	2022	2023
		RMB'000	RMB'000	RMB'000
				(Unaudited)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities . . . . .	16, 29	3,889	5,119	1,764
Provisions . . . . .	32	3,510	7,991	4,440
Deferred income . . . . .	33	1,952	936	562
Financial instruments with preferred rights at amortized cost . . . . .	29, 30	432,665	—	—
		442,016	14,046	6,766
<b>Current liabilities</b>				
Trade payables . . . . .	29, 34	190,537	351,735	259,380
Other payables and accruals . . . . .	29, 35	12,213	17,101	27,342
Borrowings . . . . .	29, 31	114,233	253,282	244,260
Lease liabilities . . . . .	16, 29	2,315	7,286	6,601
Contract liabilities . . . . .	5	1,308	5,375	6,382
Provisions . . . . .	32	4,361	13,061	14,280
Current income tax liabilities . . . . .		1,403	4,042	1,870
		326,370	651,882	560,115
<b>Total liabilities . . . . .</b>		<b>768,386</b>	<b>665,928</b>	<b>566,881</b>
<b>Total (deficit)/equity and liabilities . .</b>		<b>521,143</b>	<b>989,197</b>	<b>863,603</b>

## APPENDIX I

## ACCOUNTANT’S REPORT

### THE COMPANY STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 30 September
	Note	2021	2022	2023
		RMB'000	RMB'000	RMB'000
				(Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment . . . . .	15	8,187	9,465	7,853
Right-of-use assets . . . . .	16	4,617	5,758	3,882
Intangible assets . . . . .	17	1,018	3,860	13,174
Investments in subsidiaries . . . . .	14	97,039	102,714	113,030
Investments accounted for using the equity method . . . . .	36	—	—	—
Deferred income tax assets . . . . .	18	26,198	34,589	41,920
Other non-current assets . . . . .	19	36	155	991
		137,095	156,541	180,850
Current assets				
Inventories . . . . .	20	48,790	52,426	46,455
Trade and notes receivables . . . . .	21, 29	236,963	514,146	387,533
Other current assets . . . . .	22, 29	23,257	14,525	11,285
Financial assets at fair value through profit or loss . . . . .	23, 29	—	15,045	—
Cash and cash equivalents . . . . .	24, 29	54,034	127,196	126,860
		363,044	723,338	572,133
Total assets . . . . .		500,139	879,879	752,983
EQUITY				
Equity attributable to owners of the Company				
Paid-in capital . . . . .	25	47,576	—	—
Share capital . . . . .	26	—	52,527	52,527
Treasury stock . . . . .	27	(353,875)	—	—
Reserves . . . . .	27	260,299	281,744	282,050
Accumulated losses . . . . .		(204,733)	(21,295)	(46,041)
Total (deficit)/equity . . . . .		(250,733)	312,976	288,536

## APPENDIX I

## ACCOUNTANT’S REPORT

		As at 31 December		As at 30 September
	Note	2021	2022	2023
		RMB'000	RMB'000	RMB'000
				(Unaudited)
LIABILITIES				
Non-current liabilities				
Lease liabilities . . . . .	16, 29	3,126	3,071	1,175
Provisions . . . . .	32	3,372	7,179	3,783
Deferred income . . . . .	33	1,952	936	562
Financial instruments with preferred rights at amortized cost . . . . .	29, 30	432,665	—	—
		441,115	11,186	5,520
Current liabilities				
Trade payables . . . . .	29, 34	182,175	225,490	152,426
Other payables and accruals . . . . .	29, 35	15,994	60,147	44,487
Borrowings . . . . .	29, 31	105,034	253,282	244,260
Lease liabilities . . . . .	16, 29	1,587	2,963	2,947
Contract liabilities . . . . .		762	2,133	2,524
Provisions . . . . .	32	4,205	11,702	12,283
		309,757	555,717	458,927
Total liabilities . . . . .		750,872	566,903	464,447
Total (deficit)/equity and liabilities . .		500,139	879,879	752,983

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company						Non- controlling interests	Total deficit
		Paid-in capital	Reserves	Treasury stock	Accumulated losses	Total			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Balance at 1 January 2021 . . . . .		41,700	111,775	(198,875)	(190,052)	(235,452)	11,531	RMB'000 (223,921)	
(Loss)/profit for the year . . . . .		—	—	—	(25,981)	(25,981)	2,659	(23,322)	
Total comprehensive (loss)/income . . . . .		—	—	—	(25,981)	(25,981)	2,659	(23,322)	
Transactions with owners in their capacity as owner:									
Capital contributions from equity holders . . . . .	25, 27	5,876	149,124	—	—	155,000	—	155,000	
Recognition of financial instruments with preferred rights at amortized cost . . . . .		—	—	(155,000)	—	(155,000)	—	(155,000)	
		5,876	149,124	(155,000)	—	—	—	—	
Balance at 31 December 2021 . . . . .		47,576	260,899	(353,875)	(216,033)	(261,433)	14,190	(247,243)	

APPENDIX I

ACCOUNTANT’S REPORT

Attributable to owners of the Company									
Note	Paid-in capital	Share capital	Reserves	Treasury stock	Accumulated losses	Total	Non-controlling interests	Total (deficit)/equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2022..	47,576	—	260,899	(353,875)	(216,033)	(261,433)	14,190	(247,243)	
(Loss)/profit for the year .....	—	—	—	—	(26,306)	(26,306)	1,159	(25,147)	
Currency translation differences .....	—	—	(15)	—	—	(15)	—	(15)	
Total comprehensive (loss)/income .....	—	—	(15)	—	(26,306)	(26,321)	1,159	(25,162)	
Transactions with owners in their capacity as owner:									
Capital contributions from equity holders.....	25, 27	1,914	—	48,586	—	50,500	—	50,500	
Recognition of financial instruments with preferred rights at amortized cost ...	27	—	—	(50,500)	—	(50,500)	—	(50,500)	
Conversion into a joint stock limited company.....	25, 26, 27	(49,490)	49,490	(218,162)	218,162	—	—	—	
Derecognition of financial instruments with preferred rights at amortized cost ...	27	—	—	84,984	404,375	489,359	—	489,359	
Capital contributions from shareholders .....	26, 27	—	3,037	105,923	—	108,960	—	108,960	
Acquisition of minority shareholder's equity .....	27	—	—	(768)	—	(768)	(1,621)	(2,389)	



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Attributable to owners of the Company								
Note	Paid-in capital	Share capital	Reserves	Treasury stock	Accumulated losses	Total	Non-controlling interests	Total (deficit)/ equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Distribution to non-controlling shareholders upon liquidation of a subsidiary . . . . .	—	—	—	—	—	—	(370)	(370)
Share-based payment . . . . .	—	—	114	—	—	114	—	114
	(47,576)	52,527	20,677	353,875	218,162	597,665	(1,991)	595,674
<b>Balance at 31 December 2022 . . . . .</b>	—	52,527	281,561	—	(24,177)	309,911	13,358	323,269

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Attributable to owners of the Company						
	Note	Share capital	Reserves	Accumulated losses	Total	Non-controlling interests
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(Unaudited)</i>						
Balance at 1 January 2023		52,527	281,561	(24,177)	309,911	13,358
Loss for the period		–	–	(26,556)	(26,556)	(4)
Currency translation differences		–	(293)	–	(293)	–
Total comprehensive loss		–	(293)	(26,556)	(26,849)	(4)
Transactions with owners in their capacity as owner:						
Share-based payment	9, 28	–	306	–	306	–
		–	306	–	306	–
Balance at 30 September 2023		52,527	281,574	(50,733)	283,368	13,354

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ACCOUNTANT’S REPORT

	Note	Attributable to owners of the Company						
		Paid-in capital	Share capital	Reserves	Treasury stock	Accumulated losses	Total	Non-controlling interests
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
								Total deficit/equity RMB'000
<i>(Unaudited)</i>								
<b>Balance at 1 January 2022</b> .....		47,576	–	260,899	(353,875)	(216,033)	(261,433)	14,190
(Loss)/profit for the period.....		–	–	–	–	(29,209)	(29,209)	620
<b>Total comprehensive (loss)/income</b> .....		–	–	–	–	(29,209)	(29,209)	<b>620</b>
<b>Transactions with owners in their capacity as owner:</b>								
Capital contributions from equity holders ..	25, 27	1,914	–	48,586	–	–	50,500	–
Recognition of financial instruments with preferred rights at amortized cost .....	27	–	–	–	(50,500)	–	(50,500)	–
Conversion into a joint stock limited company.....	25, 26, 27	(49,490)	49,490	(218,162)	–	218,162	–	–
Derecognition of financial instruments with preferred rights at amortized cost .....	27	–	–	84,984	404,375	–	489,359	–



## APPENDIX I

## ACCOUNTANT’S REPORT

### CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Nine months ended 30 September	
	Note	2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>					
Cash (used in)/generated					
from operations . . . . .	37(a)	(94,835)	(133,318)	(37,457)	26,362
Interest received from cash at					
banks . . . . .	10	246	1,416	831	1,649
Income tax paid. . . . .		(1,799)	(1,313)	(1,182)	(6,513)
<b>Net cash (used in)/generated from operating activities .</b>		<u>(96,388)</u>	<u>(133,215)</u>	<u>(37,808)</u>	<u>21,498</u>
<b>Cash flows from investing activities . . . . .</b>					
Purchase of financial assets					
at fair value through profit					
or loss . . . . .		(47,000)	(257,100)	(200,600)	(88,700)
Proceeds from disposals of					
financial assets at fair					
value through profit or					
loss . . . . .		54,213	227,322	182,194	120,032
Loans to related parties . . . . .		(2,000)	(203)	(203)	—
Repayment of loans by					
related parties . . . . .		—	580	580	2,203
Purchase of property, plant					
and equipment . . . . .		(7,300)	(26,876)	(15,650)	(7,350)
Proceeds from disposal of					
property, plant and					
equipment . . . . .		1,991	852	20	1,604
Purchases of intangible					
assets . . . . .		(127)	(4,095)	(723)	(4,572)
<b>Net cash (used in)/generated from investing activities . .</b>		<u>(223)</u>	<u>(59,520)</u>	<u>(34,382)</u>	<u>23,217</u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings . . .		111,825	263,090	215,000	214,000
Repayment of borrowings . . .		(40,190)	(123,914)	(89,300)	(223,000)
Repayment of loans from					
related parties . . . . .	40(b)	(22,740)	(263)	(263)	—

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## ACCOUNTANT’S REPORT

	Note	Year ended 31 December		Nine months ended 30 September	
		2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Proceeds from contributions from equity/share holders . .		155,000	159,460	50,500	–
Interest paid for borrowings .		(5,509)	(7,454)	(5,207)	(7,151)
Principal payments of lease liabilities . . . . .		(2,412)	(4,594)	(2,046)	(5,502)
Interest paid for lease liabilities . . . . .		(270)	(563)	(356)	(340)
Acquisition of minority shareholder’s equity . . . . .	39(a)	–	(2,389)	(2,389)	–
Distribution to non- controlling shareholders upon liquidation of a subsidiary . . . . .		–	(370)	(370)	–
<b>Net cash generated from/(used in) financing activities . . . . .</b>		<u>195,704</u>	<u>283,003</u>	<u>165,569</u>	<u>(21,993)</u>
<b>Net increase in cash and cash equivalents . . . . .</b>		<u>99,093</u>	<u>90,268</u>	<u>93,379</u>	<u>22,722</u>
Cash and cash equivalents at the beginning of the year/period . . . . .	24	15,847	114,940	114,940	205,195
Effects of foreign exchange rate changes on cash and cash equivalents . . . . .		–	(13)	1	(248)
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	24	<u><u>114,940</u></u>	<u><u>205,195</u></u>	<u><u>208,320</u></u>	<u><u>227,669</u></u>

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### II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

#### 1. GENERAL INFORMATION

Shanghai Zhida Technology Development Co., Ltd. (“Zhida Technology”, or the “Company”) was incorporated in The People’s Republic of China (the “PRC”) on 25 November 2010 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is Room 1001-1, No. 127, Guotong Road, Yangpu District, Shanghai, PRC.

The Company and its subsidiaries (together, “the Group”) are principally engaged in the provision of the following goods and services: (i) production, research and development and sales of Electric Vehicle chargers (“EV chargers”) and related parts; (ii) EV chargers installation services, after-sales services, etc in the PRC.

Dr. Huang Zhiming is the ultimate controlling shareholder of the Company as at the date of this report.

#### 2. BASIS OF PREPARATION

##### (i) Compliance with IFRS

The Historical Financial Information of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

##### (ii) Historical cost convention

The Historical Financial Information have been prepared on a historical cost basis, except for the certain financial assets and liabilities that are measured at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

##### (iii) New Standards, amendments to standards and interpretations

In preparation of the Historical Financial Information, all of the new standards, amendments to standards and interpretations that are effective during the Track Record Period and the stub period for the nine months ended 30 September 2022 and 2023 (collectively the “Reporting Period”) have been adopted by the Group consistently throughout the Reporting Period.

##### (iv) New and amended standards, improvements, interpretations and accounting guideline which are not yet effective and have not been early adopted by the Group

New standards and interpretations not yet adopted, new and amended standards, amendments and interpretations have been issued but are not effective for the Reporting Period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IFRS 7 and IAS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective.

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group’s risk management is predominantly controlled by the treasury department under policies approved by the Board of Directors of the Company (the “Board of Directors”). The Group’s treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

##### (a) *Market risk*

###### (i) *Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group is primarily exposed to changes in RMB/USD exchange rates. As at 31 December 2021 and 2022 and 30 September 2023, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, the loss before income tax for the year/period then ended would have been approximately nil, RMB2,000 and RMB88,000 lower/higher respectively as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents.

###### (ii) *Cash flow and fair value interest rate risk*

Except for cash and cash equivalents, the Group has no significant interest-bearing assets. The Group’s income and operating cash flows are substantially independent of changes in market interest rates.

The Group’s interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 31. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Reporting Period.

As at 31 December 2021 and 2022 and 30 September 2023, if the Group’s interest rates on borrowings obtained at variable rates had been higher/lower by 0.5%, the loss before income tax for the year/period then ended would have been approximately nil, RMB100,000, nil higher/lower respectively.

###### (iii) *Price risk*

The Group has no exposure to equity securities price risk.

##### (b) *Credit risk*

Credit risk arises from cash and cash equivalents, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of financial assets.

###### *Risk management*

To manage this risk, cash and cash equivalents are mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.



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To manage risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

### *Impairment of financial assets*

The Group has three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents;
- trade and notes receivables;
- other receivables.

#### (i) Cash and cash equivalents

To manage risk arising from cash and cash equivalents, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

#### (ii) Trade and notes receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each Reporting Period and probability of default of counter parties on an ongoing basis throughout each Reporting Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2021, 2022 and 30 September 2023 was determined as follows for trade and notes receivables:

### **The Group**

As at 31 December 2021	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Expected loss rate</b> . . . . .	0.63%	21.38%	43.67%	100.00%	
<b>Gross amount</b> . . . . .	238,049	6,642	4,761	2,259	251,711
<b>Loss allowance</b> . . . . .	(1,504)	(1,420)	(2,079)	(2,259)	(7,262)

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As at 31 December 2022	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate . . . . .	0.47%	41.86%	46.88%	100.00%	
Gross amount . . . . .	508,403	15,675	2,517	3,526	530,121
Loss allowance . . . . .	(2,414)	(6,561)	(1,180)	(3,526)	(13,681)

(Unaudited)

As at 30 September 2023	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate . . . . .	0.35%	26.41%	61.31%	100.00%	
Gross amount . . . . .	380,399	19,793	5,523	3,265	408,980
Loss allowance . . . . .	(1,326)	(5,228)	(3,386)	(3,265)	(13,205)

The loss allowances for trade and notes receivables as at the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 reconcile to the opening loss allowances as follows:

	Trade and notes receivables			
	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Opening loss allowance as at 1 January .	(8,279)	(7,262)	(7,262)	(13,681)
Impairment losses reversal/(recognized) – net (Note 11) . . . . .	432	(6,619)	(3,727)	461
Bad debt write-offs . . . . .	585	200	200	15
Closing loss allowance as at 31 December/30 September . . . . .	(7,262)	(13,681)	(10,789)	(13,205)

### The Company

As at 31 December 2021	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate . . . . .	0.76%	25.20%	46.80%	100.00%	
Gross amount . . . . .	231,561	6,596	4,167	1,306	243,630
Loss allowance . . . . .	(1,749)	(1,662)	(1,950)	(1,306)	(6,667)

As at 31 December 2022	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate . . . . .	0.49%	22.07%	46.86%	100.00%	
Gross amount . . . . .	506,855	10,829	2,516	2,968	523,168
Loss allowance . . . . .	(2,485)	(2,390)	(1,179)	(2,968)	(9,022)

(Unaudited)

As at 30 September 2023	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate . . . . .	0.33%	19.12%	40.53%	100.00%	
Gross amount . . . . .	372,865	17,057	3,541	3,217	396,680
Loss allowance . . . . .	(1,234)	(3,261)	(1,435)	(3,217)	(9,147)

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## ACCOUNTANT’S REPORT

The loss allowances for trade and notes receivables as at the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 reconcile to the opening loss allowances as follows:

	Trade and notes receivables			
	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
<b>Opening loss allowance as at 1 January .</b>	(6,904)	(6,667)	(6,667)	(9,022)
Impairment losses reversal/(recognized) –				
net . . . . .	237	(2,430)	240	(125)
Bad debt write-offs . . . . .	–	75	75	–
<b>Closing loss allowance as at 31</b>				
<b>December/30 September . . . . .</b>	<u>(6,667)</u>	<u>(9,022)</u>	<u>(6,352)</u>	<u>(9,147)</u>

Trade and notes receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Impairment losses on trade and notes receivables are presented as net impairment reversal/(losses) within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

### (iii) Other receivables

Other receivables mainly include amounts loans to related parties, deposits and others. All of the Group’s financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 22.

Other receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on other receivables are presented as net impairment reversal/(losses) within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowances for other receivables as at the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 reconcile to the opening loss allowances as follows:

### The Group

	Other Receivables			
	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
<b>Opening loss allowance as at 1 January .</b>	(639)	(173)	(173)	(198)
Impairment losses reversal/(recognized) –				
net (Note 11) . . . . .	313	(81)	(67)	(40)
Bad debt write-offs . . . . .	153	56	56	–
<b>Closing loss allowance as at 31</b>				
<b>December/30 September . . . . .</b>	<u>(173)</u>	<u>(198)</u>	<u>(184)</u>	<u>(238)</u>

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### The Company

	Other Receivables			
	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
<b>Opening loss allowance as at 1 January</b>	(46,065)	(54,176)	(54,176)	(59,353)
Impairment losses reversal/(recognized) – net	(8,111)	(10,480)	(1,287)	(3,223)
Bad debt write-offs	–	5,303	5,303	–
<b>Closing loss allowance as at 31 December/30 September</b>	<u>(54,176)</u>	<u>(59,353)</u>	<u>(50,160)</u>	<u>(62,576)</u>

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate cash and cash equivalents to meet the Group’s liquidity requirements.

#### *Maturities of financial liabilities*

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Non-derivatives	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<b>As at 31 December 2021</b>				
Borrowings (including interest payables) (Note 31)	119,401	–	–	119,401
Trade payables (Note 34)	190,537	–	–	190,537
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 35)	3,837	–	–	3,837
Lease liabilities	2,548	3,830	218	6,596
<b>Total</b>	<u>316,323</u>	<u>3,830</u>	<u>218</u>	<u>320,371</u>

Non-derivatives	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<b>As at 31 December 2022</b>				
Borrowings (including interest payables) (Note 31)	263,013	–	–	263,013
Trade payables (Note 34)	351,735	–	–	351,735
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 35)	3,942	–	–	3,942
Lease liabilities	7,599	5,225	–	12,824
<b>Total</b>	<u>626,289</u>	<u>5,225</u>	<u>–</u>	<u>631,514</u>

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Non-derivatives	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<i>(Unaudited)</i>				
<b>As at 30 September 2023</b>				
Borrowings (including interest payables)				
(Note 31) . . . . .	253,613	–	–	253,613
Trade payables (Note 34) . . . . .	259,380	–	–	259,380
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 35) . . .	15,261	–	–	15,261
Lease liabilities . . . . .	6,814	1,718	114	8,646
<b>Total . . . . .</b>	<b>535,068</b>	<b>1,718</b>	<b>114</b>	<b>536,900</b>

As at 31 December 2021, the financial instruments with preferred rights at amortized cost as described in Note 30 of approximately RMB432,665,000 were not managed by maturing date and were all reclassified to equity in year 2022.

### 3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company’s shares. In the opinion of the management of the Company, the Group’s capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

### 3.3 Fair value estimation

#### (a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the statements of financial position. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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The following table presents the Group’s assets and liabilities that are measured at fair value as at 31 December 2021 and 2022 and 30 September 2023:

	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<b>As at 31 December 2021</b>				
Assets . . . . .				
Financial assets at fair value through profit or loss (“FVPL”) (Note 23) . . . . .	–	–	1,410	1,410
	=	=	=	=
	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<b>As at 31 December 2022</b>				
Assets . . . . .				
Financial assets at FVPL (Note 23) . . . . .	–	–	31,983	31,983
	=	=	=	=
	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
<i>(Unaudited)</i>				
<b>As at 30 September 2023</b>				
Assets . . . . .				
Financial assets at FVPL (Note 23) . . . . .	–	–	1,004	1,004
	=	=	=	=

The Group’s policy is to recognize transfers into and out of fair value hierarchy levels as at the end of each Reporting Period.

**(b) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the Reporting Period.

The fair value of trade and notes receivables, other receivables, and cash and cash equivalents approximated their carrying amounts.

The fair value of trade payables, other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables), current borrowings, and lease liabilities approximated their carrying amounts.

**(c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023:

	Financial assets at FVPL
	RMB’000
As at 1 January 2021 . . . . .	8,380
Acquisitions . . . . .	47,000
Disposals . . . . .	(54,213)
Fair value changes (Note 7) . . . . .	243
As at 31 December 2021 . . . . .	1,410

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	Financial assets at FVPL
As at 1 January 2022 . . . . .	1,410
Acquisitions . . . . .	257,100
Disposals . . . . .	(227,322)
Fair value changes (Note 7) . . . . .	795
As at 31 December 2022 . . . . .	31,983
<i>(Unaudited)</i>	
As at 1 January 2023 . . . . .	31,983
Acquisitions . . . . .	88,700
Disposals . . . . .	(120,032)
Fair value changes (Note 7) . . . . .	353
As at 30 September 2023 . . . . .	1,004
<i>(Unaudited)</i>	
As at 1 January 2022 . . . . .	1,410
Acquisitions . . . . .	200,600
Disposals . . . . .	(182,194)
Fair value changes (Note 7) . . . . .	560
As at 30 September 2022 . . . . .	20,376

The changes of financial assets at FVPL for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 have been presented in Note 23.

(d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the Reporting Period.

(e) *Valuation inputs and relationships to fair value*

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

**As at 31 December 2021**

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000			
Wealth management products . . . . .	1,410	Expected rate of return	0.44%-3.47%	The higher the expected rate of return, the higher the fair value

**As at 31 December 2022**

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000			
Wealth management products . . . . .	31,983	Expected rate of return	0.26%-0.90%	The higher the expected rate of return, the higher the fair value

*(Unaudited)*

**As at 30 September 2023**

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000			
Wealth management products . . . . .	1,004	Expected rate of return	0.17%-0.90%	The higher the expected rate of return, the higher the fair value

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### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions, as well as forward-looking estimates at the end of each Reporting Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1.

#### (b) Inventory provision

Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

#### (c) Fair value of financial assets at FVPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each Reporting Period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

#### (d) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management’s judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

#### (e) Warranty provisions

Provision for product warranties granted by the Group in respect of certain products are recognized based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect the Group’s warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.



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### (f) Recognition of share-based payment expenses

As disclosed in Note 28, the Group granted shares to the Group’s employees or other parties, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company have used the discounted cash flow method and back-solve method to determine the fair value of the equity instruments granted. Significant estimate on assumptions, such as the risk-free interest rate, expected volatility, dividend yield and discount for lack of discount on marketability are made based on management’s best estimates.

### (g) Recognition and estimation of financial instruments with preferred rights at amortized cost

As mentioned in Note 30, the Group has issued ordinary shares with redemption rights to the investors in certain rounds of investments, the obligation to redeem the ordinary shares of the Group under certain circumstance which is out of the control of the Group is accounted for as financial instruments with preferred rights at amortized cost. The redemption liabilities are initially measured at present value of the redemption amount and subsequently measured at amortized cost, which is determined by the management in accordance with the terms under investment agreement and involved the use of critical accounting estimates and judgments.

## 5. REVENUE AND SEGMENT INFORMATION

### (a) Description of segments and principal activities

During the Reporting Period, the Group is engaged in the provision of the following goods and services: (i) production, research and development and sales of EV chargers and related parts; (ii) EV chargers installation services, after-sales services, etc in the PRC. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

#### *Geographical information*

The Group’s principal market, majority of revenue, operating loss and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

### (b) Revenue during the Reporting Period

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
<b>Type of revenue:</b>				
Sales of products . . . . .	190,130	407,434	213,240	242,397
Provision of value-added services . . . . .	167,477	289,626	204,238	243,424
	<u>357,607</u>	<u>697,060</u>	<u>417,478</u>	<u>485,821</u>

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### (c) Contract liabilities

The Group recognized the following contract liabilities related to the contracts with customers:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Contract liabilities</b>			
Current contract liabilities . . . . .	1,308	5,375	6,382

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services or goods are yet to be provided.

### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognized during the Reporting Periods relates to carried-forward contract liabilities.

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period . . . . .	1,320	1,308	1,308	5,375

### (d) Information about major customers

For the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023, revenue derived from customers who accounted for more than 10% of total revenue were set out below:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Customer 1 . . . . .	15.31%	38.32%	31.59%	31.62%
Customer 2 . . . . .	10.17%	N/A	N/A	16.53%
Customer 3 . . . . .	20.99%	10.72%	14.18%	10.48%

N/A: The customer contributed less than 10% of total revenue for the corresponding year/period.

### (e) Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. A customer is the party that contracts with the Group to purchase goods or services which are the output of the Group’s ordinary activities in exchange for consideration.

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Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties.

The accounting policies for the Group’s principal revenue sources are as follows:

**(i) Sales of products**

The Group manufactures and sells EV chargers and related parts in the market, and generates revenue from sales of EV chargers, accessories, electrical cables, and other related products.

The revenue for sales of products mentioned above is recognized at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products.

The standard warranty provided by the Group, including free assistance service for hardware quality problems, is accounted for as provisions, and the estimated costs are recorded as a liability when the Group transfers the control of products to a customer.

**(ii) Provision of value-added services**

Value-added services mainly comprise EV chargers installation services, after-sales services, etc in the PRC.

Since services are usually completed only in a short period of time, the revenue generated from the services mentioned above is recognized upon completion of the services.

### 6. OTHER INCOME

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Government grants . . . . .	4,022	3,150	2,413	4,791

During the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023, the government grants mainly include financial subsidies from local government authorities with certain specified conditions, as well as the amortization of deferred government grants. There are no unfulfilled conditions or other contingencies attaching to the grants recognized.

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### 7. OTHER GAINS — NET

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Net fair value gains on financial assets at FVPL (Note 23) . . . . .	243	795	560	353
Net losses on disposals of property, plant and equipment and intangible assets . . .	(55)	(349)	(33)	(100)
Others . . . . .	132	311	452	(114)
	<u>320</u>	<u>757</u>	<u>979</u>	<u>139</u>

### 8. EXPENSES BY NATURE

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Changes in finished goods (Note 20) . . . .	(43,226)	(16,619)	(33,405)	(1,639)
Raw materials and consumables used . . . .	155,575	282,084	170,709	157,064
Outsourced installation cost . . . . .	112,492	220,853	152,605	186,237
Employee benefit expenses (Note 9). . . . .	67,343	99,881	71,102	84,078
Warranty expenses (Note 32) . . . . .	9,758	25,994	13,453	11,555
Depreciation and amortization (Note 15, 16, 17) . . . . .	10,406	13,696	9,622	12,344
E-commerce platform service fee . . . . .	1,804	10,806	7,111	12,262
Freight expenses . . . . .	5,556	13,665	7,935	8,255
Provision against inventories (Note 20). . .	1,752	716	1,214	435
Outsourced service fee . . . . .	2,847	14,450	8,925	12,296
Design and development fees . . . . .	4,255	6,916	4,170	4,358
Legal, consulting and other professional fees . . . . .	4,415	7,127	6,584	5,819
Entertainment expenses. . . . .	3,213	3,466	2,404	3,251
Expenses relating to short-term leases (Note 16). . . . .	3,289	3,009	1,977	2,881
Auditor’s remuneration . . . . .	298	1,484	1,169	362
Others . . . . .	16,564	22,867	14,990	19,170
	<u>356,341</u>	<u>710,395</u>	<u>440,565</u>	<u>518,728</u>

### 9. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Wages, salaries and bonuses. . . . .	52,853	80,268	57,116	65,145
Pension obligations, housing funds, medical insurances and other social insurances (a) . . . . .	13,660	18,226	12,896	16,093
Other employee benefits (b). . . . .	830	1,273	1,090	2,534
Share-based payment expenses (Note 28). .	—	114	—	306
	<u>67,343</u>	<u>99,881</u>	<u>71,102</u>	<u>84,078</u>

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### (a) Pension obligations, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group’s liabilities in respect of benefits schemes are limited to the contribution payable in each year.

No forfeited contributions were utilized during the Reporting Period to offset the Group’s contribution to the abovementioned retirement benefit schemes.

### (b) Other employee benefits

Other employee benefits mainly include meal, traveling and other allowances.

### (c) Five highest paid employees

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 include 2, 2, 2 and 2 directors respectively, whose emoluments are disclosed in the Note 41. The emoluments payable to the remaining 3, 3, 3 and 3 highest paid individuals during the Reporting Period are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Wages, salaries and bonuses . . . . .	1,568	1,793	1,281	1,922
Pension obligations, housing funds, medical insurances and other social insurances . . . . .	363	309	208	318
Other employee benefits . . . . .	–	16	16	205
Share-based payment expenses . . . . .	–	18	12	86
	<u>1,931</u>	<u>2,136</u>	<u>1,517</u>	<u>2,531</u>

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
			(Unaudited)	(Unaudited)
Emolument bands (in HK dollar)				
Nil – 1,000,000 . . . . .	3	3	3	2
1,000,001 to 1,500,000 . . . . .	–	–	–	1
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

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### 10. FINANCE COSTS — NET

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
<b>Finance income</b>				
Interest income from bank deposits . . . . .	246	1,416	831	1,649
<b>Finance costs</b>				
Interest expenses on lease liabilities				
(Note 16) . . . . .	(943)	(554)	(356)	(331)
Interest expenses on financial instruments				
with preferred rights at amortized cost				
(Note 30) . . . . .	(25,308)	(6,194)	(6,194)	—
Interest expenses on borrowings . . . . .	(4,546)	(7,590)	(5,035)	(7,129)
Total finance costs . . . . .	(30,797)	(14,338)	(11,585)	(7,460)
Finance costs — net . . . . .	(30,551)	(12,922)	(10,754)	(5,811)

### 11. NET IMPAIRMENT REVERSAL/(LOSSES) ON FINANCIAL ASSETS

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Impairment reversal/(losses) — net:				
– trade and notes receivables . . . . .	432	(6,619)	(3,727)	461
– other receivables . . . . .	313	(81)	(67)	(40)
	745	(6,700)	(3,794)	421

### 12. INCOME TAX CREDIT

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Current income tax expense . . . . .	1,858	3,952	1,363	4,341
Deferred income tax (Note 18) . . . . .	(3,211)	(7,855)	(7,017)	(11,148)
	(1,353)	(3,903)	(5,654)	(6,807)

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

#### (i) PRC corporate income tax (“PRC CIT”)

The Company and its subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations for the Reporting Period, except for disclosed below.

The Company obtained its High and New Technology Enterprises (“HNTE”) status in year 2019 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2019. In 2022, the Company succeeded the qualification for HNTE and is therefore subject to a preferential income tax rate of 15% for a three-year period commencing 2022. In addition, the Group’s subsidiary, Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽摯達中鼎汽車充電設備有限公司 was qualified as HNTE in year 2021.

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According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year (“Super Deduction”). Starting from 1 October 2022, the additional deduction ratio increased to 100%.

The Group’s subsidiary, Fujian Sanming Zhida Technology Co., Ltd. 福建三明市摯達科技有限責任公司 was qualified as “Small Low-Profit Enterprise” during the year ended 31 December 2022. The Group’s subsidiaries, Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽摯達中鼎汽車充電設備有限公司 and Sanming Xunda New Energy Automobile City Operation Co., Ltd. 三明訊達新能源汽車城市運營有限公司, were qualified as “Small Low-Profit Enterprise”’s during the year ended 31 December 2022 and nine months ended 30 September 2023. The entitled subsidiaries are subject to a preferential income tax rate of 2.5% for those qualified period.

### (ii) Singapore corporate income tax (“Singapore CIT”)

The Group’s subsidiary in Singapore are subject to Singapore CIT which is calculated based on the applicable tax rate of 17% on the assessable profits of the subsidiaries in accordance with Singapore tax laws and regulations for the Reporting Period.

### (iii) Thailand corporate income tax (“Thailand CIT”)

The Group’s subsidiaries in Thailand are subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations for the Reporting Period.

The difference between the actual income tax expense charged to the consolidated statements of profit or loss and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Loss before income tax. . . . .	(24,675)	(29,050)	(34,243)	(33,367)
Income tax credit computed at the applicable income tax rate of 25% . . . .	(6,169)	(7,263)	(8,561)	(8,342)
Tax effects of:				
Preferential tax rate . . . . .	2,014	4,344	3,170	4,916
Super deduction in respect of R&D expenditures . . . . .	(2,951)	(4,356)	(2,977)	(5,167)
Expenses not deductible for taxation purposes . . . . .	4,057	1,750	1,486	183
Tax losses and deductible temporary differences for which no deferred income tax asset was recognized . . . . .	1,696	1,622	1,228	1,603
Income tax credit . . . . .	(1,353)	(3,903)	(5,654)	(6,807)

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### 13. LOSS PER SHARE

#### (a) Basic loss per share

Basic loss per share for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 are calculated by dividing the loss attributable to the Company’s equity/shareholders by the weighted average number of ordinary shares in issue during the year/period.

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
			(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB’000). . . . .	(25,981)	(26,306)	(29,209)	(26,556)
Weighted average number of ordinary shares in issue. . . . .	43,736	49,767	49,084	52,527
Basic earnings per share (RMB’000) . . . .	<u>(0.59)</u>	<u>(0.53)</u>	<u>(0.60)</u>	<u>(0.51)</u>

- (i) The weighted average number of ordinary shares in issue before the Company’s conversion into a joint stock limited company was determined assuming the paid-in capital (including those with preferred rights before the termination of such rights (Note 30) for the purpose of calculating the number of ordinary shares) had been fully converted into the Company’s share capital at the same conversion ratio of 1:1 as upon conversion into joint stock company in February 2022.

#### (b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the Reporting Period, the Group had potential ordinary shares, including financial instruments with preferred rights (Note 30) and restricted shares issued under the Company’s share incentive plan (Note 28). As the Group incurred losses for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 are the same as basic loss per share of the respective years/periods.



# APPENDIX I

# ACCOUNTANT’S REPORT

## 14. SUBSIDIARIES

### (a) Subsidiaries of the Company

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group			As at the date of this report	Principal activities
				As at 31 December		As at 30 September 2023		
				2021	2022			
Directly held:								
Shanghai Zhida Technology Service Co., Ltd. 上海肇達技術服務有限公司 (iv) . . . . .	7 July 2008	Shanghai, China	RMB8,500,000	100%	100%	100%	100%	Sales of products and services
Shanghai Zhida Mechanical and Electrical Engineering Co., Ltd. 上海肇達機電工程有限公司 (iv) . . . . .	22 October 2014	Shanghai, China	RMB8,000,000	100%	100%	100%	100%	Sales of products and services
Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽肇達中鼎汽車充電設備有限公司 (ii) . . . . .	26 January 2015	Anhui, China	RMB10,000,000	70%	70%	70%	70%	EV chargers manufacturing
Shanghai Zhida New Energy Automobile Public Supporting Development Co., Ltd. 上海肇達新能源汽車公共配套發展有限公司 (iv) . . . . .	15 September 2015	Shanghai, China	RMB10,000,000	60%	100%	100%	100%	Community shared charging service
Electric Jike (Shanghai) Network Technology Co., Ltd. 電動集客(上海)網路科技有限公司 (iv) . . . . .	14 October 2015	Shanghai, China	RMB10,000,000	90%	N/A, deregistered	N/A, deregistered	N/A, deregistered	Research and development of products
Shanghai Zhida New Energy Technology Co., Ltd. 上海肇達新能源科技有限公司 (iv) . . . . .	23 June 2016	Shanghai, China	RMB20,000,000	100%	100%	100%	N/A, deregistered	EV chargers and service sales, research and development

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Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group			Principal activities
				As at 31 December		As at 30 September 2023	
				2021	2022	2023	
Wuxi Zhida IOT Technology Co., Ltd. 無錫攀達物聯科技有限公司 (iii) . . . . .	29 September 2017	Wuxi, China	RMB10,000,000	100%	100%	100%	Sales, research and development of products
Anqing Zhida Intelligent Charging Equipment Co., Ltd. 安慶攀達智能充電設備有限公司 (ii) . . . . .	18 August 2021	Anqing, China	RMB70,000,000	100%	100%	100%	Manufacturing of products
Fujian Sanming Zhida Technology Co., Ltd. 福建三明市攀達科技有限責任公司 (iv) . . . . .	27 January 2022	Fujian, China	RMB5,000,000	–	100%	100%	Electrical cables and installation services
ZD Energy Pte. Ltd. (i) . . . . .	7 July 2022	Singapore	SGD8,000,000	N/A	100%	100%	Sales of products and services
<b>Indirectly held:</b> . . . . .							
Sanming Xunda New Energy Automobile City Operation Co., Ltd. 三明訊達新能源汽車城市運營有限公司 (iv) . . . . .	30 March 2016	Fujian, China	RMB10,000,000	55%	55%	55%	Community shared charging service
ZD Energy (Thailand) Co., Ltd. (i) . . . . .	27 July 2023	Thailand	THB125,080,000	N/A	N/A	99.98%	Manufacturing of charging devices for electronic vehicles
ZD Trading (Thailand) Co., Ltd. (i) . . . . .	23 August 2023	Thailand	THB100,000,000	N/A	N/A	99.95%	Retail or wholesale of products

- (i) No audit of statutory financial statements was performed for these subsidiaries as they are newly incorporated and are not required to issue audited financial statements under local statutory requirements of their respective places of incorporation.
- (ii) The financial statements of the company for the years ended 31 December 2021 and 2022 were audited by Rongcheng Certified Public Accountants LLP Xiamen Branch 容誠會計師事務所(特殊普通合夥)廈門分所, certified public accountants registered in the PRC.
- (iii) The financial statement of the company for the years ended 31 December 2021 was audited by Wuxi Taihu Certified Public Accountants Co. Ltd. 無錫太湖會計師事務所有限責任公司, certified public accountants registered in the PRC. The audited financial statement of the company for the years ended 31 December 2022 hasn't not be issued.
- (iv) No audited financial statements have been prepared for these subsidiaries for the year ended 31 December 2021 and 2022, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

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## ACCOUNTANT’S REPORT

### (b) Investments in subsidiaries – the Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Investments in subsidiaries . . . . .	97,039	102,702	112,984
Deemed investment arising from share-based compensation . . . . .	–	12	46
	<u>97,039</u>	<u>102,714</u>	<u>113,030</u>

### 15. PROPERTY, PLANT AND EQUIPMENT

#### The Group

	Machinery and molds	Vehicles	Electronic equipment and others	Leasehold improvements	Construction in progress (“CIP”)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2021</b>						
Cost . . . . .	27,521	2,799	7,179	2,976	94	40,569
Accumulated depreciation . . . . .	(10,741)	(2,078)	(3,760)	(1,727)	–	(18,306)
Net book amount . . . . .	<u>16,780</u>	<u>721</u>	<u>3,419</u>	<u>1,249</u>	<u>94</u>	<u>22,263</u>
<b>Year ended 31 December 2021</b>						
Opening net book amount . . . . .	16,780	721	3,419	1,249	94	22,263
Additions . . . . .	2,636	203	768	284	1,788	5,679
Transfers . . . . .	1,786	–	–	–	(1,786)	–
Disposals . . . . .	(1,496)	(38)	(416)	–	(96)	(2,046)
Depreciation charge (Note 8) . . . . .	(5,789)	(204)	(1,175)	(784)	–	(7,952)
Closing net book amount . . . . .	<u>13,917</u>	<u>682</u>	<u>2,596</u>	<u>749</u>	<u>–</u>	<u>17,944</u>
<b>As at 31 December 2021</b>						
Cost . . . . .	28,643	2,526	7,362	3,260	–	41,791
Accumulated depreciation . . . . .	(14,726)	(1,844)	(4,766)	(2,511)	–	(23,847)
Net book amount . . . . .	<u>13,917</u>	<u>682</u>	<u>2,596</u>	<u>749</u>	<u>–</u>	<u>17,944</u>
<b>Year ended 31 December 2022</b>						
Opening net book amount . . . . .	13,917	682	2,596	749	–	17,944
Additions . . . . .	3,697	60	2,489	5,572	9,959	21,777
Transfers . . . . .	2,788	–	287	3,047	(6,122)	–
Disposals . . . . .	(177)	(63)	(17)	–	(670)	(927)
Depreciation charge (Note 8) . . . . .	(5,565)	(199)	(1,288)	(698)	–	(7,750)
Closing net book amount . . . . .	<u>14,660</u>	<u>480</u>	<u>4,067</u>	<u>8,670</u>	<u>3,167</u>	<u>31,044</u>
<b>As at 31 December 2022</b>						
Cost . . . . .	33,781	2,268	9,967	11,877	3,167	61,060
Accumulated depreciation . . . . .	(19,121)	(1,788)	(5,900)	(3,207)	–	(30,016)
Net book amount . . . . .	<u>14,660</u>	<u>480</u>	<u>4,067</u>	<u>8,670</u>	<u>3,167</u>	<u>31,044</u>

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## ACCOUNTANT’S REPORT

	Machinery and molds	Vehicles	Electronic equipment and others	Leasehold improvements	Construction in progress ("CIP")	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(Unaudited)</i>						
<b>Nine Months ended</b>						
<b>30 September 2023</b>						
Opening net book amount . . .	14,660	480	4,067	8,670	3,167	31,044
Additions . . . . .	6,466	712	1,653	294	6,195	15,320
Transfers . . . . .	5,647	–	336	2,591	(8,574)	–
Disposals . . . . .	(1,582)	(21)	(99)	–	–	(1,702)
Depreciation charge						
(Note 8) . . . . .	(2,585)	(194)	(1,240)	(1,987)	–	(6,006)
Closing net book amount . . .	<u>22,606</u>	<u>977</u>	<u>4,717</u>	<u>9,568</u>	<u>788</u>	<u>38,656</u>
<b>As at 30 September 2023</b>						
Cost . . . . .	44,146	2,930	11,747	14,762	788	74,373
Accumulated depreciation . . .	(21,540)	(1,953)	(7,030)	(5,194)	–	(35,717)
Net book amount . . . . .	<u>22,606</u>	<u>977</u>	<u>4,717</u>	<u>9,568</u>	<u>788</u>	<u>38,656</u>
<b>As at 31 December 2021</b>						
Cost . . . . .	28,643	2,526	7,362	3,260	–	41,791
Accumulated depreciation . . .	(14,726)	(1,844)	(4,766)	(2,511)	–	(23,847)
Net book amount . . . . .	<u>13,917</u>	<u>682</u>	<u>2,596</u>	<u>749</u>	<u>–</u>	<u>17,944</u>
<i>(Unaudited)</i>						
<b>Nine Months ended 30</b>						
<b>September 2022</b>						
Opening net book amount . . .	13,917	682	2,596	749	–	17,944
Additions . . . . .	3,492	–	2,085	5,195	5,440	16,212
Transfers . . . . .	2,770	–	–	132	(2,902)	–
Disposals . . . . .	(127)	(26)	(5)	–	(8)	(166)
Depreciation charge						
(Note 8) . . . . .	(4,135)	(131)	(896)	(689)	–	(5,851)
Closing net book amount . . .	<u>15,917</u>	<u>525</u>	<u>3,780</u>	<u>5,387</u>	<u>2,530</u>	<u>28,139</u>
<b>As at 30 September 2022</b>						
Cost . . . . .	34,213	2,253	9,419	8,586	2,530	57,001
Accumulated depreciation . . .	(18,296)	(1,728)	(5,639)	(3,199)	–	(28,862)
Net book amount . . . . .	<u>15,917</u>	<u>525</u>	<u>3,780</u>	<u>5,387</u>	<u>2,530</u>	<u>28,139</u>

**(a) Depreciation expenses**

Depreciation expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Cost of sales . . . . .	4,946	4,389	3,365	2,939
Sales and marketing expenses . . . . .	162	766	570	664
General and administrative expenses . . . . .	2,054	1,860	1,378	1,739
Research and development expenses . . . . .	790	735	538	664
	<u>7,952</u>	<u>7,750</u>	<u>5,851</u>	<u>6,006</u>

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### (b) Revaluation, depreciation methods and useful lives

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Machinery and molds	2-5 years
Vehicles	3-10 years
Electronic equipment and others	2-5 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each Reporting Period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 45.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognized within other “gains — net” included in the consolidated statements of profit or loss.

### The Company

	Machinery and molds	Vehicles	Electronic equipment and others	Leasehold improvements	Construction in progress “CIP”	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>As at 1 January 2021</b>						
Cost . . . . .	10,727	626	4,917	157	1	16,428
Accumulated depreciation . . . . .	(4,209)	(330)	(2,417)	(90)	—	(7,046)
Net book amount . . . . .	<u>6,518</u>	<u>296</u>	<u>2,500</u>	<u>67</u>	<u>1</u>	<u>9,382</u>
<b>Year ended 31 December 2021</b>						
Opening net book amount . . . . .	6,518	296	2,500	67	1	9,382
Additions . . . . .	1,068	—	564	227	1,788	3,647
Transfers . . . . .	1,786	—	—	—	(1,786)	—
Disposals . . . . .	(843)	—	(341)	—	(3)	(1,187)
Depreciation charge . . . . .	(2,592)	(103)	(903)	(57)	—	(3,655)
Closing net book amount . . . . .	<u>5,937</u>	<u>193</u>	<u>1,820</u>	<u>237</u>	<u>—</u>	<u>8,187</u>
<b>As at 31 December 2021</b>						
Cost . . . . .	11,702	626	5,082	384	—	17,794
Accumulated depreciation . . . . .	(5,765)	(433)	(3,262)	(147)	—	(9,607)
Net book amount . . . . .	<u>5,937</u>	<u>193</u>	<u>1,820</u>	<u>237</u>	<u>—</u>	<u>8,187</u>
<b>Year ended 31 December 2022</b>						
Opening net book amount . . . . .	5,937	193	1,820	237	—	8,187
Additions . . . . .	584	5	406	—	4,032	5,027
Transfers . . . . .	43	—	—	3,046	(3,089)	—
Disposals . . . . .	(80)	(11)	(2)	—	(152)	(245)
Depreciation charge . . . . .	(2,403)	(97)	(788)	(216)	—	(3,504)
Closing net book amount . . . . .	<u>4,081</u>	<u>90</u>	<u>1,436</u>	<u>3,067</u>	<u>791</u>	<u>9,465</u>
<b>As at 31 December 2022</b>						
Cost . . . . .	11,888	413	5,468	3,283	791	21,843
Accumulated depreciation . . . . .	(7,807)	(323)	(4,032)	(216)	—	(12,378)
Net book amount . . . . .	<u>4,081</u>	<u>90</u>	<u>1,436</u>	<u>3,067</u>	<u>791</u>	<u>9,465</u>

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	Machinery and molds	Vehicles	Electronic equipment and others	Leasehold improvements	Construction in progress ("CIP")	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(Unaudited)</i>						
<b>Nine Months ended</b>						
<b>30 September 2023</b>						
Opening net book amount . . .	4,081	90	1,436	3,067	791	9,465
Additions . . . . .	128	–	972	–	1,118	2,218
Transfers . . . . .	–	–	–	1,121	(1,121)	–
Disposals . . . . .	(1,127)	22	(99)	–	–	(1,204)
Depreciation charge . . . . .	(970)	(65)	(613)	(978)	–	(2,626)
Closing net book amount . . .	<u>2,112</u>	<u>47</u>	<u>1,696</u>	<u>3,210</u>	<u>788</u>	<u>7,853</u>
<b>As at 30 September 2023</b>						
Cost . . . . .	5,702	413	6,231	4,188	788	17,322
Accumulated depreciation . . .	(3,590)	(366)	(4,535)	(978)	–	(9,469)
Net book amount . . . . .	<u>2,112</u>	<u>47</u>	<u>1,696</u>	<u>3,210</u>	<u>788</u>	<u>7,853</u>
<b>As at 31 December 2021</b>						
Cost . . . . .	11,702	626	5,082	384	–	17,794
Accumulated depreciation . . .	(5,765)	(433)	(3,262)	(147)	–	(9,607)
Net book amount . . . . .	<u>5,937</u>	<u>193</u>	<u>1,820</u>	<u>237</u>	<u>–</u>	<u>8,187</u>
<i>(Unaudited)</i>						
<b>Nine Months ended</b>						
<b>30 September 2022</b>						
Opening net book amount . . .	5,937	193	1,820	237	–	8,187
Additions . . . . .	446	–	232	–	1,360	2,038
Transfers . . . . .	23	–	–	132	(155)	–
Disposals . . . . .	(60)	(4)	(5)	–	–	(69)
Depreciation charge . . . . .	(1,830)	(73)	(599)	(105)	–	(2,607)
Closing net book amount . . .	<u>4,516</u>	<u>116</u>	<u>1,448</u>	<u>264</u>	<u>1,205</u>	<u>7,549</u>
<b>As at 30 September 2022</b>						
Cost . . . . .	11,769	515	5,287	426	1,205	19,202
Accumulated depreciation . . .	(7,253)	(399)	(3,839)	(162)	–	(11,653)
Net book amount . . . . .	<u>4,516</u>	<u>116</u>	<u>1,448</u>	<u>264</u>	<u>1,205</u>	<u>7,549</u>

### 16. LEASES

#### The Group

##### (a) Amounts recognized in the consolidated statements of financial position of the Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
<i>(Unaudited)</i>			
<b>Right-of-use assets</b>			
Buildings, factories and warehouses . . . . .	5,908	11,620	7,723
Vehicles . . . . .	226	103	10
	<u>6,134</u>	<u>11,723</u>	<u>7,733</u>
<b>Lease liabilities</b>			
Current lease liabilities . . . . .	2,315	7,286	6,601
Non-current lease liabilities . . . . .	3,889	5,119	1,764
	<u>6,204</u>	<u>12,405</u>	<u>8,365</u>

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Additions to the right-of-use assets during the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023 were approximately RMB7,943,000, RMB10,804,000 and RMB1,471,000, respectively.

**(b) Amounts recognized in the consolidated statements of profit or loss**

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets .				
– Cost of sales	595	906	711	883
– General and administrative expenses . . .	1,214	4,310	2,556	4,577
	1,809	5,216	3,267	5,460
Interest expense (Note 10). . . . .	943	554	356	331
Expense relating to short-term leases (included in cost of sales, sales and marketing expenses, general and administrative expenses, research and development expenses) (Note 8). . . . .	3,289	3,009	1,977	2,881
	6,041	8,779	5,600	8,672

The total cash outflows for leases payments for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 were approximately RMB5,701,000, RMB7,604,000, RMB7,480,000 and RMB4,881,000 respectively.

**(c) The Group’s leasing activities and how they are accounted for**

The Group leases various buildings, factories and warehouses and vehicles. Rental contracts are typically made for fixed periods of one year to four years but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

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Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

See Note 45.22 for the other accounting policies relevant to leases.

### (d) Extension and termination options

Extension and termination options are included in a number of leases of buildings across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group’s operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

### The Company

#### (a) Amounts recognized in the Company statements of financial position

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Right-of-use assets</b>			
Buildings and warehouses . . . . .	4,392	5,656	3,872
Vehicles . . . . .	225	102	10
	<u>4,617</u>	<u>5,758</u>	<u>3,882</u>
<b>Lease liabilities</b>			
Current lease liabilities . . . . .	1,587	2,963	2,947
Non-current lease liabilities . . . . .	3,126	3,071	1,175
	<u>4,713</u>	<u>6,034</u>	<u>4,122</u>

## 17. INTANGIBLE ASSETS

### The Group

	Software	License and others	Total
	RMB’000	RMB’000	RMB’000
<b>As at 1 January 2021</b>			
Cost . . . . .	3,349	4,310	7,659
Accumulated amortization . . . . .	(1,107)	(2,789)	(3,896)
Net book amount . . . . .	<u>2,242</u>	<u>1,521</u>	<u>3,763</u>
<b>Year ended 31 December 2021</b>			
Opening net book amount . . . . .	2,242	1,521	3,763
Additions . . . . .	127	–	127
Amortization charge (Note 8) . . . . .	(334)	(311)	(645)
Closing net book amount . . . . .	<u>2,035</u>	<u>1,210</u>	<u>3,245</u>
<b>As at 31 December 2021</b>			
Cost . . . . .	3,476	4,310	7,786
Accumulated amortization . . . . .	(1,441)	(3,100)	(4,541)
Net book amount . . . . .	<u>2,035</u>	<u>1,210</u>	<u>3,245</u>
<b>Year ended 31 December 2022</b>			
Opening net book amount . . . . .	2,035	1,210	3,245
Additions . . . . .	4,097	–	4,097
Disposals . . . . .	(276)	–	(276)
Amortization charge (Note 8) . . . . .	(420)	(310)	(730)
Closing net book amount . . . . .	<u>5,436</u>	<u>900</u>	<u>6,336</u>



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	Software	License and others	Total
	RMB’000	RMB’000	RMB’000
<b>As at 31 December 2022</b>			
Cost . . . . .	7,115	4,310	11,425
Accumulated amortization . . . . .	(1,679)	(3,410)	(5,089)
Net book amount . . . . .	<u>5,436</u>	<u>900</u>	<u>6,336</u>
<i>(Unaudited)</i>			
<b>Nine Months ended 30 September 2023</b>			
Opening net book amount . . . . .	5,436	900	6,336
Additions . . . . .	658	9,914	10,572
Amortization charge (Note 8) . . . . .	(548)	(330)	(878)
Closing net book amount . . . . .	<u>5,546</u>	<u>10,484</u>	<u>16,030</u>
<b>As at 30 September 2023</b>			
Cost . . . . .	7,773	14,224	21,997
Accumulated amortization . . . . .	(2,227)	(3,740)	(5,967)
Net book amount . . . . .	<u>5,546</u>	<u>10,484</u>	<u>16,030</u>
<b>As at 31 December 2021</b>			
Cost . . . . .	3,476	4,310	7,786
Accumulated amortization . . . . .	(1,441)	(3,100)	(4,541)
Net book amount . . . . .	<u>2,035</u>	<u>1,210</u>	<u>3,245</u>
<i>(Unaudited)</i>			
<b>Nine Months ended 30 September 2022</b>			
Opening net book amount . . . . .	2,035	1,210	3,245
Additions . . . . .	723	–	723
Amortization charge (Note 8) . . . . .	(231)	(273)	(504)
Closing net book amount . . . . .	<u>2,527</u>	<u>937</u>	<u>3,464</u>
<b>As at 30 September 2022</b>			
Cost . . . . .	4,199	4,310	8,509
Accumulated amortization . . . . .	(1,672)	(3,373)	(5,045)
Net book amount . . . . .	<u>2,527</u>	<u>937</u>	<u>3,464</u>

**(a) Amortisation methods and periods**

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2-10 years
License and others	10 years

**(b) Amortization expenses**

Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Cost of sales . . . . .	–	15	–	112
General and administrative expenses . . . . .	265	640	448	708
Research and development expenses . . . . .	<u>380</u>	<u>75</u>	<u>56</u>	<u>58</u>
	<u>645</u>	<u>730</u>	<u>504</u>	<u>878</u>

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See Note 45.6 for the other accounting policies relevant to intangible assets, and Note 45.7 for the group’s policy regarding impairments.

### The Company

	Software	License and others	Total
	RMB’000	RMB’000	RMB’000
<b>As at 1 January 2021</b>			
Cost . . . . .	1,368	1,260	2,628
Accumulated amortization . . . . .	(260)	(1,214)	(1,474)
Net book amount . . . . .	<u>1,108</u>	<u>46</u>	<u>1,154</u>
<b>Year ended 31 December 2021</b>			
Opening net book amount . . . . .	1,108	46	1,154
Amortization charge (Note 8) . . . . .	(130)	(6)	(136)
Closing net book amount . . . . .	<u>978</u>	<u>40</u>	<u>1,018</u>
<b>As at 31 December 2021</b>			
Cost . . . . .	1,368	1,260	2,628
Accumulated amortization . . . . .	(390)	(1,220)	(1,610)
Net book amount . . . . .	<u>978</u>	<u>40</u>	<u>1,018</u>
<b>Year ended 31 December 2022</b>			
Opening net book amount . . . . .	978	40	1,018
Additions . . . . .	3,292	–	3,292
Disposals . . . . .	(275)	–	(275)
Amortization charge (Note 8) . . . . .	(169)	(6)	(175)
Closing net book amount . . . . .	<u>3,826</u>	<u>34</u>	<u>3,860</u>
<b>As at 31 December 2022</b>			
Cost . . . . .	4,208	1,260	5,468
Accumulated amortization . . . . .	(382)	(1,226)	(1,608)
Net book amount . . . . .	<u>3,826</u>	<u>34</u>	<u>3,860</u>
<i>(Unaudited)</i>			
<b>Nine Months ended 30 September 2023</b>			
Opening net book amount . . . . .	3,826	34	3,860
Additions . . . . .	202	9,514	9,716
Amortization charge (Note 8) . . . . .	(318)	(84)	(402)
Closing net book amount . . . . .	<u>3,710</u>	<u>9,464</u>	<u>13,174</u>
<b>As at 30 September 2023</b>			
Cost . . . . .	4,410	10,774	15,184
Accumulated amortization . . . . .	(700)	(1,310)	(2,010)
Net book amount . . . . .	<u>3,710</u>	<u>9,464</u>	<u>13,174</u>
<b>As at 31 December 2021</b>			
Cost . . . . .	1,368	1,260	2,628
Accumulated amortization . . . . .	(390)	(1,220)	(1,610)
Net book amount . . . . .	<u>978</u>	<u>40</u>	<u>1,018</u>
<i>(Unaudited)</i>			
<b>Nine Months ended 30 September 2022</b>			
Opening net book amount . . . . .	978	40	1,018
Amortization charge (Note 8) . . . . .	(97)	(5)	(102)
Closing net book amount . . . . .	<u>881</u>	<u>35</u>	<u>916</u>

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## ACCOUNTANT’S REPORT

	Software	License and others	Total
	RMB'000	RMB'000	RMB'000
<b>As at 30 September 2022</b>			
Cost . . . . .	1,368	1,260	2,628
Accumulated amortization . . . . .	(487)	(1,225)	(1,712)
Net book amount . . . . .	<u>881</u>	<u>35</u>	<u>916</u>

### 18. DEFERRED INCOME TAX

#### The Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same tax authority.

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Total deferred income tax assets (a) . . . . .	17,426	25,481	36,276
Net-off with deferred income tax liabilities (b) . . . . .	(1,311)	(1,511)	(1,158)
Net deferred income tax assets . . . . .	<u>16,115</u>	<u>23,970</u>	<u>35,118</u>

The analysis of deferred income tax assets is as follows:

#### (a) Deferred income tax assets

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
The balance comprises temporary differences attributable to:			
Tax losses . . . . .	13,121	18,429	30,610
Lease liabilities . . . . .	1,078	1,340	1,055
Loss allowance for financial assets . . . . .	1,721	2,199	2,118
Provisions for warranties . . . . .	1,210	3,374	2,410
Others . . . . .	296	139	83
<b>Total deferred income tax assets . . . . .</b>	<b><u>17,426</u></b>	<b><u>25,481</u></b>	<b><u>36,276</u></b>

The movement in deferred income tax assets during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	Deductible tax losses	Lease liabilities	Loss allowance for financial assets	Provisions for warranties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 . . .	10,485	–	2,365	–	54	12,904
Credit/(Charged) to profit or loss . . . . .	<u>2,636</u>	<u>1,078</u>	<u>(644)</u>	<u>1,210</u>	<u>242</u>	<u>4,522</u>
As at 31 December 2021 and 1 January 2022 . .	13,121	1,078	1,721	1,210	296	17,426
Credit/(Charged) to profit or loss . . . . .	<u>5,308</u>	<u>262</u>	<u>478</u>	<u>2,164</u>	<u>(157)</u>	<u>8,055</u>

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Movement	Deductible tax losses	Lease liabilities	Loss allowance for financial assets	Provisions for warranties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022 and 1 January 2023 . . . (Unaudited)	18,429	1,340	2,199	3,374	139	25,481
Credit/(Charged) to profit or loss . . . . .	12,181	(285)	(81)	(964)	(56)	10,795
As at 30 September 2023 . . . . .	30,610	1,055	2,118	2,410	83	36,276

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. Deferred income tax assets have not been recognized in respect of the following items:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Tax losses . . . . .	70,901	72,838	80,922

Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
2022 . . . . .	7,371	—	—
2023 . . . . .	23,728	23,671	23,671
2024 . . . . .	12,688	12,688	12,688
2025 . . . . .	16,924	16,924	16,924
2026 . . . . .	10,190	10,190	10,134
2027 . . . . .	—	9,365	9,365
2028 . . . . .	—	—	8,140
	70,901	72,838	80,922

### (b) Deferred income tax liabilities

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
The balance comprises temporary differences attributable to:			
Right-of-use assets . . . . .	(1,311)	(1,511)	(1,158)

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## ACCOUNTANT’S REPORT

The movement in deferred income tax liabilities during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

<u>Movement</u>	<u>Right-of-use assets</u>
	<u>RMB’000</u>
As at 1 January 2021 . . . . .	–
Charged to profit or loss . . . . .	(1,311)
As at 31 December 2021 and 1 January 2022 . . . . .	(1,311)
Charged to profit or loss . . . . .	(200)
As at 31 December 2022 and 1 January 2023 . . . . .	(1,511)
<i>(Unaudited)</i>	
Credit to profit or loss . . . . .	353
As at 30 September 2023 . . . . .	(1,158)

### The Company

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same tax authority.

	<u>As at 31 December</u>		<u>As at 30 September</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
			<i>(Unaudited)</i>
Total deferred income tax assets (a) . . . . .	26,891	35,481	42,518
Net-off with deferred income tax liabilities (b) . . . . .	(693)	(892)	(598)
Net deferred income tax assets . . . . .	<u>26,198</u>	<u>34,589</u>	<u>41,920</u>

The analysis of deferred income tax assets is as follows:

#### (a) *Deferred income tax assets*

	<u>As at 31 December</u>		<u>As at 30 September</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
			<i>(Unaudited)</i>
The balance comprises temporary differences attributable to:			
Tax losses . . . . .	10,033	15,311	22,612
Lease liabilities . . . . .	707	905	618
Loss allowance for financial assets . . . . .	14,721	16,292	16,793
Provisions for warranties . . . . .	1,137	2,832	2,410
Others . . . . .	293	141	85
<b>Total deferred income tax assets . . . . .</b>	<b><u>26,891</u></b>	<b><u>35,481</u></b>	<b><u>42,518</u></b>

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## ACCOUNTANT’S REPORT

The movement in deferred income tax assets during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	Deductible tax losses	Lease liabilities	Loss allowance for financial assets	Provisions for warranties	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 . . .	8,240	–	13,852	–	333	22,425
Credit/(Charged) to profit or loss . . . . .	<u>1,793</u>	<u>707</u>	<u>869</u>	<u>1,137</u>	<u>(40)</u>	<u>4,466</u>
As at 31 December 2021 and 1 January 2022 . .	10,033	707	14,721	1,137	293	26,891
Credit/(Charged) to profit or loss . . . . .	<u>5,278</u>	<u>198</u>	<u>1,571</u>	<u>1,695</u>	<u>(152)</u>	<u>8,590</u>
As at 31 December 2022 and 1 January 2023 . .	15,311	905	16,292	2,832	141	35,481
(Unaudited)						
Credit/(Charged) to profit or loss . . . . .	<u>7,301</u>	<u>(287)</u>	<u>501</u>	<u>(422)</u>	<u>(56)</u>	<u>7,037</u>
As at 30 September 2023 . . . . .	<u>22,612</u>	<u>618</u>	<u>16,793</u>	<u>2,410</u>	<u>85</u>	<u>42,518</u>

(b) *Deferred income tax liabilities*

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
The balance comprises temporary differences attributable to:			
Right-of-use assets . . . . .	<u>(693)</u>	<u>(892)</u>	<u>(598)</u>

The movement in deferred income tax liabilities during the Reporting Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movement	Right-of-use assets
	RMB'000
As at 1 January 2021 . . . . .	–
Charged to profit or loss . . . . .	<u>(693)</u>
As at 31 December 2021 and 1 January 2022 . . . . .	(693)
Charged to profit or loss . . . . .	<u>(199)</u>
As at 31 December 2022 and 1 January 2023 . . . . .	(892)
(Unaudited)	
Credit to profit or loss . . . . .	<u>294</u>
As at 30 September 2023 . . . . .	<u>(598)</u>

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### 19. OTHER NON-CURRENT ASSETS

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Prepayments for long-term assets . . . . .	1,887	6,721	1,365

Prepayments for long-term assets represented the amount prepaid for procurement of machinery and molds, electronic equipment and intangible assets.

#### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Prepayments for long-term assets . . . . .	36	155	991

### 20. INVENTORIES

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Finished goods . . . . .	55,450	72,069	73,708
Raw materials . . . . .	36,673	51,605	45,737
Work in progress . . . . .	7,007	18,967	10,059
	99,130	142,641	129,504
Less: allowance for impairment of inventories . . . . .	(3,902)	(4,618)	(5,053)
	95,228	138,023	124,451

Finished goods primarily consist of products that are ready for sale at production factories or in transit to fulfil customer orders.

Raw materials and work-in-progress primarily consist of materials mainly for EV chargers production as well as materials used for trial production.

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Provision for inventories is recognized for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the consolidated statements of profit or loss. The provision for inventories as recognized for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 amounted to approximately RMB1,752,000, RMB716,000, RMB1,214,000 and RMB435,000, respectively.

The cost of inventories recognized as cost of sales for the year ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023 amounted to RMB120,394,000, RMB270,082,000, RMB142,420,000 and RMB160,478,000 respectively.

### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Finished goods . . . . .	49,901	54,918	48,981
Raw materials . . . . .	44	44	—
	49,945	54,962	48,981
Less: allowance for impairment of inventories . . . . .	(1,155)	(2,536)	(2,526)
	48,790	52,426	46,455

### 21. TRADE AND NOTES RECEIVABLES

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Notes receivables . . . . .	18,597	23,020	40,585
Trade receivables . . . . .	233,114	507,101	368,395
	251,711	530,121	408,980
Less: provision for impairment . . . . .	(7,262)	(13,681)	(13,205)
	244,449	516,440	395,775

As at 31 December 2021 and 2022 and 30 September 2023, the aging analysis of the trade and notes receivables based on date of revenue recognition is as follows:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Up to 1 year . . . . .	238,049	508,403	380,399
1-2 years . . . . .	6,642	15,675	19,793
2-3 years . . . . .	4,761	2,517	5,523
Above 3 years . . . . .	2,259	3,526	3,265
<b>Total . . . . .</b>	<b>251,711</b>	<b>530,121</b>	<b>408,980</b>

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore all classified as current. Trade and notes receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for a description of the Group’s impairment policies.



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The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. Information about the impairment of trade and notes receivables and the Group’s exposure to credit risk is described in Note 3.1.

The carrying amounts of the Group’s trade and notes receivables approximated their fair values as at the balance sheet dates.

### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Notes receivables . . . . .	18,597	22,840	40,585
Trade receivables . . . . .	225,033	500,328	356,095
	243,630	523,168	396,680
Less: provision for impairment . . . . .	(6,667)	(9,022)	(9,147)
	<u>236,963</u>	<u>514,146</u>	<u>387,533</u>

As at 31 December 2021 and 2022 and 30 September 2023, the aging analysis of the trade and notes receivables based on date of revenue recognition is as follows:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Up to 1 year . . . . .	231,561	506,855	372,865
1-2 years . . . . .	6,596	10,829	17,057
2-3 years . . . . .	4,167	2,516	3,541
Above 3 years . . . . .	1,306	2,968	3,217
<b>Total . . . . .</b>	<b><u>243,630</u></b>	<b><u>523,168</u></b>	<b><u>396,680</u></b>

## 22. OTHER CURRENT ASSETS

### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Other receivables			
– Loans to related parties . . . . .	2,580	2,203	–
– Deposits . . . . .	4,304	5,796	6,157
– Others . . . . .	1,765	1,975	3,609
	8,649	9,974	9,766
Less: allowance for credit losses . . . . .	(173)	(198)	(238)
	<u>8,476</u>	<u>9,776</u>	<u>9,528</u>
Prepayment			
– Prepayments for materials . . . . .	6,131	268	2,115
– Prepaid expenses . . . . .	1,484	2,662	3,864
	<u>7,615</u>	<u>2,930</u>	<u>5,979</u>
Input VAT to be deducted . . . . .	3,700	5,056	295
<b>Total other current assets . . . . .</b>	<b><u>19,791</u></b>	<b><u>17,762</u></b>	<b><u>15,802</u></b>

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### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Other receivables			
– Loans to related parties . . . . .	69,346	66,354	64,309
– Deposits . . . . .	3,426	4,447	4,814
– Others . . . . .	1,444	984	2,339
	74,216	71,785	71,462
Less: allowance for credit losses . . . . .	(54,176)	(59,353)	(62,576)
	20,040	12,432	8,886
Prepayment			
– Prepayments for materials . . . . .	2,233	74	118
– Prepaid expenses . . . . .	984	2,019	2,281
	3,217	2,093	2,399
<b>Total . . . . .</b>	<b>23,257</b>	<b>14,525</b>	<b>11,285</b>

### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### The Group

##### (a) *Classification of financial assets at FVPL*

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the Group has not elected to recognize fair value gains and losses through OCI.

The Group’s financial assets measured at FVPL include the following:

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Investments in wealth management products			
issued by banks . . . . .	1,410	31,983	1,004

The principal and return of the wealth management products is not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products issued by banks are measured at FVPL.

Information about the Group’s exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3.

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### (b) Amounts recognized in profit or loss

During the year/period, the following net fair value gains were recognized in the consolidated statements of comprehensive loss:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Net fair value gains on financial assets at FVPL recognized in other gains – net (Note 7)				
– realized . . . . .	213	612	484	349
– unrealized . . . . .	30	183	76	4
	<u>243</u>	<u>795</u>	<u>560</u>	<u>353</u>

### The Company

The Company’s financial assets measured at FVPL include the following:

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Investments in wealth management products issued by banks . . . . .	–	15,045	–
	<u>–</u>	<u>15,045</u>	<u>–</u>

## 24. CASH AND CASH EQUIVALENTS

### The Group

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Cash at bank and in hand . . . . .	114,940	205,195	227,669
	<u>114,940</u>	<u>205,195</u>	<u>227,669</u>

Cash and cash equivalents are denominated in the following currencies:

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
– RMB . . . . .	114,937	205,178	219,310
– USD . . . . .	3	17	858
– SGD . . . . .	–	–	4,432
– THB . . . . .	–	–	3,069
	<u>114,940</u>	<u>205,195</u>	<u>227,669</u>

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### The Company

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Cash at bank and in hand . . . . .	54,034	127,196	126,860

Cash and cash equivalents are denominated in the following currencies:

	Year ended 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
– RMB. . . . .	54,031	127,179	126,026
– USD . . . . .	3	17	834
	54,034	127,196	126,860

### 25. PAID-IN CAPITAL

#### The Group and the Company

	Total
	RMB'000
As at 1 January 2021 . . . . .	41,700
Capital injection from series C-2 investors (a) . . . . .	5,876
As at 31 December 2021. . . . .	47,576
As at 1 January 2022 . . . . .	47,576
Capital injection from series C-3 investors (b) . . . . .	1,914
Conversion into joint stock company (Note 26). . . . .	(49,490)
As at 31 December 2022. . . . .	–
(Unaudited)	
As at 30 September 2023 . . . . .	–

- (a) On 13 August 2021 and 23 September 2021, the Company entered into an investment agreement with series C-2 investors, pursuant to which total capital of RMB155,000,000 was contributed into the Company. The proceeds of RMB155,000,000 were received by the Company in September and October 2021, with RMB5,876,000 (approximately 12.4% of total paid-in capital before the Company’s conversion into a joint stock limited company) and RMB149,124,000 credited to the Company’s paid-in capital and capital reserves, respectively. Certain preferred rights were granted to series C-2 investors upon capital contribution (Note 30).
- (b) On 28 February 2022, the Company entered into an investment agreement with series C-3 investors, pursuant to which total capital of RMB50,500,000 was contributed into the Company. The proceeds of RMB50,500,000 were received by the Company in February 2022 and March 2021, with RMB1,914,000 (approximately 4.9% of total paid-in capital before the Company’s conversion into a joint stock limited company) and RMB48,586,000 credited to the Company’s paid-in capital and capital reserves, respectively. Certain preferred rights were granted to series C-3 investors upon capital contribution (Note 30).

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### 26. SHARE CAPITAL

#### The Group and the Company

A summary of movements in the Company’s authorized, issued and fully paid share capital is as follows:

	Number of shares	Share capital
		RMB’000
As at 1 January 2022 . . . . .	–	–
Conversion into a joint stock limited company (a) . . . . .	49,490,429	49,490
Capital injection from series D investors (b) . . . . .	3,036,592	3,037
As at 31 December 2022. . . . .	<u>52,527,021</u>	<u>52,527</u>
(Unaudited)		
As at 30 September 2023 . . . . .	<u>52,527,021</u>	<u>52,527</u>

- (a) In February 2022, the Company converted into a joint stock limited company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion date were converted into approximately 49,490,000 ordinary shares at RMB1 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company’s capital reserves (Note 27).
- (b) In October 2022, the Company entered into an investment agreement with series D investors, pursuant to which the series D investors subscribed 3,037,000 shares of the Company with total consideration of RMB108,960,000 was contributed to the Company with approximately RMB3,037,000 and RMB105,923,000 credited to the Company’s share capital and share premium, respectively (Note 27).

### 27. TREASURY STOCK AND RESERVES

The following table shows a breakdown of the statements of financial position line items “treasury stock” and “reserves” and their movements during the respective years/periods. A description of the nature and purpose of each reserve is provided below the table.

#### The Group

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 1 January 2021 . . . . .	(198,875)	–	111,775	–	–	–	111,775
Capital contributions from series C-2 investors (Note 25(a)) . . . . .	–	–	149,124	–	–	–	149,124
Recognition of financial instruments with preferred rights at amortized cost (a) . . . . .	<u>(155,000)</u>	–	–	–	–	–	–
As at 31 December 2021 . . . . .	<u>(353,875)</u>	–	<u>260,899</u>	–	–	–	<u>260,899</u>

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	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 1 January 2022 . .	(353,875)	–	260,899	–	–	–	260,899
Currency translation differences . . . . .	–	–	–	–	–	(15)	(15)
Capital contributions from series C-3 investors (Note 25(b)) . . . . .	–	–	48,586	–	–	–	48,586
Recognition of financial instruments with preferred rights at amortized cost (a) . .	(50,500)	–	–	–	–	–	–
Convert into a joint stock limited company (Note 26(a)) . . . . .	–	–	(218,162)	–	–	–	(218,162)
Derecognition of financial instruments with preferred rights at amortized cost (b) .	404,375	–	84,984	–	–	–	84,984
Capital contributions from series D investors (Note 26(b)) . . . . .	–	105,923	–	–	–	–	105,923
Share-based payment (Note 28) . . . . .	–	–	–	114	–	–	114
Acquisition of minority shareholder equity (Note 39(a)) . . . . .	–	–	–	–	(768)	–	(768)
As at 31 December 2022 . . . . .	<u>–</u>	<u>105,923</u>	<u>176,307</u>	<u>114</u>	<u>(768)</u>	<u>(15)</u>	<u>281,561</u>

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<i>(Unaudited)</i>							
As at 1 January 2023 . .	–	105,923	176,307	114	(768)	(15)	281,561
Currency translation differences . . . . .	–	–	–	–	–	(293)	(293)
Share-based payment (Note 28) . . . . .	–	–	–	306	–	–	306
As at 30 September 2023 . . . . .	<u>–</u>	<u>105,923</u>	<u>176,307</u>	<u>420</u>	<u>(768)</u>	<u>(308)</u>	<u>281,574</u>

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	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<i>(Unaudited)</i>							
As at 1 January 2022 . .	(353,875)	–	260,899	–	–	–	260,899
Capital contributions from series C-3 investors (Note 25(b)) . . . . .	–	–	48,586	–	–	–	48,586
Recognition of financial instruments with preferred rights at amortized cost (a) . .	(50,500)	–	–	–	–	–	–
Convert into a joint stock limited company (Note 26(a)) . . . . .	–	–	(218,162)	–	–	–	(218,162)
Derecognition of financial instruments with preferred rights at amortized cost (b) .	404,375	–	84,984	–	–	–	84,984
Acquisition of minority shareholder equity (Note 39(a)) . . . . .	–	–	–	–	(768)	–	(768)
As at 30 September 2022 . . . . .	<u>–</u>	<u>–</u>	<u>176,307</u>	<u>–</u>	<u>(768)</u>	<u>–</u>	<u>175,539</u>

- (a) The Group recorded treasury stock to reflect the carrying amount of the financial instruments with preferred rights at the date of issuance of series C-2 financing and series C-3 financing. Further details are described in Note 30(a).
- (b) On 28 February 2022, upon termination of the preferred rights of the two series A investors (collectively referred as “Series A Investors”), series B investors and series B+ investors (collectively referred as “Series B Investors”) and series C-1 investor, series C-2 investors and series C-3 investors (collectively referred as “Series C Investors”), all the treasury stock was derecognized and the difference between the derecognition of the financial instruments with preferred rights and the treasury stock was credited to the capital reserves. Further details are described in Note 30(b).

### The Company

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 1 January 2021 . .	(198,875)	–	111,175	–	–	–	111,175
Capital contributions from series C-2 investors (Note 25(a)) . . . . .	–	–	149,124	–	–	–	149,124
Recognition of financial instruments with preferred rights at amortized cost . . . .	(155,000)	–	–	–	–	–	–
As at 31 December 2021 . . . . .	<u>(353,875)</u>	<u>–</u>	<u>260,299</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>260,299</u>

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## ACCOUNTANT’S REPORT

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 1 January 2022 . .	(353,875)	–	260,299	–	–	–	260,299
Capital contributions from series C-3 investors (Note 25(b)) . . . . .	–	–	48,586	–	–	–	48,586
Recognition of financial instruments with preferred rights at amortized cost . . . .	(50,500)	–	–	–	–	–	–
Convert into a joint stock limited company (Note 26(a)) . . . . .	–	–	(218,162)	–	–	–	(218,162)
Derecognition of financial instruments with preferred rights at amortized cost . . .	404,375	–	84,984	–	–	–	84,984
Capital contributions from series D investors (Note 26(b)) . . . . .	–	105,923	–	–	–	–	105,923
Share-based payment (Note 28) . . . . .	–	–	–	114	–	–	114
As at 31 December 2022 . . . . .	<u>–</u>	<u>105,923</u>	<u>175,707</u>	<u>114</u>	<u>–</u>	<u>–</u>	<u>281,744</u>

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
(Unaudited)							
As at 1 January 2023 . .	–	105,923	175,707	114	–	–	281,744
Share-based payment (Note 28) . . . . .	–	–	–	306	–	–	306
As at 30 September 2023 . . . . .	<u>–</u>	<u>105,923</u>	<u>175,707</u>	<u>420</u>	<u>–</u>	<u>–</u>	<u>282,050</u>

	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
(Unaudited)							
As at 1 January 2022 . .	(353,875)	–	260,299	–	–	–	260,299
Capital contributions from series C-3 investors (Note 25(b)) . . . . .	–	–	48,586	–	–	–	48,586
Recognition of financial instruments with preferred rights at amortized cost . . . .	(50,500)	–	–	–	–	–	–



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	Reserves						
	Treasury stock	Share premium	Capital reserves	Share-based payment reserves	Other reserves	Other comprehensive income	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Convert into a joint stock limited company (Note 26(a)) . . . . .	—	—	(218,162)	—	—	—	(218,162)
Derecognition of financial instruments with preferred rights at amortized cost . . .	404,375	—	84,984	—	—	—	84,984
As at 30 September 2022 . . . . .	—	—	175,707	—	—	—	175,707

### 28. SHARE-BASED PAYMENT

#### (a) Share award schemes

On 1 October 2022, the establishment of the Company’s Share Incentive Plans was approved by shareholders of the Company. Certain eligible employees of the Group (the “Incentive targets”) were granted with the shares of Shanghai Tongdu Technology Partnership 上海同篤科技合夥企業(有限合伙) (Limited Partnership) (“Shanghai Tongdu Technology”), as rewards for their services and in exchange for their full-time devotion and professional expertise. Shanghai Tongdu Technology was set up for the purpose of holding shares of the Company on behalf of the Incentive targets.

149,226 shares with a grant price of RMB26.47 per unit capital of the Company were granted to the Incentive targets in 2022 through Shanghai Tongdu Technology. All the shares granted are vested from the date of fulfilling the service and performance conditions (“12 months or 36 months after the Company is [REDACTED]”) as prescribed in the Share Incentive Plans. If an employee ceased to be employed by the Group within this period, the awarded shares would be forfeited, and forfeited shares would be purchased back by Dr. Huang Zhiming or other parties appointed by the Company at the price prescribed in the Share Incentive Plans.

Set out below are the movement in the number of awarded restricted shares under the Share Incentive Plans:

	Number of restricted shares	Weighted average grant date fair value
		RMB
As at 1 January 2021 and 1 January 2022 . . . . .	—	N/A
Granted . . . . .	149,226	36.37
As at 31 December 2022. . . . .	149,226	36.37
(Unaudited)		
As at 1 January 2023 . . . . .	149,226	36.37
Forfeited . . . . .	(11,334)	36.37
As at 30 September 2023 . . . . .	137,892	36.37

The fair value of each awarded restricted shares was calculated based on the most recent transaction price of the Company’s shares at the grant date.

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### (b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the year/period as part of employee benefit expense were as follows:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Share-based payment expenses . . . . .	–	114	–	306
	=	=	=	=

### 29. FINANCIAL INSTRUMENTS BY CATEGORY

#### The Group

	Note	As at 31 December		As at 30 September
		2021	2022	2023
		RMB’000	RMB’000	RMB’000
				(Unaudited)
<b>Financial Assets</b>				
Financial assets at amortised cost:				
– Trade and notes receivables . . . . .	21	244,449	516,440	395,775
– Other receivables . . . . .	22	8,476	9,776	9,528
– Cash and cash equivalents . . . . .	24	114,940	205,195	227,669
Financial assets at FVPL . . . . .	23	1,410	31,983	1,004
		369,275	763,394	633,976
		=	=	=

	Note	As at 31 December		As at 30 September
		2021	2022	2023
		RMB’000	RMB’000	RMB’000
				(Unaudited)
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost:				
– Trade payables . . . . .	34	190,537	351,735	259,380
– Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) . . . . .	35	3,837	3,942	15,261
– Borrowings . . . . .	31	114,233	253,282	244,260
– Lease liabilities . . . . .	16	6,204	12,405	8,365
– Financial instruments with preferred rights at amortized cost . . . . .	30	432,665	–	–
		747,476	621,364	527,266
		=	=	=

#### The Company

	Note	As at 31 December		As at 30 September
		2021	2022	2023
		RMB’000	RMB’000	RMB’000
				(Unaudited)
<b>Financial Assets</b>				
Financial assets at amortised cost:				
– Trade and notes receivables . . . . .	21	236,963	514,146	387,533
– Other receivables . . . . .	22	20,040	12,432	8,886
– Cash and cash equivalents . . . . .	24	54,034	127,196	126,860
Financial assets at FVPL . . . . .	23	–	15,045	–
		311,037	668,819	523,279
		=	=	=

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		As at 31 December		As at 30 September
	Note	2021	2022	2023
		RMB'000	RMB'000	RMB'000
				(Unaudited)
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost				
– Trade payables . . . . .	34	182,175	225,490	152,426
– Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) . . . . .	35	10,461	52,104	37,504
– Borrowings . . . . .	31	105,034	253,282	244,260
– Lease liabilities. . . . .	16	4,713	6,034	4,122
– Financial instruments with preferred rights at amortized cost. . . . .	30	432,665	–	–
		<u>735,048</u>	<u>536,910</u>	<u>438,312</u>

The Group’s exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the Reporting Period is the carrying amount of each class of financial assets mentioned above.

### 30. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTIZED COST

#### The Group and the Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Financial instruments with preferred rights at amortized cost . . . . .	432,665	–	–
	<u>432,665</u>	<u>–</u>	<u>–</u>

The financial instruments with preferred rights represent the paid-in capital of the Company with redemption rights held by certain investors. The Group recognized the financial instruments with preferred rights as financial liabilities considering that all triggering events for the key redemption rights that could be exercised by the Series A Investors, Series B Investors and Series C Investors (more details about the preferred rights are set out below or in the later part of this note), are out of the control of the Company and these financial instruments do not meet the definition of equity for the Company. The financial liabilities were initially measured at present value of the redemption amount and subsequently measured at amortized cost. The present value is the amount expected to be paid to the investors upon redemption which is assumed at the dates of issuance of the financial instruments.

The movements of financial instruments with preferred rights at amortized cost for the years ended 31 December 2021, 2022 and the nine months ended 30 September 2023 were as follows:

	Financial instruments with preferred rights at amortized cost
	RMB’000
As at 1 January 2021 (a) . . . . .	252,357
Recognition of financial instruments with preferred rights at amortized cost (a) . . . . .	155,000
Charged to finance costs (Note 10) . . . . .	25,308
As at 31 December 2021 . . . . .	<u>432,665</u>

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	Financial instruments with preferred rights at amortized cost
	RMB’000
<b>As at 1 January 2022</b> . . . . .	432,665
Recognition of financial instruments with preferred rights at amortized cost (a) . . . . .	50,500
Charged to finance costs (Note 10) . . . . .	6,194
Derecognition of financial instruments with preferred rights at amortized cost (b) . . . . .	(489,359)
<b>As at 31 December 2022</b> . . . . .	—
<i>(Unaudited)</i>	
<b>As at 30 September 2023</b> . . . . .	—

### (a) Series A, Series B and Series C financing

#### *Series A financing*

On 18 August 2015, the Company entered into an investment agreement with Series A Investors, pursuant to which the Company issued and allotted approximately 1,764,706 shares, representing approximately 23.5% of the equity interests of the Company, to the Series A Investors, at a consideration of RMB22,500,000. Series A Investors were granted certain preferred rights upon capital contribution. The proceeds of RMB22,500,000 were received by the Company in September 2015 and April 2016. Upon the Company’s shares with preferred rights were issued to the Series A Investors, the Company had initially recognized the related financial instruments with preferred rights at RMB22,500,000 (representing the present value of the estimated amount to be paid out by the Company if the Series A Investors exercise their preferred rights) in 2015. The Company applied an effective interest rate of 12% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

#### *Series B financing*

On 26 May 2017, the Company entered into an investment agreement with series B investors, pursuant to which the Company issued and allotted approximately 5,290,697 shares, representing approximately 14% of the equity interests of the Company, to the series B investors, at a consideration of RMB56,000,000. Series B investors were granted certain preferred rights upon capital contribution. The proceeds of RMB56,000,000 were received by the Company in June 2016, June 2017 and August 2017. Upon the Company’s shares with preferred rights were issued to the series B investors, the Company had initially recognized the related financial instruments with preferred rights at RMB56,000,000 (representing the present value of the estimated amount to be paid out by the Company if the series B investors exercise their preferred rights) in 2017. The Company applied an effective interest rate of 8% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

On 18 May 2018, the Company entered into an investment agreement with a series B+ investors, pursuant to which the Company issued and allotted approximately 2,519,380 shares, representing approximately 10% of the equity interests of the Company, to the series B+ investors, at a consideration of RMB34,375,000. Series B+ investors were granted certain preferred rights upon capital contribution. The proceeds of RMB34,375,000 were received by the Company in December 2017 and February 2018. Upon the Company’s shares with preferred rights were issued to the series B+ investors, the Company had initially recognized the related financial instruments with preferred rights at RMB34,375,000 (representing the present value of the estimated amount to be paid out by the Company if the series B+ investors exercise their preferred rights) in 2018. The Company applied an effective interest rate of 8% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

#### *Series C financing*

On 25 February 2020, the Company entered into an investment agreement with a series C-1 investor, pursuant to which the Company issued and allotted approximately 1,390,003 shares, representing approximately 10% of the equity interests of the Company, to the series C-1 investor, at a consideration of RMB30,000,000. Series C-1 investor was granted certain preferred rights upon capital contribution. The proceeds of RMB30,000,000 were received by the Company in March 2020. Upon the Company’s shares with preferred rights were issued to the series C-1 investor, the Company had initially recognized the related financial instruments with preferred rights at RMB30,000,000

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(representing the present value of the estimated amount to be paid out by the Company if the series C-1 investor exercises its preferred rights) in 2020. The Company applied an effective interest rate of 9.3% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

On 13 August 2021 and 23 September 2021, the Company entered into an investment agreement with series C-2 investors, pursuant to which the Company issued and allotted approximately 5,875,932 shares, representing approximately 12.4% of the equity interests of the Company, to the series C-2 investors, at a consideration of RMB155,000,000. Series C-2 investors were granted certain preferred rights upon capital contribution. The proceeds of RMB155,000,000 were received by the Company in September and October 2021. Upon the Company’s shares with preferred rights were issued to the series C-2 investors, the Company had initially recognized the related financial instruments with preferred rights at RMB155,000,000 (representing the present value of the estimated amount to be paid out by the Company if the series C-2 investors exercise their preferred rights) in 2021. The Company applied an effective interest rate of 9.43% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

On 28 February 2022, the Company entered into an investment agreement with series C-3 investors, pursuant to which the Company issued and allotted approximately 1,914,417 shares, representing approximately 4.9% of the equity interests of the Company, to the series C-3 investors, at a consideration of RMB50,500,000. Series C-3 investors were granted certain preferred rights upon capital contribution. The proceeds of RMB50,500,000 were received by the Company in February 2022 and March 2021. Upon the Company’s shares with preferred rights were issued to the series C-3 investors, the Company had initially recognized the related financial instruments with preferred rights at RMB50,500,000 (representing the present value of the estimated amount to be paid out by the Company if the series C-3 investors exercise their preferred rights) in 2022. The Company applied an effective interest rate of 9.61% to derive the present value of the issued financial instruments. The financial instruments with preferred rights were subsequently measured at amortized costs.

In accordance with Series A, Series B and Series C investment agreements, Series A Investors, Series B Investors and Series C Investors had been granted with certain preferred rights (the “Preferred Rights”) upon capital contribution. These Preferred Rights mainly included the followings:

(i) *Redemption right*

Series A Investors, Series B Investors and Series C Investors have a right to require the Company to redeem their investment if the Company failed to [REDACTED].

The redemption amount of Series A Investors, Series B Investors and Series C Investors is calculated as the original investment principal from Series A Investors, Series B Investors and Series C Investors, plus an interest rate of the original investment principal for a period of time commencing from the delivery date to the actual payments date of the settlement (calculated as 365 days in a calendar year).

The redemption rights held by Series A Investors, Series B Investors and Series C Investors upon no successful [REDACTED] within a specified period and other contingent events would constitute as a Company’s obligation to repurchase its own equity instruments under the situations which are beyond the Company’s and the investors’ control. The financial liability in connection with the obligation is therefore recognized initially at present value (representing the present value of the aforementioned redemption amount based on the most likely scenario among all the possible situations), and subsequently measured at amortized cost using the effective interest method.

(ii) *Anti-dilution right*

If the Company increases its paid-in capital at a price lower than the price paid by Series A Investors, Series B Investors and Series C Investors on a per paid-in capital basis, Series A Investors, Series B Investors and Series C Investors have a right to require (i) the Company to issue new paid-in capital for nil consideration (or lowest price allowed by law) to Series A Investors, Series B Investors and Series C Investors; or (ii) existing shareholders to transfer the equity interests of the Company directly or indirectly held to Series A Investors, Series B Investors and Series C Investors for nil consideration (or lowest price allowed by law), so that the total amount paid by Series A Investors, Series B Investors and Series C Investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative liability was recognized by the Company.

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### (iii) Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company, Series A Investors, Series B Investors and Series C Investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of ordinary shares of the Company.

The liquidation preference amount of Series A Investors, Series B Investors and Series C Investors is calculated as the 112%, 108% and 110% of the original investment principal from Series A Investors, Series B Investors and Series C Investors respectively (“Liquidation Preference Cap”). If the amount of distributable assets of the Company is less than the total Liquidation Preference Cap, Series A Investors, Series B Investors and Series C Investors shall be entitled the amount based on the percentage of each investor’s share.

### (b) Termination of Preferred Rights

The Company charged approximately RMB25,308,000 and RMB6,194,000 to finance cost in profit or loss during the years ended 31 December 2021 and 2022. On 28 February 2022, the Company entered into a termination agreement to terminate the abovementioned Preferred Rights with Series A Investors, Series B Investors and Series C Investors. Pursuant to the termination agreement, the financial instruments with preferred rights at amortized cost of approximately RMB489,359,000 and the treasury stock of approximately RMB404,375,000 were derecognized accordingly. The difference of approximately RMB84,984,000, was credited to capital reserves (Note 27).

## 31. BORROWINGS

### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Current</b>			
Bank Borrowings – unsecured and guaranteed (a) . . . .	113,970	203,215	214,230
Bank Borrowings – unsecured and unguaranteed (b) . . .	–	30,039	30,030
Bank Borrowings – secured and guaranteed (c) . . . . .	–	20,028	–
Loans from related parties . . . . .	263	–	–
	<u>114,233</u>	<u>253,282</u>	<u>244,260</u>

- (a) For the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023, the Group’s bank borrowings were denominated in RMB with an weighted average effective interest rates of 4.54%, 4.00%, and 3.83% per annum, respectively. As of 31 December 2021 and 2022 and September 30, 2023, the Group’s borrowings were guaranteed by Dr. Huang Zhiming and the Group’s subsidiary, Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽摯達中鼎汽車充電設備有限公司.
- (b) As at 31 December 2022 and 30 September 2023, the effective interest rate of the Group’s short-term unsecured and unguaranteed borrowing from a PRC bank with the amount of RMB30,000,000 is 4.25% and 3.95% per annum, respectively.
- (c) As at 31 December 2022, the Group had three secured and guaranteed short-term borrowings from a PRC bank. The amount of the three loans is RMB10,000,000, RMB5,000,000 and RMB5,000,000 respectively, and the effective interest is 4.5%, 4.3%, and 5.05% per annum, respectively. The aforementioned borrowings were secured by the Group’s license and guaranteed by Dr. Huang Zhiming and the Group’s subsidiary, Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽摯達中鼎汽車充電設備有限公司.
- (d) The fair values of the borrowings approximated to their carrying amounts due to the short maturity.

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### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Current</b>			
Bank Borrowings – unsecured and guaranteed . . . . .	104,945	203,215	214,230
Bank Borrowings – unsecured and unguaranteed . . . . .	–	30,039	30,030
Bank Borrowings – secured and guaranteed . . . . .	–	20,028	–
Loans from related parties . . . . .	89	–	–
	<u>105,034</u>	<u>253,282</u>	<u>244,260</u>

### 32. PROVISIONS

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Non-current</b>			
Warranties . . . . .	<u>3,510</u>	<u>7,991</u>	<u>4,440</u>
<b>Current</b>			
Warranties . . . . .	<u>4,361</u>	<u>13,061</u>	<u>14,280</u>
	<u>7,871</u>	<u>21,052</u>	<u>18,720</u>

Warranties are made for estimated warranty claims for certain years, in respect of products that were sold and still under warranty period at the end of each Reporting Period. These claims are expected to be settled in the future years. The Group provides warranties for certain EV chargers products and undertakes the obligation to repair or replace items that fail to perform satisfactorily. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Group’s provisions are analyzed as follows:

	Warranties
	RMB’000
As at 1 January 2021 . . . . .	3,817
Provisions for the year (Note 8) . . . . .	9,758
Amounts utilized during the year . . . . .	<u>(5,704)</u>
As at 31 December 2021 . . . . .	<u>7,871</u>
As at 1 January 2022 . . . . .	7,871
Provisions for the year (Note 8) . . . . .	25,994
Amounts utilized during the year . . . . .	<u>(12,813)</u>
As at 31 December 2022 . . . . .	<u>21,052</u>
(Unaudited)	
As at 1 January 2023 . . . . .	21,052
Provisions for the period (Note 8) . . . . .	11,555
Amounts utilized during the period . . . . .	<u>(13,887)</u>
As at 30 September 2023 . . . . .	<u>18,720</u>
(Unaudited)	
As at 1 January 2022 . . . . .	7,871
Provisions for the period (Note 8) . . . . .	13,453
Amounts utilized during the period . . . . .	<u>(9,730)</u>
As at 30 September 2022 . . . . .	<u>11,594</u>

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### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
<b>Non-current</b>			
Warranties. . . . .	3,372	7,179	3,783
<b>Current</b>			
Warranties. . . . .	4,205	11,702	12,283
	7,577	18,881	16,066

The movements of the Company’s provisions are analysed as follows:

	Warranties
	RMB’000
As at 1 January 2021 . . . . .	3,817
Provisions for the year . . . . .	9,455
Amounts utilized during the year . . . . .	(5,695)
As at 31 December 2021. . . . .	7,577
As at 1 January 2022 . . . . .	7,577
Provisions for the year . . . . .	22,411
Amounts utilized during the year . . . . .	(11,107)
As at 31 December 2022. . . . .	18,881
<i>(Unaudited)</i>	
As at 1 January 2023 . . . . .	18,881
Provisions for the period. . . . .	9,857
Amounts utilized during the period . . . . .	(12,672)
As at 30 September 2023 . . . . .	16,066
<i>(Unaudited)</i>	
As at 1 January 2022 . . . . .	7,871
Provisions for the period. . . . .	13,453
Amounts utilized during the period . . . . .	(9,730)
As at 30 September 2022 . . . . .	11,594

### 33. DEFERRED INCOME

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Government grants . . . . .	1,952	936	562

The Group received government grants for subsidizing the Group’s purchase of property, plant and equipment. The government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful life of the related property, plant and equipment.



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### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Government grants . . . . .	1,952	936	562

### 34. TRADE PAYABLES

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Trade payables			
– payables for materials . . . . .	190,537	351,735	259,380

- (a) The carrying amounts of trade payables approximated their fair values due to their short-term maturity in nature.
- (b) The aging analysis of the trade payables based on purchase date at the end of each Reporting Period is as follows:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Within 1 year. . . . .	182,501	346,131	253,513
1 to 2 years. . . . .	4,874	2,384	2,877
Over 2 years . . . . .	3,162	3,220	2,990
	190,537	351,735	259,380

#### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Trade payables			
– payables for materials . . . . .	182,175	225,490	152,426

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### 35. OTHER PAYABLES AND ACCRUALS

#### The Group

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Salaries and welfare payables . . . . .	6,219	8,603	9,274
VAT and other taxes payables . . . . .	2,157	4,556	2,807
Accrued expenses . . . . .	3,004	2,498	4,005
Deposits and security deposits . . . . .	292	976	1,444
Payables related to long-term assets . . . . .	266	–	8,615
Others . . . . .	275	468	1,197
	<u>12,213</u>	<u>17,101</u>	<u>27,342</u>

#### The Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Amount due to subsidiaries . . . . .	8,626	50,000	30,000
Salaries and welfare payables . . . . .	3,773	5,922	6,284
Accrued expenses . . . . .	1,665	1,499	91
Deposits and security deposits . . . . .	170	581	668
VAT and other taxes payables . . . . .	1,760	2,121	699
Payables related to long-term assets . . . . .	–	–	6,000
Others . . . . .	–	24	745
	<u>15,994</u>	<u>60,147</u>	<u>44,487</u>

As of 31 December 2021, 2022 and 30 September 2023, other payables and accruals were mainly denominated in RMB and the carrying amounts of other payables and accruals approximated their fair values.

### 36. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### The Group and the Company

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
<b>Investment in associates</b>			
Investment at cost . . . . .	2,185	2,150	2,150
Share of net loss of associates accounted for using the equity method . . . . .	(2,185)	(2,150)	(2,150)
Carrying value, share of net assets . . . . .	<u>–</u>	<u>–</u>	<u>–</u>
<b>Investment in joint ventures</b>			
Investment at cost . . . . .	5,000	5,000	5,000
Share of net loss of joint ventures accounted for using the equity method . . . . .	(5,000)	(5,000)	(5,000)
Carrying value, share of net assets . . . . .	<u>–</u>	<u>–</u>	<u>–</u>

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Set out below are the details of the associates and joint ventures of the Group as at 31 December 2021, 2022 and 30 September 2023. The entity listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Company. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Nature of relationship	Place of business/ country of incorporation	% of ownership interest			Principal activities
			As at 31 December 2021	As at 31 December 2022	As at 30 September 2023	
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和肇達智慧科技有限公司 (i)	joint venture	PRC	35%	35%	35%	Accessories sales
Shanghai Borregge Service Outsourcing Development Co., Ltd. 上海博瑞吉服務外包發展有限公司	joint venture	PRC	50%	50%	50%	Research and development of products
Wuxi Pailian Intelligent Technology Co., Ltd. 無錫派聯智慧科技有限公司	associate	PRC	15%	15%	15%	Accessories sales
Universal Chexiang (Sanming) Car Rental Co., Ltd. 環球車享(三明)汽車租賃有限公司	associate	PRC	11%	11%	11%	Car rental
Shanghai Mantang Technology Co., Ltd. 上海曼唐科技有限公司 (formally named “Shanghai Manzan Zhida Technology Co. Ltd. 上海曼展肇達科技有限公司”) (ii)	associate	PRC	35%	35%	35%	Accessories sales

- (i) On 14 February 2020, the Company and two other shareholders co-founded Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和肇達智慧科技有限公司. The Company owns 35% equity interest of Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和肇達智慧科技有限公司 and has joint control over the joint venture through its representative in the board of directors of the joint venture.

In accordance with the articles of association of Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和肇達智慧科技有限公司, the shareholders shall exercise their voting rights and share the profit or loss in proportion to their actual paid-in capital contribution. During the Reporting Period, the Company contributed 53.85% of the total paid in capital of the joint venture.

- (ii) On 14 February 2022, the associate was sold to its controlling shareholder Shanghai Manzan Enterprise Management Consulting Co., Ltd. 上海曼展企業管理諮詢有限公司.
- (iii) As of 31 December 2021, 2022 and 30 September 2023, the joint ventures and associates were in accumulated loss and the Group’s investment in these investees were zero after picking up the shared losses.

### (a) Summarized financial information for material joint venture

The tables below provide summarized financial information for joint venture that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Company’s share of those amounts.

#### Summarized balance sheets

	Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和肇達智慧科技有限公司		
	As at 31 December		As at 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Current assets			
– Cash and cash equivalents	263	936	403
– Other current assets	3,637	2,742	1,841
Total current assets	3,900	3,678	2,244
Total non-current assets	149	19	11
Total current liabilities	5,423	5,925	4,385
Net deficit	(1,374)	(2,228)	(2,130)

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### 37. CASH FLOW INFORMATION

#### (a) Cash (used in)/generated from operations

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>				
Loss for the year/period . . . . .	(23,322)	(25,147)	(28,589)	(26,560)
Adjustments for:				
Income tax credit (Note 12) . . . . .	(1,353)	(3,903)	(5,654)	(6,807)
Depreciation of property, plant and equipment (Note 15) . . . . .	7,952	7,750	5,851	6,006
Depreciation of right-of-use assets (Note 16) . . . . .	1,809	5,216	3,267	5,460
Amortization of intangible assets (Note 17) . . . . .	645	730	504	878
Impairment losses/(reversals) on financial assets . . . . .	(745)	6,700	3,794	(421)
Impairment of inventory . . . . .	1,752	716	1,214	435
Amortisation of deferred government grants . . . . .	(1,067)	(1,016)	(762)	(374)
Finance costs (Note 10) . . . . .	30,551	12,922	10,754	5,811
Share-based payment (Note 28) . . . . .	—	114	—	306
Share of net loss from a joint venture . . . . .	477	—	—	—
Net loss on disposal of property, plant and equipment (Note 7) . . . . .	55	349	33	100
Fair value change of financial assets and liabilities at fair value through profit or loss (Note 7) . . . . .	(243)	(795)	(560)	(353)
Foreign exchange gains – net . . . . .	—	(1)	(1)	(46)
<b>Operating gain/(loss) before changes in working capital:</b>	16,511	3,635	(10,149)	(15,565)
(Increase)/decrease in inventories . . . . .	(77,454)	(43,510)	(29,606)	13,137
(Increase)/decrease in trade and notes receivables . . . . .	(112,599)	(278,609)	(93,208)	121,126
Increase in prepayments, other receivables, and other assets . . . . .	(17,175)	(3,518)	(6,310)	(282)
Increase/(decrease) in trade payables . . . . .	96,003	161,198	76,785	(92,355)
Increase/(decrease) in provisions for warranty . . . . .	4,054	13,181	3,722	(2,332)
(Decrease)/increase in accruals and other payables . . . . .	(2,849)	14,115	21,119	1,626
(Decrease)/increase in advances from customers . . . . .	(1,326)	190	190	1,007
Cash (used in)/generated from operations . . . . .	<u>(94,835)</u>	<u>(133,318)</u>	<u>(37,457)</u>	<u>26,362</u>

#### (b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at 31 December		Nine months ended 30 September
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
			(Unaudited)
Cash and cash equivalents . . . . .	114,940	205,195	227,669
Financial assets at fair value through profit or loss . . . . .	1,410	31,983	1,004
Borrowings . . . . .	(114,233)	(253,282)	(244,260)
Lease liabilities . . . . .	(6,204)	(12,405)	(8,365)
Financial instruments with preferred rights at amortized cost . . . . .	(432,665)	—	—
Net debt . . . . .	<u>(436,752)</u>	<u>(28,509)</u>	<u>(23,952)</u>
Cash and financial assets at fair value through profit or loss . . . . .	116,350	237,178	228,673
Gross debt – fixed interest rates . . . . .	<u>(553,102)</u>	<u>(265,687)</u>	<u>(252,625)</u>
Net debt . . . . .	<u>(436,752)</u>	<u>(28,509)</u>	<u>(23,952)</u>

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	Borrowings	Financial instruments with preferred rights at amortized cost	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 . . . . .	66,301	252,357	–	318,658
Cash flows . . . . .	43,386	–	(2,682)	40,704
Recognition of financial instruments with preferred rights at amortized cost (Note 30) . . . . .	–	155,000	–	155,000
New leases entered . . . . .	–	–	7,943	7,943
Interest expenses (Note 10) . . . . .	4,546	25,308	943	30,797
As at 31 December 2021 . . . . .	114,233	432,665	6,204	553,102
As at 1 January 2022 . . . . .	114,233	432,665	6,204	553,102
Cash flows . . . . .	131,459	–	(5,157)	126,302
Recognition of financial instruments with preferred rights at amortized cost (Note 30) . . . . .	–	50,500	–	50,500
New leases entered . . . . .	–	–	10,804	10,804
Interest expenses (Note 10) . . . . .	7,590	6,194	554	14,338
Derecognition of financial instruments with preferred rights at amortized cost (Note 30) . . . . .	–	(489,359)	–	(489,359)
As at 31 December 2022 . . . . .	253,282	–	12,405	265,687
(Unaudited)				
As at 1 January 2023 . . . . .	253,282	–	12,405	265,687
Cash flows . . . . .	(16,151)	–	(5,842)	(21,993)
New leases entered . . . . .	–	–	1,471	1,471
Interest expenses (Note 10) . . . . .	7,129	–	331	7,460
As at 30 September 2023 . . . . .	244,260	–	8,365	252,625
(Unaudited)				
As at 1 January 2022 . . . . .	114,233	432,665	6,204	553,102
Cash flows . . . . .	120,230	–	(2,403)	117,827
Recognition of financial instruments with preferred rights at amortized cost (Note 30) . . . . .	–	50,500	–	50,500
New leases entered . . . . .	–	–	6,586	6,586
Interest expenses (Note 10) . . . . .	5,035	6,194	356	11,585
Derecognition of financial instruments with preferred rights at amortized cost (Note 30) . . . . .	–	(489,359)	–	(489,359)
As at 30 September 2022 . . . . .	239,498	–	10,743	250,241

### (c) Major non-cash transaction

There were no material non-cash transactions in financing activities during the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2022 and 2023.

### 38. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the Track Record Period but not recognized as liabilities is as follows:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Property, plant and equipment . . . . .	3,890	4,245	3,649

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### 39. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The material transactions with non-controlling interests during the Reporting Period are as follows:

#### (a) Acquisition of non-controlling interests of the subsidiary

In 2022, the Company acquired 40% shareholding of Shanghai Zhida New Energy Automobile Public Supporting Development Co., Ltd. 上海擎達新能源汽車公共配套發展有限公司 from Sparkle Group Ltd., the minority shareholders of Shanghai Zhida New Energy Automobile Public Supporting Development Co., Ltd. 上海擎達新能源汽車公共配套發展有限公司, with the cash consideration of RMB2,389,000. After this transaction, Shanghai Zhida New Energy Automobile Public Supporting Development Co., Ltd. 上海擎達新能源汽車公共配套發展有限公司 became a wholly owned subsidiary of the Company.

The effect of transactions with non-controlling interests on the equity attributable to owners of the Company in 2022 is summarised as follows:

	RMB'000
Cash consideration to non-controlling interests . . . . .	2,389
Less: Carrying amount of equity acquired from non-controlling interests . . . . .	(1,621)
Losses on acquisition recognised in equity . . . . .	768

### 40. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

#### (a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Reporting Period.

Name of related party	Relationship with the Group
Dr. Huang Zhiming . . . . .	Director and the Controlling shareholder
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	A Joint Venture of the Group
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	An Associate of the Group
Shanghai Mantang Technology Co., Ltd. . . . .	An Associate of the Group before 14 February 2022
Anhui Zhongding Sealing Parts Co., Ltd. . . . .	Shareholder of the Company
Jingzhou Zhida Electric Vehicle Co., Ltd. . . . .	Shareholder of the Company
Shanghai Tongdu Intelligent Technology Partnership (Limited Partnership) . . . . .	Shareholder of the Company
Shanghai Tongdu Management Consulting Co., Ltd. . . . .	Controlled by Dr. Huang Zhiming
Hubei Weisi Lingke Equipment Manufacturing Co., Ltd. . . . .	Controlled by a former director of the Company
Shanghai Xinzhidong New Energy Technology Co., Ltd. . . . .	Controlled by a former director of the Company
Shanghai Enneagon Energy Technology Ltd. . . . .	Significant influenced by a director of the Company
Shanghai Qiyuanxin Power Technology Co., Ltd. . . . .	Significant influenced by a director of the Company

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### (b) Transactions with related parties

We enter into transactions with our related parties from time to time. During the Reporting Period, substantially all of our balances with related parties were trade in nature. The following table summarizes the transactions carried out with related parties from the period indicated:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
<b>Sales of goods or service</b>				
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	5,722	—	—	—
Shanghai Xinzhidong New Energy Technology Co., Ltd. . . . .	236	3,086	3,086	—
Shanghai Qiyuanxin Power Technology Co., Ltd. . . . .	—	116	116	—
Shanghai Enneagon Energy Technology Ltd. . . . .	—	8	8	—
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	686	—	—	—
	<u>6,644</u>	<u>3,210</u>	<u>3,210</u>	<u>—</u>
<b>Purchases of goods or service</b>				
Anhui Zhongding Sealing Parts Co., Ltd.. . . .	788	429	258	300
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	19	—	—	—
	<u>807</u>	<u>429</u>	<u>258</u>	<u>300</u>
<b>Purchases of property, plant, and equipment</b>				
Hubei Weisi Lingke Equipment Manufacturing Co., Ltd.. . . . .	—	1,392	—	—
<b>Loan provided to related parties</b>				
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	2,000	203	203	—
<b>Repayment of loan to related parties</b>				
Shanghai Tongdu Intelligent Technology Partnership (Limited Partnership) . . . . .	8,300	—	—	—
Jingzhou Zhida Electric Vehicle Co., Ltd. . . . .	8,000	—	—	—
Dr. Huang Zhiming . . . . .	4,000	—	—	—
Anhui Zhongding Seals Co., Ltd. . . . .	2,440	—	—	—
Shanghai Tongdu Management Consulting Co., Ltd. . . . .	—	263	263	—
	<u>22,740</u>	<u>263</u>	<u>263</u>	<u>—</u>
<b>Repayment of loans by related parties</b>				
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	—	580	580	—
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	—	—	—	2,203
	<u>—</u>	<u>580</u>	<u>580</u>	<u>2,203</u>

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### (c) Balance with related parties

The following table summarizes the balances with related party transactions of our Group as of the dates indicated:

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
<b>Trade and notes receivables (trade in nature)</b>			
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	2,273	—	—
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	1,948	1,948	1,948
Shanghai Xinzhidong New Energy Technology Co., Ltd. . . . .	125	—	—
Shanghai Mantang Technology Co., Ltd. . . . .	9	—	—
	<u>4,355</u>	<u>1,948</u>	<u>1,948</u>
Less: allowance for credit losses . . . . .	<u>(1,955)</u>	<u>(1,948)</u>	<u>(1,948)</u>
	<u>2,400</u>	<u>—</u>	<u>—</u>
<b>Other receivables (non-trade in nature)</b>			
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	2,000	2,203	—
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	580	—	—
	<u>2,580</u>	<u>2,203</u>	<u>—</u>
Less: allowance for credit losses . . . . .	<u>(46)</u>	<u>(40)</u>	<u>—</u>
	<u>2,534</u>	<u>2,163</u>	<u>—</u>
<b>Trade payables (trade in nature)</b>			
Anhui Zhongding Sealing Parts Co., Ltd. . . . .	1,130	1,277	1,408
Wuxi Pailian Intelligent Technology Co., Ltd. . . . .	19	—	—
	<u>1,149</u>	<u>1,277</u>	<u>1,408</u>
<b>Contract liabilities (trade in nature)</b>			
Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. . . . .	—	189	987
<b>Borrowings</b>			
Shanghai Tongdu Management Consulting Co., Ltd. . . .	<u>263</u>	<u>—</u>	<u>—</u>

### (d) Guarantees

	As at 31 December		As at 30 September
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Guarantees provided by Dr. Huang Zhiming for the Group's bank borrowings . . . . .	<u>113,970</u>	<u>143,142</u>	<u>134,151</u>



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### (e) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December		Nine months ended 30 September	
	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Wages, salaries and bonuses . . . . .	2,689	4,525	3,203	3,496
Pension obligations, housing funds, medical insurances and other social insurances . . . . .	557	570	363	448
Other employee benefits . . . . .	24	19	17	219
Share-based payment expenses . . . . .	—	37	29	138
	<u>3,270</u>	<u>5,151</u>	<u>3,612</u>	<u>4,301</u>

### 41. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

#### (a) Directors and supervisors’ emoluments

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employee/directors/supervisors of the group entities prior to becoming the directors of the Company) during the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023 was as follows.

Name	Year ended 31 December 2021				
	Wages, salaries and bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Share-based payment expenses	Other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Name of directors:					
Dr. Huang Zhiming (i) . . . . .	785	121	—	11	917
Ms. Luo Tao (ii) . . . . .	480	125	—	6	611
Mr. Guo Peng (iii) . . . . .	—	—	—	—	—
Mr. Zhu Jian (iv) . . . . .	—	—	—	—	—
Mr. You Jianxin (v) . . . . .	180	—	—	—	180
Mr. Zhu Renjie (vi) . . . . .	485	121	—	—	606
Mr. Chen Hanlin (vii) . . . . .	—	—	—	—	—
Mr. Lu Fengwei (viii) . . . . .	—	—	—	—	—
Mr. Shen Qi (ix) . . . . .	485	123	—	—	608
	<u>2,415</u>	<u>490</u>	<u>—</u>	<u>17</u>	<u>2,922</u>
Name of supervisors:					
Mr. Lin Zhongliang (xiii) . . . . .	274	68	—	7	349
Mr. Liu Xi (xiv) . . . . .	—	—	—	—	—
	<u>274</u>	<u>68</u>	<u>—</u>	<u>7</u>	<u>349</u>

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Year ended 31 December 2022

Name	Wages, salaries and bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Share-based payment expenses	Other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Name of directors:					
Dr. Huang Zhiming (i) . . . . .	1,447	129	–	19	1,595
Ms. Luo Tao (ii) . . . . .	590	79	9	–	678
Mr. Guo Peng (iii) . . . . .	–	–	–	–	–
Mr. Zhu Jian (iv) . . . . .	–	–	–	–	–
Mr. You Jianxin (v) . . . . .	180	–	–	–	180
Mr. Zhu Renjie (vi) . . . . .	458	79	5	–	542
Mr. Chen Hanlin (vii) . . . . .	–	–	–	–	–
Mr. Lu Fengwei (viii) . . . . .	–	–	–	–	–
Mr. Shen Qi (ix) . . . . .	525	80	5	–	610
Mr. Li Xinrui (x) . . . . .	329	51	6	–	386
Ms. Che Hailin (xi) . . . . .	15	–	–	–	15
Mr. Qian Haixiao (xii) . . . . .	15	–	–	–	15
	<u>3,559</u>	<u>418</u>	<u>25</u>	<u>19</u>	<u>4,021</u>
Name of supervisors:					
Mr. Liu Xi (xiv) . . . . .	–	–	–	–	–
Mr. Shen Qi (ix) . . . . .	189	51	3	–	243
Mr. Li Qian (xv) . . . . .	–	–	–	–	–
	<u>189</u>	<u>51</u>	<u>3</u>	<u>–</u>	<u>243</u>

Period ended 30 September 2023

Name	Wages, salaries and bonuses	Pension obligations, housing funds, medical insurances and other social insurances	Share-based payment expenses	Other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Name of directors:					
Dr. Huang Zhiming (i) . . . . .	1,039	106	–	109	1,254
Mr. Li Xinrui (x) . . . . .	634	106	43	110	893
Mr. You Jianxin (v) . . . . .	135	–	–	–	135
Ms. Che Hailin (xi) . . . . .	68	–	–	–	68
	<u>1,876</u>	<u>212</u>	<u>43</u>	<u>219</u>	<u>2,350</u>
Name of supervisors:					
Mr. Liu Xi (xiv) . . . . .	–	–	–	–	–
Mr. Shen Qi (ix) . . . . .	485	123	26	–	634
Mr. Li Qian (xv) . . . . .	–	–	–	–	–
	<u>485</u>	<u>123</u>	<u>26</u>	<u>–</u>	<u>634</u>

- (i) Dr. Huang Zhiming was appointed as the director of the Company on 22 November 2010.
- (ii) Ms. Luo Tao was appointed as the director of the Company on 4 April 2017 and resigned on 10 August 2022.
- (iii) Mr. Guo Peng was appointed as the director of the Company on 26 February 2020 and resigned on 10 August 2022.
- (iv) Mr. Zhu Jian was appointed as the director of the Company on 31 October 2018 and resigned on 10 August 2022.

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- (v) Mr. You Jianxin was appointed as the director of the Company on 26 February 2020 and resigned on 29 February 2024.
- (vi) Mr. Zhu Renjie was appointed as the director of the Company on 9 August 2017 and resigned on 10 August 2022.
- (vii) Mr. Chen Hanlin was appointed as the director of the Company on 31 October 2018 and resigned on 10 August 2022.
- (viii) Mr. Lu Fengwei was appointed as the director of the Company on 31 October 2018 and resigned on 10 August 2022.
- (ix) Mr. Shen Qi was appointed as the director of the Company on 13 June 2019 and resigned on 10 August 2022. Mr. Shen Qi was appointed as the supervisor of the Company on 11 August 2022.
- (x) Mr. Li Xinrui was appointed as the director of the Company on 11 August 2022.
- (xi) Ms. Che Hailin was appointed as the director of the Company on 11 August 2022 and resigned on 29 February 2024.
- (xii) Mr. Qian Haixiao was appointed as the director of the Company on 11 August 2022 and resigned on 1 December 2022.
- (xiii) Mr. Lin Zhongliang was appointed as the supervisor of the Company on 22 November 2010 and resigned on 30 September 2021.
- (xiv) Mr. Liu Xi was appointed as the supervisor of the Company on 30 September 2021.
- (xv) Mr. Li Qian was appointed as the supervisor of the Company on 11 August 2022 and resigned on 29 February 2024.

**(b) Directors and supervisors’ retirement and termination benefits**

No retirement benefits were paid to or receivable by any directors or supervisors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries’ undertaking during the Reporting Period.

No payment was made to the directors or supervisors as compensation for early termination of appointment during the Reporting Period.

**(c) Consideration provided to third parties for making available directors and supervisors’ services**

No consideration was provided to third parties for making available directors or supervisors’ services at the end of each Reporting Period or at any time during the Reporting Period.

**(d) Information about loans, quasi-loans, and other dealings in favour of directors and supervisors, their controlled bodies, and connected entities**

Save as disclosed in the Note 39, there were no loans, quasi-loans, and other dealings in favour of directors and supervisors, their controlled bodies corporate and connected entities at the end of each Reporting Period or at any time during the Reporting Period.

**(e) Directors and supervisors’ material interests in transactions, arrangements, or contracts**

Save as disclosed in the Note 39, no significant transactions, arrangements, and contracts in relation to the Group’s business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of each Reporting Period or at any time during the Reporting Period.

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### 42. DIVIDENDS

No dividend has been paid or declared by the Company or the subsidiaries of the Company during each of the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2022 and 2023.

### 43. CONTINGENCIES

As at 31 December 2021 and 2022 and 30 September 2023, there were no significant contingencies items for the Group and the Company.

### 44. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to 30 September 2023 and up the date of this report.

### 45. SUMMARY OF OTHER ACCOUNTING POLICIES

#### 45.1 Principles of consolidation and equity accounting

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Reporting Period, unless otherwise stated.

##### (a) *Subsidiaries*

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of financial position, respectively.

##### (b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 45.1(c)), after initially being recognized at cost.

##### (c) *Equity method*

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 45.7.

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### 45.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

### 45.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

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### 45.4 Foreign currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company and its primary subsidiaries are incorporated in the PRC and consider RMB as their functional currency. The Group determined to present its Historical Financial Information in RMB.

#### (b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains — net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

### 45.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each Reporting Period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 45.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “other gains — net” in the consolidated statements of profit or loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

### 45.6 Intangible assets

#### (a) *Software*

Computer softwares are initially recognized and measured at costs incurred to acquire and bring them to use, amortized on a straight-line basis over their estimated useful lives, and recorded in amortization within operating expenses in the consolidated statements of profit or loss.

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### *(b) License and others*

Separately acquired License and other intangible assets are shown at historical cost. These intangible assets have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives.

### *(c) Research and development (“R&D”)*

Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for us;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

Directly attributable costs which are eligible to be capitalized as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

### **45.7 Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each Reporting Period.

### **45.8 Financial assets**

#### *(a) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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## ACCOUNTANT’S REPORT

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### **(b) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### **(c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in “other gains — net”. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in “other gains — net”. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in “other gains — net” and impairment expenses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within in “other gains — net” in the period in which it arises.

#### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in profit or loss and presented in “other gains — net” in the consolidated statements of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



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### *(d) Impairment*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents, restricted cash and long-term bank time deposits, the expected credit loss risk is considered immaterial.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

### **45.9 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the entity currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **45.10 Cash and cash equivalents**

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **45.11 Inventories**

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **45.12 Paid-in capital/share capital**

Ordinary shares are classified as equity. Financial instruments with preferred rights at amortized cost described in Note 30 are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **45.13 Treasury stock**

Treasury stock is recorded to reflect the carrying amount of the financial instruments with preferred rights when it is initially reclassified from equity and will be reversed when the financial instruments with preferred rights are derecognized upon when the Group’s obligations in connection with those financial instruments are discharged, cancelled or have expired which will then be reclassified back to equity (Note 27).

## APPENDIX I

## ACCOUNTANT’S REPORT

### 45.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the Reporting Period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### 45.15 Financial instruments with preferred rights at amortized cost

A contract that contains an obligation to purchase the Company’s equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Company’s obligations to purchase are conditional on the counterparty exercising a right to redeem, the financial instruments with preferred rights are recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The carrying amount of the financial instruments derecognized was credited into the equity.

### 45.16 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Reporting Period.

### 45.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

### 45.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the Reporting Period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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## ACCOUNTANT’S REPORT

### *(b) Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the Reporting Period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

### **45.19 Employee benefits**

#### *(a) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the Reporting Period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

#### *(b) Pension obligations*

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group’s contributions to these plans are expensed as incurred.

#### *(c) Housing funds, medical insurances and other social insurances*

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each period.

#### *(d) Bonus plan*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

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## ACCOUNTANT’S REPORT

### *(e) Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the Reporting Period are discounted to present value.

### **45.20 Share-based payment**

The Group operates an equity-settled share-based payment plan, under which the Group receives services from eligible employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense on the Historical Financial Information. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each Reporting Period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

### **45.21 Provisions**

Provisions for legal claims, warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the Reporting Period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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## ACCOUNTANT’S REPORT

### 45.22 Leases

#### *Lease as lessee*

The Group leases various offices and factories. Leases are initially recognized as a right-of-use asset and corresponding liability at the date when the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset’s estimated useful life and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and

Lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group’s incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs, if any.

Payments associated with short-term leases are recognized on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

### 45.23 Loss per share

#### *(a) Basic loss per share*

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

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### *(b) Diluted loss per share*

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### **45.24 Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

### **45.25 Interest income**

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 7.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## **III SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company or any of the subsidiaries now comprising the Group in respect of any period subsequent to 30 September 2023. No dividend or distribution has been declared, made or paid by the Company or any of its subsidiaries now comprising the Group in respect of any period subsequent to 30 September 2023.

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## APPENDIX II

[REDACTED]

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[REDACTED]

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## APPENDIX II

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## APPENDIX II

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[REDACTED]

## **APPENDIX III**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **DIRECTORS AND BOARD OF DIRECTORS**

#### **Power to allocate and issue Shares**

The Articles of Association does not contain clauses that authorize the Board of Directors to allocate or issue shares. The Board of Directors shall prepare suggestions for share allotment or issue, which are subject to approval by the Shareholders at the Shareholders’ General Meeting (“**General Meeting**” or “**Shareholders’ Meeting**”) in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

#### **Power to dispose assets of our Company or any subsidiary**

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

#### **Compensation or payments for loss of office**

There are no provisions in the Articles of Association relating to compensation or payments for loss of office.

#### **Loans to Directors**

There are no provisions in the Articles of Association relating to loans to directors.

#### **Provision of financial assistance for acquiring the Shares of the Company or shares of any subsidiary**

The Company or its subsidiaries (including its subsidiaries) shall not provide any financial assistance to the person who purchases or intends to purchase the Company’s Shares in the form of gifts, advances, guarantees, compensations, or loans.

#### **Disclosure of interests in contracts with the Company or any subsidiary**

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting.

## **APPENDIX III**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **Remuneration**

The appointment and removal of the members of the Board of Directors and the Board of Supervisors, as well as their remuneration and payment methods, shall be adopted by the General Meeting by ordinary resolution.

### **Retirement, appointment, removal**

The Board of Directors is composed of five Directors, including three independent Directors. The Directors of the Company are elected by the General Meeting. At any time, the Board of Directors should have more than one-third independent Directors, and the total number of independent Directors should not be less than three, at least one of whom must have appropriate professional qualifications or possess appropriate accounting or related financial management expertise.

The Board of Directors has one chairman. The chairman of the Board of Directors shall be elected by more than half of all Directors. The Directors shall be elected or replaced by the General Meeting, and may be removed by the General Meeting through an ordinary resolution before the expiration of their term of office.

The chairman of the Board and other Directors serve three-year terms, and the Director can be re-elected and reappointed at the end of the term. The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, and the provisions of these Articles of Association before the newly elected Director takes office.

The general manager or other senior managers may concurrently serve as Directors. However, the total number of Directors holding senior management positions and Directors held by employee representatives shall not exceed half of the total number of Directors of the Company. None of the following persons shall serve as our Director, Supervisor or senior management:

- (i) a person who has no civil capacity or has limited civil capacity;
- (ii) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed;

## APPENDIX III

## SUMMARY OF ARTICLES OF ASSOCIATION

- (iii) a person who has served as a Director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (iv) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- (v) a person who has a relatively large sum of debt, which was not paid at maturity;
- (vi) a person who has been banned from entering the securities market by the China Securities Regulatory Commission and the deadline has not expired; or
- (vii) other contents stipulated by laws, administrative regulations, departmental rules, or the Hong Kong Listing Rules.

The election, appointment or employment of the Directors, Supervisors or other senior management shall be invalid if such election, appointment or employment is against the Articles of Association. If the Directors, Supervisors or senior management falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by our Company.

### **Borrowing Powers**

The Board of Directors shall be entitled to develop proposals for our Company to issue bonds and to [REDACTED] its Shares, and that such bond issues must be approved by the Shareholders by a special resolution at the General Meeting.

### **ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS**

In any of the following circumstances, the Company shall amend its articles of association:

- (i) after the revision of the PRC Company Law or relevant laws and administrative regulations, the matters stipulated in the articles of association conflict with the provisions of the revised laws and administrative regulations;
- (ii) the situation of the company changes and is inconsistent with the matters recorded in the articles of association;
- (iii) the General Meeting has decided to amend the articles of association.

## **APPENDIX III**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

If the amendment of the articles of association approved by the Shareholders’ Meeting resolution requires approval by the competent authority, it must be submitted to the competent authority for approval; If it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders’ Meeting to amend the Articles of Association and the approval opinions of relevant competent authorities.

The amendment of the Articles of Association constitutes to the information required to be disclosed by laws and regulations and shall be announced in accordance with regulations.

### **VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES**

There are no provisions in the Articles of Association relating to variation of rights of existing Shares or classes of Shares of the Company.

### **SPECIAL RESOLUTIONS – MAJORED REQUIRED**

The resolutions of the General Meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a majority of more than one-half of the votes held by the Shareholders (including proxies) attending the General Meeting. A special resolution shall be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies) attending the General Meeting.

### **VOTING RIGHTS (GENERALLY AND ON A POLL)**

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

Any Shareholder who, in accordance with the Hong Kong Listing Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights or voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

When the Shareholders’ Meeting considers major matters that affect the interests of small and medium-sized [REDACTED], separate votes should be counted for the votes of small and medium-sized [REDACTED]. The results of individual vote counting should be promptly and publicly disclosed.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders’ Meeting.

## **APPENDIX III**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

When the Shareholders’ Meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting, and the number of voting Shares represented by them shall not be included in the total number of valid votes. The announcement of the resolution of the Shareholders’ Meeting should fully disclose the voting status of non-related Shareholders (depending on the requirements of the Hong Kong Stock Exchange).

The Shareholders’ Meeting adopts a registered voting method.

Shareholders attending the Shareholders’ Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organization shall be the nominee holder of shares on the Interconnection Mechanism for Mainland and Hong Kong Stock Markets (if any), except where declaration is made in accordance with the actual holder’s intent.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an “abstention”.

### **REQUIREMENTS FOR ANNUAL GENERAL MEETINGS**

The General Meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

### **ACCOUNTING AND AUDITS**

#### **Financial and accounting policies**

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, and relevant national departments. If there are other provisions in the Hong Kong Listing Rules, they shall prevail.

The Company shall submit an annual report to the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 4 months from the end of each fiscal year, and an interim report to the dispatched office of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 2 months from the end of the first 6 months of each fiscal year.

The above annual and mid-term reports shall be prepared in accordance with relevant laws, administrative regulations, and the provisions of the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

The Company shall not establish other accounting books except for statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.



## **APPENDIX III**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **Appointment and Dismissal of Accountants**

The Company engages accounting firms that comply with the provisions of the Securities Law and the Hong Kong Listing Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders’ Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders’ Meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders’ Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders’ Meeting shall make a decision and notify the accounting firm 30 days in advance. When the Company’s Shareholders’ Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the Shareholders’ Meeting whether the Company has any improper circumstances.

### **NOTICE AND AGENDA OF GENERAL SHAREHOLDERS’ MEETINGS**

The Shareholders’ Meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders’ Meeting within two months from the date of the fact:

- (i) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;
- (ii) where the Company’s unfunded losses reach one third of the total Share capital paid in;
- (iii) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company’s Shares request(s) holding of such a meeting;
- (iv) when deemed necessary by the Board of Directors;
- (v) when the Board of supervisors proposes to convene such a meeting;
- (vi) in other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, or the Articles of Association.

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

The General Meeting shall be convened by the Board of Directors. Independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders’ Meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, and the Articles of Association, provide written feedback on whether they agree or disagree to convene an extraordinary Shareholders’ Meeting within ten days after receiving the proposal from independent Directors. If the Board of Directors agrees to convene an extraordinary Shareholders’ Meeting, a notice of convening the Shareholders’ Meeting shall be issued within five days after the Board of Directors’ resolution is made; If the Board of Directors does not agree to convene an extraordinary Shareholders’ Meeting, the reasons will be explained and announced.

The Supervisory Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders’ Meeting and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders’ Meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders’ Meeting, a notice of convening the Shareholders’ Meeting shall be issued within five days after the Board of Directors’ resolution is made. Any changes to the original proposal in the notice shall require the consent of the Supervisory Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders’ Meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill its duty to convene a Shareholders’ Meeting, and the Supervisory Committee may convene and preside over it on its own.

Shareholders who individually or collectively hold 10% or more of the Company’s Shares have the right to request the convening of an extraordinary Shareholders’ Meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders’ Meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders’ Meeting, it shall issue a notice of convening the Shareholders’ Meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders’ Meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company’s Shares have the right to propose to the Supervisory Committee to convene an extraordinary Shareholders’ Meeting and shall submit a request in writing to the Supervisory Committee. If the Supervisory Committee agrees to convene an extraordinary Shareholders’ Meeting, it shall issue a notice of convening the Shareholders’ Meeting within five days of receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Supervisory Committee fails to issue a notice of the Shareholders’ Meeting within the prescribed period, it shall be deemed that the Supervisory Committee has not convened and presided over the Shareholders’ Meeting. Shareholders who individually or collectively hold 10% or more of the Company’s Shares for more than 90 consecutive days may convene and preside over the Shareholders’ Meeting on their own.

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

The Company holds a Shareholders’ Meeting, and the Board of Directors, Supervisory Committee, and Shareholders who individually or jointly hold more than 3% of the Company’s Shares have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 3% of the Company’s Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the Shareholders’ Meeting. The convener shall issue a supplementary notice of the Shareholders’ Meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders’ Meeting or add new proposals after issuing the notice of the Shareholders’ Meeting. Proposals that are not listed in the notice of the Shareholders’ Meeting or do not comply with the provisions of Article 82 of the Articles of Association shall not be voted on and a resolution shall be made by the Shareholders’ Meeting.

The convener will notify all Shareholders by announcement 20 days before the annual general meeting is held, and the extraordinary Shareholders’ Meeting will notify all Shareholders by announcement 15 days before the meeting is held. When calculating the advance notice period, the Company should not include the day of the meeting.

The notice of the Shareholders’ Meeting shall be in writing and include the following contents:

- (i) the time, location, and duration of the meeting;
- (ii) submit matters and proposals for review at the meeting;
- (iii) clearly state in writing that all Shareholders have the right to attend the Shareholders’ Meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;
- (iv) share registration date of the Shareholders entitled to attend the Shareholders’ Meeting;
- (v) name and phone number of the permanent contact person for conference affairs;
- (vi) other requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles of Association.

The notice and supplementary notice of the Shareholders’ Meeting shall fully and completely disclose all specific contents of all proposals. If the matter to be discussed requires independent Directors to express their opinions, the independent Directors’ opinions and reasons will be disclosed simultaneously when the notice of the Shareholders’ Meeting or supplementary notice is issued.

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The resolutions of the Shareholders’ Meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders’ Meeting:

- (i) work reports of the Board of Directors and the Supervisory Committee;
- (ii) the profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (iii) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee who are not employee Supervisor(s), and formulate their salary plans and payment methods;
- (iv) the Company’s annual budget plan, final accounting plan, balance sheet, profit statement and other financial statements;
- (v) annual report of the Company;
- (vi) the Company’s business policy and investment plan; and
- (vii) other matters other than those required by laws, administrative regulations, the Hong Kong Listing Rules, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by special resolution of the Shareholders’ Meeting:

- (i) the increase or decrease in registered capital of the company;
- (ii) the mergers, spin-offs, dissolutions and liquidations of the Company;
- (iii) the amendment to the Articles of Association;
- (iv) to review and approve the purchase or sale of material assets by the Company within 12 consecutive months or the guarantee amount exceeds 30% of the latest audited total assets of the Company;
- (v) to review the Company’s equity incentive plan(s); and
- (vi) other matters required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, as well as those determined by ordinary resolutions of the Shareholders’ Meeting with significant impact on the Company, and which require special resolutions to be passed.

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### **TRANSFER OF SHARES**

The Shares of our Company holding by the funders thereof shall not be transferred within one year of the date of establishment of our Company.

The Directors, Supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the Shares of our Company and the changes thereto. The Shares transferrable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year of the date on which the stocks of our Company are [REDACTED] and [REDACTED]. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

Where any Director, Supervisor or senior manager of the Company who holds more than 5% of the Company's Shares sells Company's stock he holds within 6 months of the relevant purchase, or purchases any stock he has sold within 6 months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds more than 5% of the Shares due to its purchase of any remaining Shares under best efforts [REDACTED] or where the provisions of the securities regulatory authority under the State Council are apply.

Shares or other securities with the nature of equity held by Directors, Supervisors, senior executives and individual Shareholders as mentioned in the preceding paragraph include Shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts. If the Board of Directors of the Company fails to comply with the above paragraph of this Article, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in this Article, the responsible Directors shall bear joint and several liability in accordance with law.

### **POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES**

The Company shall not acquire its own Shares. However, except for one of the following situations:

- (i) to reduce the registered capital of the Company;
- (ii) to merger with other companies holding Shares in the Company;
- (iii) to use Shares for employee shareholding schemes or as equity incentives;

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- (iv) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings regarding the merger or division of the Company;
- (v) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;
- (vi) to safeguard corporate value and Shareholders’ interests as the Company deems necessary.

The Company’s purchase of its Shares can be carried out through public centralized [REDACTED], or other methods recognized by laws, administrative regulations, the Hong Kong Listing Rules, and the China Securities Regulatory Commission.

If the Company purchases its Shares due to the circumstances specified in Article 40, Paragraph 1, items 3, 5 and 6 of the Articles of Association, it shall, on the premise of complying with the requirements of the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s Shares are [REDACTED], conduct the purchase through public centralized [REDACTED].

### **POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT**

There are no provisions in the Articles of Association relating to the power of the Company’s subsidiary to own the Shares in its parent.

### **DIVIDENDS AND OTHER METHODS OF DISTRIBUTION**

There are no provisions in the Articles of Association relating to dividends and other methods of distribution of the Company.

### **PROXIES**

Any Shareholder who has the right to attend and vote at the Shareholders’ Meeting may attend the meeting in person or entrust one or more (who may not be a shareholder) as their proxy to attend and vote on their behalf.

The power of attorney issued by Shareholders authorizing others to attend the Shareholders’ Meeting shall include the following contents:

- (i) the name of the proxy;
- (ii) whether the proxy is authorized to vote;
- (iii) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the General Meeting’s agenda;

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- (iv) date of issuance and validity period of the power of attorney;
- (v) signature (or seal) of the Shareholder; If the Shareholder is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate whether the Shareholder’s proxy can vote according to its own will if the Shareholder does not provide specific instructions.

Where a Shareholder authorizes another person to sign a proxy statement for voting, the power of attorney for such signing authority or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, as well as the voting proxy authorization letter, shall be logged at our Company’s residence or other designated place in the notice convening the meeting. If the principal is a legal person, the legal representative or person authorized by the Board of Directors or other decision-making body shall attend the Shareholders’ Meeting of our Company as a representative.

If a Shareholder is a recognized clearing house (or its agent) as defined in relevant regulations in Hong Kong and amended from time to time, the Shareholder may authorize its legal representative or one or more persons it deems appropriate to act as its representative at any General Meeting of shareholders; provided, however, if more than one person is authorized, the power of attorney or power of attorney shall specify the number and types of Shares involved in each such person’s authorization, and the power of attorney shall be signed by authorized personnel of recognized clearing houses. The authorized person may represent the recognized clearing house (or its agent) to attend meetings (without presenting Shareholding certificates, notarized authorization and/or further evidence confirming their formal authorization) and exercise the same legal rights as other Shareholders, including the right to speak and vote.

### **CALLS ON SHARES AND FORFEITURE OF SHARES**

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares of the Company.

### **INSPECTION OF REGISTER OF MEMBERS**

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company’s Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

The transfer of Shares must be recorded in the register of members. The original register of members of overseas [REDACTED] foreign Shares [REDACTED] in Hong Kong shall be kept in Hong Kong.



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Our Company shall keep a copy of the register of members of overseas [REDACTED] foreign Shares at its domicile. The entrusted overseas agency shall ensure the consistency of the original and duplicate register of members of overseas [REDACTED] foreign Shares at all times. The register of members kept in Hong Kong must be available for Shareholders to access. Our Company may be allowed to suspend Shareholder registration procedures in accordance with provisions in line with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

When our Company convenes a Shareholders’ Meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of Shareholder identity, the Board of Directors or the convener of the Shareholders’ Meeting shall determine the share registration date. After the share registration date is closed, the registered Shareholders shall be the Shareholders who enjoy the relevant rights and interests.

### **QUORUM FOR GENERAL MEETINGS**

There are no provisions in the Articles of Association relating to quorum for general meetings of the Company.

### **RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF**

If Directors, general managers, and other senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company’s Shares for more than 180 consecutive days have the right to request in writing that the Supervisory Committee file a lawsuit with the people’s court; If the Supervisory Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people’s court. If the Supervisory Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company’s interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people’s court for the benefit of our Company. If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company’s Shares for more than 180 consecutive days may file a lawsuit with the people’s court in accordance with the provisions of the preceding two paragraphs.

If Directors, general managers, and other senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of Shareholders, Shareholders may file a lawsuit with the people’s court.



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If Shareholders of the Company abuse their Shareholder rights and cause losses to our Company or other Shareholders, they shall bear compensation liability in accordance with the law. If a Company’s Shareholders abuse the independent status of our Company’s legal person and the limited liability of Shareholders, evade debts, and seriously harm the interests of our Company’s creditors, they shall bear joint and several liability for our Company’s debts.

The controlling Shareholders and actual controllers of our Company shall not use their affiliated relationships to harm the interests of our Company. Those who violate regulations and cause losses to our Company shall be liable for compensation. The controlling Shareholders and actual controllers of our Company have a fiduciary obligation towards our Company and all Shareholders of our Company. The controlling Shareholder shall strictly exercise the rights of the [REDACTED] in accordance with the law. The controlling Shareholder, actual controller, and their affiliated parties shall not use profit distribution, asset restructuring, external investment, fund occupation, loan guarantee, etc. to harm the legitimate rights and interests of our Company and all Shareholders, and shall not use their controlling position to harm the interests of our Company and all Shareholders.

### PROCEDURES ON LIQUIDATION

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (i) the expiration of the business term specified in these articles of association or the occurrence of other dissolution reasons specified in the Articles of Association;
- (ii) the Shareholders’ Meeting resolves for dissolution;
- (iii) dissolution is required due to the merger or division of our Company;
- (iv) the business license has been revoked, ordered to close down or dissolved in accordance with the law; and
- (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, on the grounds that there are serious difficulties in the operation and management of our Company and its continued existence will cause significant losses to the interests of Shareholders, which cannot be resolved through other means.

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If our Company is dissolved due to the provisions of Article 218 (1), (2), (4), and (5) of the Articles of Association, a liquidation committee shall be established within 15 days from the date of the occurrence of the cause of dissolution to begin liquidation. The liquidation committee is composed of Directors or any other person determined by the Shareholders’ Meeting. If a liquidation committee is not established within the prescribed time limit for liquidation, creditors may apply to the people’s court to designate relevant personnel to form a liquidation committee for liquidation.

The liquidation committee shall notify creditors within ten days of its establishment and make a public announcement in the designated information disclosure newspaper of our Company within sixty days, with at least three announcements in the newspaper. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

When applying for creditor’s rights, creditors shall explain the relevant matters of the creditor’s rights and provide proof materials. The liquidation committee shall register the creditor’s rights. During the period of declaring creditor’s rights, the liquidation committee shall not pay off the creditor.

After clearing our Company’s assets, preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders’ Meeting or the people’s court for confirmation. The remaining assets of our Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off our Company’s debts shall be distributed by our Company according to the proportion of Shares held by Shareholders. During the liquidation period, our Company exists but cannot carry out business activities unrelated to liquidation. Our Company’s assets will not be distributed to Shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Upon liquidation of the Company’s property and preparation of the required statement of financial position 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 of bankruptcy by the people’s court, the people’s court shall take over the administration of the liquidation procedure from the liquidation committee.

After the liquidation of our Company is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders’ Meeting or the people’s court for confirmation, and submit it to our Company registration authority to apply for deregistration of our Company, and announce the termination of our Company. Members of the liquidation committee are required to discharge their duties in good faith and perform their obligation in compliance with 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 willful or gross negligence.

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

Liquidation of a company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

### **OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS THEREOF**

#### **General Provisions**

Our Company is a permanently existing joint stock limited company.

All the assets of our Company are divided into Shares of equal value. The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company’s debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors, Supervisors, general manager, and other senior management personnel. According to the Articles of Association, Shareholders can sue Shareholders, Shareholders can sue Company Directors, Supervisors, general managers, and other senior management personnel, Shareholders can sue our Company, and our Company can sue Shareholders, Directors, Supervisors, general managers, and other senior management personnel.

#### **Share and Transfer**

In light of our Company’s operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the General Meeting, by any of the following methods:

- (i) a public offering of shares;
- (ii) a private placement of shares;
- (iii) allotment of bonus shares to existing shareholders;
- (iv) conversion of reserve funds to share capital;
- (v) other methods permitted by laws, and administrative regulations.

Our Company may reduce its registered capital. Any reduction of our Company’s registered capital shall be subject to the procedures prescribed in the PRC Company Law, Hong Kong Listing Rules and other relevant regulations, as well as the Articles of Association.

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### Shareholders

Shareholders are entitled to rights and assumes obligations pursuant to the classification and ratio of their shares. Shareholders holding the same classified Share have the same rights and assume the same obligations.

Shareholders of our Company shall enjoy the following rights:

- (i) the right to dividends and other distributions in proportion to the number of Shares held;
- (ii) the right to apply for, convene, preside, attend or appoint proxies to attend General Meetings and to exercise the corresponding right to speak and vote;
- (iii) the right to supervise, present proposals or raise enquiries in respect of our Company’s business operations;
- (iv) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association;
- (v) the right to inspect the Articles of Association, Register of Shareholders, corporate bond stubs, minutes of General Meetings, resolutions of the Board of Directors and resolutions of the Board of Supervisors and accounting reports;
- (vi) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;
- (vii) Shareholders who object to resolutions of merger or division made by the Shareholders’ General Meeting may request our Company to purchase Shares held;
- (viii) Shareholders who alone or collectively hold more than 3% of the shares of the company shall have the right to put forward an interim proposal 10 days before the shareholders’ meeting and submit it in writing to the convener;
- (ix) other rights provided for by laws, administrative regulations, departmental rules Hong Kong Listing Rules or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder’s demand after verifying the Shareholder’s identity.

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Shareholders of our Company shall have the following obligations:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to pay the Share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;
- (iii) not to return Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;
- (v) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts;

### **The Board of Directors**

The Board of Directors shall exercise the following functions and powers:

- (i) to convene General Meetings and report to the General Meetings;
- (ii) to implement resolutions of the General Meetings;
- (iii) to decide on our Company's business plans and investment plans;
- (iv) to formulate the annual financial budgets and final accounts of our Company;
- (v) to formulate our Company's profit distribution plans and plans on making up losses;
- (vi) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities of our Company and [REDACTED] of Shares of our Company;
- (vii) to formulate plans for our Company's major acquisition, repurchase the Shares of our Company, or merger, division, dissolution or change of corporate form of our Company;

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- (viii) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management and connected transactions of our Company within the scope of authorization by the General Meeting;
- (ix) to decide on establishment of internal management organs of our Company;
- (x) to decide on the appointment or dismissal of our Company’s general manager, secretary of the Board and other members of the senior management; to decide on the appointment or dismissal the Company’s deputy general manager, financial person-in-charge and other senior management according to the nomination of the Company’s general manager and decide on matters of their remuneration and rewards and punishments;
- (xi) to formulate the basic management system of our Company;
- (xii) to formulate proposals to amend the Articles of Association;
- (xiii) to manage our Company’s disclosures;
- (xiv) to propose to the General Meeting the appointment or replacement of the accounting firm that provides audit service to our Company;
- (xv) to receive reports on the work of the Company’s general manager and to inspect the work of the Company’s general manager;
- (xvi) to decide to recommend, appoint or replace Directors, Supervisors and senior management to the holding subsidiaries, shareholding companies, joint ventures or associated enterprises of the Company.
- (xvii) other powers stipulated by laws, regulations, the Hong Kong Listing Rules, and granted by the Shareholders’ Meeting.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

The Board meeting should be attended by more than half of the Directors before it can be held. A resolution made by the Board of Directors must be passed by a majority of all Directors. The voting on Board resolutions shall be based on one person, one vote.

### **Independent Non-executive Director**

At any time, the Board of Directors should have more than one-third of independent Directors, and the total number of independent Directors should not be less than three.

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### **Secretary of the Board of Directors**

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company’s Shareholders’ Meeting and Board of Directors’ meeting, retention of documents, management of our Company’s Shareholder materials handling of information disclosure matters, and other matters stipulated in the Articles of Association.

### **Board of Supervisors**

Our Company has a Supervisory Committee. The Supervisory Committee consists of three supervisors, including one employee representative supervisor and one chairman. The chairman of the Supervisory Committee shall be elected by a majority of all supervisors. The chairman of the Supervisory Committee convenes and presides over meetings of the Supervisory Committee; If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the Supervisory Committee meeting.

The Supervisory Committee shall include Shareholder representatives and an appropriate proportion of Company employee representatives, with the proportion of employee representatives being one-half. The employee representatives in the Supervisory Committee are democratically elected by our Company’s employees through the employee representative assembly, employee assembly, or other forms.

The Supervisory Committee shall exercise the following functions and powers:

- (i) to review and give written opinions on the periodic reports of our Company prepared by the Board of Directors;
- (ii) to examine our Company’s financial matters;
- (iii) to supervise the performance by the Directors and senior management of their duties to our Company and propose the dismissal of the Directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the General Meeting;
- (iv) to demand rectification from the Directors and senior management when the acts of such persons are harmful to our Company’s interests;
- (v) to propose the convening of extraordinary General Meetings; to convene and preside the General Meetings in the event that the Board of Directors fails to perform its duties to convene and preside the General Meetings in accordance with the PRC Company Law;
- (vi) to submit proposals to the General Meetings;

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## SUMMARY OF ARTICLES OF ASSOCIATION

- (vii) to file lawsuits against Directors and senior management on behalf of our Company in accordance with Article 151 of the PRC Company Law;
- (viii) in case of any queries or any abnormal matters during the business operation of our Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by our Company;
- (ix) other functions and powers as specified in Hong Kong Listing Rules and other relevant regulations, as well as the Articles of Association.

The Supervisors may attend the meetings of the Board of Directors, query or provide suggestions on the resolution matters of the Board meeting.

### General Manager

Our Company has one general manager, appointed or dismissed by the Board of Directors. The general manager shall be 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 our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (ii) to organize the implementation of our Company’s annual business plans and investment plans;
- (iii) to draft plans for the establishment of our Company’s internal management organization;
- (iv) to draft our Company’s basic management system;
- (v) to formulate the specific rules and regulations of our Company;
- (vi) to propose to the Board of Directors appointment or dismissal of deputy general manager and chief financial officer of our Company;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) such other functions and powers conferred by the Articles of Association or the Board of Directors.

The manager shall attend the Board meeting as a nonvoting delegate.



## APPENDIX III

## SUMMARY OF ARTICLES OF ASSOCIATION

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### Reserves

In distributing its current-year after-tax profits, our Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to Company’s statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of our Company’s registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year’s profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of our Company, and subject to the adoption of a resolution by the General Meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after our Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of Shares held by Shareholders.

If the Shareholders’ Meeting violates the provisions of the preceding paragraph by distributing profits to Shareholders before the Company makes up for losses and withdraws the statutory reserve fund, Shareholders must return the profits distributed in violation of the regulations to our Company.

Profits shall not be distributed to Shares held by the Company itself.

Our Company’s provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in our Company’s capital. However, the capital reserve fund must not be used to cover our Company’s losses.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company’s registered capital.

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

### 1. FURTHER INFORMATION ABOUT OUR COMPANY

#### Incorporation

The predecessor of our Company, Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展有限公司) was established in the PRC on November 25, 2010 with limited liability. On September 29, 2022, our Company was converted from a limited liability company into a joint stock limited liability company in accordance with applicable PRC laws and regulations and renamed as Shanghai Zhida Technology Development Co., Ltd.\* (上海摯達科技發展股份有限公司). Our registered office is located at Room 1001-1, No. 127, Guotong Road, Yangpu District, Shanghai, PRC.

We have established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●], 2024. Ms. Au Wing Sze (區詠詩) of TMF Hong Kong Limited, Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” and Appendix III to this Document, respectively.

#### Changes in the Share Capital of Our Company

The changes in the share capital of our Company during the two years immediately preceding the date of this Document is set out as follows:

- (a) On November 10, 2022, the registered capital of our Company increased from RMB49,490,429 to RMB52,527,021 by way of share subscription by our series D Pre-[REDACTED] Investors and Tongdu Technology.

Save as aforesaid, as of the Latest Practicable Date, there had been no alterations of our share capital within the two years preceding the date of publication of this Document.

#### Changes in the Share Capital of Our Subsidiaries

The list of our subsidiaries is set out in the Accountant’s Report, the text of which is set out in Appendix I.

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

Details of the changes in the share capital of the Company’s subsidiaries within the two years immediately preceding the date of this Document are set out below:

- (a) On July 7, 2022, ZD Singapore was incorporated in Singapore as a wholly-owned subsidiary of our Company with registered capital of S\$8 million.
- (b) On July 27, 2023, ZD Energy was incorporated in Thailand as a subsidiary of our Company with registered capital of THB60 million.
- (c) On August 23, 2023, ZD Trading was incorporated in Thailand as a subsidiary of our Company with registered capital of THB5 million.
- (d) On October 26, 2023, Shanghai Zhitong was established in the PRC as a wholly-owned subsidiary of our Company with registered capital of RMB60 million.
- (e) On December 28, 2023, the registered share capital of ZD Trading increased from THB5 million to THB100 million.
- (f) On January 4, 2024, the registered share capital of ZD Energy increased from THB60 million to THB125,080,000.

Save as set out above, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this Document.

### Shareholders’ Resolutions

Pursuant to the Shareholders’ resolutions passed on February 29, 2024, the following resolutions, among others, were (subject to the relevant regulatory approval, filing and registration) duly passed:

- (a) the issue of H Shares with a nominal value of RMB1.00 each and the [REDACTED] of such H Shares on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) conditional upon the completion of the [REDACTED], a total of [REDACTED] Unlisted Shares held by [REDACTED] existing Shareholders will be converted into H Shares on a one-for-one basis;

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## STATUTORY AND GENERAL INFORMATION

- (d) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and our Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities;
- (e) upon completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as at the [REDACTED];
- (f) upon completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as at the [REDACTED]; and
- (g) our Board has been authorized to handle all relevant matters relating to, among other things, the implementation of issuance of H Shares and the [REDACTED].

### **Explanatory Statement on Repurchase of Our Own Securities**

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

#### ***(a) Reasons for repurchase***

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the [REDACTED] confidence in the Company and promote a positive effect on maintaining the Company’s reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

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### *(b) Exercise of the general mandate to repurchase Shares*

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or
- (ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of [REDACTED] Shares in issue as of the [REDACTED] and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the next annual general meeting) would result in a maximum of [REDACTED] H Shares being repurchased by the Company during the relevant period, being the maximum of 10% of the H Shares in issue as of the [REDACTED].

### *(c) Source of funds*

In repurchasing its Shares, the Company intends to apply funds from the Company’s internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

For repurchase of its Shares according to the reasons provided above, the Company is empowered by its Articles of Association to hold such Shares by itself in accordance with the PRC Company Law. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

### *(d) Suspension of repurchase*

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules,

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## STATUTORY AND GENERAL INFORMATION

or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

### *(e) Close associates and core connected persons*

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

### *(f) Status of repurchased Shares*

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the Shares repurchased by the Company will be cancelled or transferred within certain period and the Company’s registered capital will be reduced by an amount equivalent to the aggregate nominal value of the Shares if such Shares were cancelled.

### *(g) Takeover implications*

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

### *(h) General*

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

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Our Directors [have] undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

### 2. FURTHER INFORMATION ABOUT OUR BUSINESS

#### Summary of Material Contracts






We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Document, which are or may be material and a copy of each has been delivered to the Registrar of Companies for registration:

- (a) [REDACTED].

#### Our Intellectual Property Rights

##### *Trademarks*


As of the Latest Practicable Date, we have registered the following trademarks which we consider to be material in relation to our business:

Trademark	Place of Registration	Registration No.	Class	Expiration Date
	PRC	17562152	37	September 20, 2026
	PRC	44546609	37	November 20, 2030
	PRC	19500307	9	May 13, 2027
	PRC	19501819	37	May 13, 2027
	PRC	44555923	37	November 6, 2030
	PRC	64455927	37	February 20, 2033

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Trademark	Place of Registration	Registration No.	Class	Expiration Date
ZD Charging	PRC	64526405	37	January 27, 2033
	PRC	64455927	37	February 20, 2033
ZHIDATECH	European Union	18719163	9	June 20, 2032
	UK	UK00003800063	9	June 17, 2032
	US	97463291	9	August 29, 2033
	Japan	2022-070382	9	December 1, 2032
	Thailand	231116807	9	July 3, 2032
	Malaysia	TM2022015294	9	June 20, 2032
	Singapore	40202250997H	9	June 21, 2032
	PRC	66939348	9	February 27, 2033
挚达   ZHIDA	PRC	67205524	9	August 20, 2033
	European Union	018924775	9	September 13, 2033
	Singapore	40202320464V	9	September 13, 2033
	UK	UK00003912573	9	May 17, 2033
	European Union	018876701	9	May 18, 2033

As of the Latest Practicable Date, we had applied for the registration of the following trademarks which we consider to be material in relation to our business:

Trademark	Place of Application	Application No.	Class	Application Date
ZHIDATECH	Canada	2192377	9	June 20, 2022
	South Korea	40-2022-0115486	9	June 21, 2022
	Vietnam	4202224030	9	June 21, 2022
	PRC	68678021	9	December 2, 2022
				



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### Domain Names

As of the Latest Practicable Date, we have registered or been authorized to use the following domain names which we consider to be material in relation to our business:

Domain Name	Registered Owner	Expiry Date
xinzhienenergy.com	Company	September 21, 2024
zeedaenergy.com	Company	August 10, 2024
zdtchgroup.com	Company	March 23, 2024
ohcharge.com	Company	December 11, 2025
evjack.com	Company	January 4, 2026
smart-charge.cn	Company	April 29, 2025
zdenenergy.com	Company	November 9, 2032
上海摯達.com	Company	September 14, 2025
shbridge.cn	Company	January 13, 2026
shso.com.cn	Company	June 3, 2025
shzhida.com	Company	July 28, 2027

### Patents

As of the Latest Practicable Date, we have registered or been authorized to use the following patents which we consider to be material in relation to our business:

Patent	Place of Registration	Application Number	Type	Application Date
Wall-mounted Charging Station (Zhida High Standard Station) (壁掛式充電樁(摯達高標樁))	PRC	2018305687870	Exterior Design	October 12, 2018
AC Charging Station (P1) (交流充電樁(P1))	PRC	202030626432.X	Exterior Design	October 21, 2020
Charging Station (E-commerce Version B, Portable) (充電樁 (電商B版便攜))	PRC	202130024799.9	Exterior Design	January 14, 2021
A sealing structure for a new energy vehicle charging station (一種新能源汽車充電樁密封結構)	PRC	2016201309680	Utility Model	February 19, 2016
A reinforced cable fixing structure inside the charging station shell (一種在充電樁外殼內的線纜加強固定結構)	PRC	201922199283.8	Utility Model	December 10, 2019
A structure in injection-molded parts replacing embedded nuts (一種注塑件中代替嵌螺母的結構)	PRC	201922310499.7	Utility Model	December 20, 2019
A shell embedded nut structure (一種殼體嵌螺母結構)	PRC	202021209477.8	Utility Model	June 24, 2020

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Patent	Place of Registration	Application Number	Type	Application Date
A leak detection circuit for an electric vehicle charging station with isolation and self-check functions (一種帶隔離及自檢功能的電動汽車充電樁漏電檢測電路)	PRC	202021742704.3	Utility Model	August 19, 2020
Charging Station Overtemperature Protection Circuit (充電樁過溫保護電路)	PRC	202121477137.8	Utility Model	June 30, 2021
An electronic lock for charging guns and a charging gun equipped with the electronic lock (一種用於充電槍的電子鎖及具有該電子鎖的充電槍)	PRC	201510875012.3	Invention	December 2, 2015
A grounding signal detection circuit for a charging station (一種充電樁的接地信號檢測電路)	PRC	202010475810.8	Invention	May 29, 2020
A detection device for electric vehicle battery-swapping mechanisms (一種電動車換電機構檢測裝置)	PRC	202010477804.6	Invention	May 29, 2020
A SAAS-based New Energy Heavy Truck Internet of Things (IoT) Platform Vehicle Management System (一種基於SAAS模式的新能源重卡車聯網平台車輛管理系統)	PRC	202010477802.7	Invention	May 29, 2020
A method for calculating the driving mileage of a new energy vehicle (一種新能源汽車行駛里程計算方法)	PRC	202010620432.8	Invention	June 30, 2020
A Vehicle Fault Diagnosis Method Based on the Internet of Things (一種基於物聯網的車輛故障診斷方法)	PRC	202010476092.6	Invention	May 29, 2020
A filtering method for voltage acquisition in a charging station control and guidance circuit (一種充電樁控制引導電路電壓採集的濾波方法)	PRC	202010476292.1	Invention	May 29, 2020
A hinge structure (一種合頁結構)	PRC	202010590923.2	Invention	June 24, 2020

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Patent	Place of Registration	Application Number	Type	Application Date
An automatic dispatching method based on the capabilities of charging station service providers (基於充電樁服務商能力的自動派單方法)	PRC	202110503347.8	Invention	May 10, 2021
An arrangement structure of sealing rings applied to charging stations (一種應用於充電樁中的密封圈佈置結構)	PRC	202120909443.8	Utility Model	April 29, 2021
The shell of a charging station (充電樁的殼體)	PRC	202122010317.1	Utility Model	August 25, 2021
AC Charging Station (交流充電樁)	PRC	202230273128.0	Exterior Design	May 10, 2022
A circuit and charging station for detecting relay sticking in charging stations (一種檢測充電樁繼電器黏連的電路和充電樁)	PRC	202221406503.5	Utility Model	June 7, 2022
A charging short-circuit protection circuit (一種充電短接保護電路)	PRC	202221411958.6	Utility Model	June 8, 2022
A voltage dynamic compensation method based on inverter equivalent impedance (一種基於逆變器等效阻抗的電壓動態補償方法)	PRC	201710384406.8	Invention	May 26, 2017
A method and device for impedance detection in a DC microgrid line for droop control (一種用於下垂控制的直流微網線路阻抗檢測方法及裝置)	PRC	201710159934.3	Invention	March 17, 2017
A charging reverse connection detection circuit (一種充電反接檢測電路)	PRC	202221347695.7	Utility Model	May 23, 2022
Electric Vehicle Charging and Discharging Device (電動汽車充電裝置)	PRC	202230659366.5	Exterior Design	October 8, 2022
Multifunctional Separable Portable Charging Gun Component (多功能分體式便攜充電槍組件)	PRC	202222997373.3	Utility Model	November 10, 2022
A grounding detection device (一種接地檢測裝置)	PRC	2023219732665	Utility Model	July 25, 2023
New Energy Vehicle Charging Box (新能源汽車充電盒)	PRC	2023304611837	Exterior Design	July 21, 2023

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Patent	Place of Registration	Application Number	Type	Application Date
New Energy Vehicle Charging Box (新能源汽車充電盒)	PRC	2023304610891	Exterior Design	July 21, 2023
Smart Charging Station with Camera and Charging Station Operation Method (具有攝像頭的智能充電樁及充電樁運作方法)	PRC	201710395533.8	Invention	May 27, 2017
Guiding Joint Mechanism and Cable-Driven Robotic Arm (導向關節機構及繩驅機械臂)	PRC	CN201811083669.6	Invention	September 17, 2018
Adaptive Pose Variation Flexible Automatic Charging Device and Automatic Charging System (自適應位姿變化的柔性自動充電裝置及自動充電系統)	PRC	CN201811194859.5	Invention	October 12, 2018
Gripper-Type Automatic Charging System and its Control Method (抓槍式自動充電系統及其控制方法)	PRC	CN201811274420.3	Invention	October 29, 2018
Automatic Gun Gripping Mechanism and Automatic Charging Device (自動抓槍機構及自動充電裝置)	PRC	CN201811365185.0	Invention	November 16, 2018
Bidirectional Charging Gun Head and Automatic Charging System (雙向充電槍頭及自動充電系統)	PRC	CN201910088524.3	Invention	January 29, 2019
Cloud-Based Optimization and Scheduling Automatic Charging Method and System (一種基於雲端優化調度的自動充電方法及系統)	PRC	CN201811522811.2	Invention	December 12, 2018
Dual Charging Gun Head and Automatic Charging System (雙充電槍頭及自動充電系統)	PRC	CN201910259017.1	Invention	April 1, 2019
Electric Vehicle Charging Method Based on Mobile Robots, Mobile Robot, and Backend (基於移動機器人的電動汽車充電方法、移動機器人及後台)	PRC	201810546545.0	Invention	May 31, 2018
Charging Gun Head and Charging System (充電槍頭及充電系統)	PRC	201810323657.x	Invention	April 10, 2018

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Patent	Place of Registration	Application Number	Type	Application Date
User Demand Analysis-Based Shared Car Dispatching Method (基於用戶需求分析的共享汽車調度方法)	PRC	201810367247.5	Invention	April 23, 2018
Charging Port Location Positioning Method and System (充電口位置的定位方法及系統)	PRC	201810977494.7	Invention	August 24, 2018
Power Terminals and Charging Gun Head (電源端子及充電槍頭)	PRC	201810304476.2	Invention	April 4, 2018
Charging cover automatic switching device, charging system and charging method for electric vehicles (電動汽車的充電蓋自動開關裝置、充電系統及充電方法)	PRC	201710761323.6	Invention	August 30, 2017
Charge port location positioning method and positioning system (充電口位置的定位方法及定位系統)	PRC	2018-1174419.0	Invention	October 29, 2018
Flexible charging head and automatic charging device (柔性充電槍頭及自動充電裝置)	PRC	201810977493.2	Invention	August 24, 2018

### Copyrights

As of the Latest Practicable Date, we owned the following copyrights which we consider to be material in relation to our business:

Copyright Name	Place of Registration	Registration No.	Date of first publication
Active Service System V1.0 (主動服務系統V1.0)	PRC	2015SR196126	June 10, 2015
Electric Heavy Truck Intelligent Monitoring System V1.0.0 (電動重卡智能化監控系統V1.0.0)	PRC	2020SR0668257	July 20, 2019
Charging Station Installation Service Provider SaaS System V1.0.0 (充電樁安裝服務商SaaS系統V1.0.0)	PRC	2020SR0668249	January 15, 2020
Charging Station Installation Service Provider Order Management System V1.0.0 (充電樁安裝服務商訂單管理系統V1.0.0)	PRC	2020SR0666644	May 11, 2020
Intelligent Charging Stations Control System V1.0 (智能充電樁的控制系統V1.0)	PRC	2020SR1561764	November 2, 2019

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Copyright Name	Place of Registration	Registration No.	Date of first publication
Software for a One-Station-N-Card Issuing System V1.0 (一樁N卡發卡系統的軟件V1.0)	PRC	2021SR0961304	July 5, 2020
A Charging Station Software with Bluetooth-based Contactless Charging Feature V1.0 (一種通過藍牙實現無感充電功能的充電樁軟件V1.0)	PRC	2021SR0955720	December 4, 2020
A Charging Station Software with Remote App Control Capability V1.0 (一種可以遠程APP控制的充電樁軟件V1.0)	PRC	2021SR0955719	August 30, 2020
A Charging Pile Software with Offline Billing Function V1.0 (一種帶離線計費功能的充電樁軟件V1.0)	PRC	2021SR0962997	April 20, 2021
Zhida Active Service System [Abbreviation: Active Service System] V2.0 (摯達主動服務系統[簡稱:主服務系統]V2.0)	PRC	2018SR487779	April 20, 2018
Zhida Active Settlement System V1.0 (摯達主動結算系統V1.0)	PRC	2018SR487791	April 10, 2018
Zhida RFID Recharge Card System V1.0 (摯達RFID充值卡系統V1.0)	PRC	2018SR484973	May 9, 2018
Zhida Pile to Home Operation Platform [Abbreviation: Pile to Home Platform] V2.0 (摯達樁到家運營平台[簡稱:樁到家平台]V2.0)	PRC	2018SR772004	March 10, 2018
Digital Management System for New Energy Vehicle Charging Station Installation Services V1.0 (新能源汽車充電樁安裝服務數字化管理系統V1.0)	PRC	2018SR771996	April 1, 2018
Active Service System [Abbreviation: Active Service System] V3.0 (主動服務系統[簡稱:主服務系統]V3.0)	PRC	2018SR880363	July 20, 2018
Zhida Vehicle-to-Everything Intelligent Hardware Integrated Communication Middleware System V1.0 (摯達車聯網智能硬件一體化集成通訊中間件系統V1.0)	PRC	2019SR0332181	June 8, 2018
Charging Station Installation Service Management Software V1.0 (充電樁安裝服務管理系統軟件V1.0)	PRC	2019SR0579206	April 8, 2019
Energy Storage Centralized Control Platform Management System V2.0 (儲能集控平台管理系統V2.0)	PRC	2019SR0839723	May 2, 2019
Charging Station Installation Service Management Software V2.0 (充電樁安裝服務管理系統軟件V2.0)	PRC	2019SR0831478	April 8, 2019

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Copyright Name	Place of Registration	Registration No.	Date of first publication
Power Internet of Things Cloud Platform System Software V2.0 (電力泛載物聯網雲平台系統軟件V2.0)	PRC	2019SR1422787	June 20, 2019
Electric Heavy Truck Vehicle Internet of Things Monitoring System Software V1.0 (電動重卡車輛物聯網監控系統軟件V1.0)	PRC	2019SR1057391	July 1, 2019
Power Internet of Things Cloud Platform System Software V3.0 (電力泛載物聯網雲平台系統軟件V3.0)	PRC	2020SR0235942	October 17, 2019
Electric Heavy Truck Vehicle IoT Monitoring System Software V2.0 (電動重卡車輛物聯網監控系統軟件V2.0)	PRC	2020SR0195645	October 17, 2019
Charging Facility Installation Service Management System Software V3.0 (充電設施安裝服務管理系統軟件V3.0)	PRC	2020SR0293272	September 15, 2019
Zhida Smart Charging Mini Program Software V1.0 (摯達智能充電小程序軟件V1.0)	PRC	2020SR0576204	October 8, 2019
Zhida New Power Operation Center Mini Program System Software [Abbreviation: New Power Mini Program] V1.0 (摯達新運力運營中心小程序系統軟件[簡稱:新運力小程序]V1.0)	PRC	2020SR1534820	March 16, 2020
Zhida Electric Vehicle Charging Pile Overseas Charging Software [Abbreviation: Active Service System] V1.0 (摯達電動汽車充電樁海外充電軟件[簡稱:樁到家車主版]V1.0)	PRC	2021SR1554383	September 10, 2021
Zhida Electric Vehicle Charging Integrated Software [Abbreviation: Pile to Home Home Edition] V1.0 (摯達電動汽車充電樁一體化軟件[簡稱:樁到家家庭版]V1.0)	PRC	2021SR1729481	September 15, 2021
Zhida Pile to Home Operation and Maintenance Management System V1.0 (摯達樁到家運維管理系統V1.0)	PRC	2021SR1729332	June 15, 2021
Zhida Pile to Home Operation and Control System V1.0 (摯達樁到家運營管控系統V1.0)	PRC	2021SR1734965	June 15, 2021
Zhida Vehicle-to-Everything Monitoring and Analysis System V1.0 (摯達車聯網監控分析系統V1.0)	PRC	2022SR0003231	October 15, 2021
Zhida Data Center Management System Software V1.0 (摯達數據中台管理系統軟件V1.0)	PRC	2022SR0150905	November 20, 2021



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Copyright Name	Place of Registration	Registration No.	Date of first publication
Zhida Charging Pile E-commerce Management System V1.0 (摯達充電樁電商管理系統V1.0)	PRC	2022SR0465005	February 28, 2022
Zhida Private Charging Pile Management App Software [Abbreviation: Zhida] V1.0 (摯達私人充電樁管理APP系統軟件[簡稱:摯達]V1.0)	PRC	2022SR1538869	July 20, 2022
Zhida V2G Charging and Discharging Management Mini Program [Abbreviation: V2G] V1.0 (摯達V2G充電管理小程序[簡稱:V2G]V1.0)	PRC	2022SR1479543	August 27, 2022
Zhida Light Storage Charging APP Software [Abbreviation: Zhida Light Storage Charging] V1.0 (摯達光儲充APP軟件[簡稱:摯達光儲充]V1.0)	PRC	2023SR0087412	October 18, 2022
Zhida After-sales Management App Software [Abbreviation: After-sales Management] V1.0 (摯達售後管理APP系統軟件[簡稱:售後管理]V1.0)	PRC	2023SR0087416	October 18, 2022
Zhida After-sales Management Platform Software System V1.0 (摯達售後管理平台軟件系統V1.0)	PRC	2023SR0087415	October 18, 2022

Save as disclosed above, as of the Latest Practicable Date, there were no other trademarks, domains, copyrights, intellectual property rights, or individual property rights which are or may be material in relation to our business.

### 3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

#### Particulars of Directors’ and Supervisors’ Contracts and Appointment Letters

##### (i) Executive Directors

Each of Dr. Huang and Mr. Li Xinrui, being our Executive Directors, [has entered into] a service contract with our Company on [●], 2024. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

##### (ii) Independent non-executive Directors

Each of Ms. Sun Zhili, Ms. Wu Yushan, and Dr. Lu Ming being our independent non-executive Directors, [has entered into] a letter of appointment with our Company on [●], 2024. Each letter of appointment is for an initial term of three years. The letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.



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## STATUTORY AND GENERAL INFORMATION

### *(iii) Supervisors*

Each of Mr. Shen Qi, Ms. Dai Can and Mr. Liu Xi, being our Supervisors, [has entered into] a service contract with our Company on [●], 2024. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

### **Remuneration of Directors and Supervisors**

Save as disclosed in “Directors, Supervisors and Senior Management” and “Appendix I — Accountant’s Report — 41. Benefits and interests of directors and supervisors” for the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, none of our Directors or Supervisors received other remunerations or benefits in kind from us.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors and Supervisors by any member of our Group in respect of the year ending December 31, 2024 is approximately RMB4.3 million.

Save as disclosed above, there is no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

## **4. DISCLOSURE OF INTERESTS**

### **Disclosure of Interests of Directors and Supervisors**

Immediately following the completion of the [REDACTED] assuming that the [REDACTED] is not exercised, none of our Directors or Supervisors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our 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 interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the Shares are [REDACTED] on the Stock Exchange.

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

### *Interests in our Company*

Name	Position	Nature of Interest	Number and class of Shares held as at the Latest Practicable Date and immediately prior to the [REDACTED] <sup>(1)</sup>	Approximate percentage of shareholding in the total share capital of our Company as at the Latest Practicable Date and immediately prior to the [REDACTED] <sup>(1)</sup>	Approximate percentage of shareholding in the Shares after the [REDACTED] <sup>(1)</sup>
Dr. Huang	Chairman of the Board, Executive Director and chief executive officer	Beneficial owner	15,063,372 Unlisted Shares (L)	28.68%	[REDACTED]%
		Interest in controlled corporations <sup>(2)</sup>	10,605,643 Unlisted Shares (L)	20.19%	[REDACTED]%

#### *Notes:*

(L) All interests stated are long positions.

- (1) The calculation is based on the assumption that (i) the conversion of the [REDACTED] existing Unlisted Shares in issue into H Shares; and (ii) the [REDACTED] is not exercised, the total number of issued shares of the Company immediately upon completion of the [REDACTED] will be [REDACTED] Shares.
- (2) As of Latest Practicable Date, Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology directly held 8,287,500, 2,168,540 and 149,603 Unlisted Shares of our Company, which represents 15.78%, 4.13% and 0.28% interests in our Company. Tongdu E-Commerce and Tongdu Intelligent are both controlled by Dr. Huang as its sole general partner. The general partner of Tongdu Technology is Tongdu Enterprise which is controlled by Dr. Huang as to 70% and his spouse as to 30%. Therefore, by virtue of SFO, Dr. Huang, is deemed to be interested in the Shares held by Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise.

### **Disclosure of Interests of Substantial Shareholders**

For information on the persons who will, immediately following the completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders”.

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

### *Interests of substantial shareholder in non wholly-owned subsidiary of our Company*

<u>Our subsidiary</u>	<u>Registered capital</u>	<u>Party with 10% or more equity interest (other than members of the Group)</u>	<u>Approximate percentage of shareholding</u>
Zhida Zhongding	RMB10 million	Anhui Zhongding Sealing Parts Co., Ltd.* (安徽中鼎密封件股份有限 公司)	30%
Sanming Xunda	RMB10 million	Sanming Jiaoyun Group Co., Ltd.* (三明市交運集團有限公司)	25%
		Sanming Luqiao Group Highway Management and Development Co., Ltd.* (三明市路橋集團公路 經營發展有限公司)	20%

So far as set out above, our Directors are not aware of any persons (other than our Directors, Supervisors or chief executive) who will, immediately following the completion of the [REDACTED], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

### **Disclaimers**

Save as disclosed in this Document:

- (a) save as disclosed in “History, Development and Corporate Structure,” none of our Directors or Supervisors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document 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 or Supervisors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole; and
- (c) without taking into account any Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders’ meetings of any member of our Group in the Shares or underlying Shares of our Company.

## **APPENDIX IV**

## **STATUTORY AND GENERAL INFORMATION**

### **5. OTHER INFORMATION**

#### **Litigation**

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

#### **Sole Sponsor**

The Sole Sponsor has made an [REDACTED] on our behalf to the Listing Committee of the Stock Exchange for a [REDACTED] of, and permission to deal in, all the H Shares to be issued as mentioned in this Document. The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of HK\$[REDACTED] to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

#### **Compliance Adviser**

Our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as the compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

#### **Preliminary Expenses**

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

#### **Promoter**

The promoters of our Company are all of the 16 then shareholders of our Company as of July 27, 2022 immediately before our conversion into a joint stock limited liability company. Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this Document.

#### **Qualification of Experts**

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this Document, are as follows:

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## APPENDIX IV STATUTORY AND GENERAL INFORMATION

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<u>Name</u>	<u>Qualification</u>
Shenwan Hongyuan Capital (H.K.) Limited	Licensed corporation under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50)  Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Commerce & Finance Law Offices	Legal advisers to our Company as to the PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

### Consents of Experts

Each of the experts named in the paragraph headed “Qualification of Experts” in this Appendix has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

Save as disclosed in this Document, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

### Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

### Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see “Appendix III — Summary of Articles of Association of the Company”.

## **APPENDIX IV**

## **STATUTORY AND GENERAL INFORMATION**

### **Binding Effect**

This Document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

### **Related Party Transactions**

Our Group entered into the related party transactions within the two years immediately preceding the date of this Document as mentioned in “Appendix I — Accountant’s Report — Related Party Transactions”.

### **Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our major subsidiaries.

### **Bilingual Document**

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

### **Miscellaneous**

Save as disclosed in this Document:

- (a) within the two years immediately preceding the date of this Document:
  - (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 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) 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 of our Company or any of our subsidiaries; and
  - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

## APPENDIX IV

## STATUTORY AND GENERAL INFORMATION

- (b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;
- (c) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (d) 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 Document;
- (e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (f) our Company has no outstanding convertible debt securities or debentures;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) none of our equity and debt securities is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought;
- (i) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (j) our Company has adopted a code of conduct regarding Directors’ and Supervisors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

### No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since September 30, 2023, being the end of the period reported on the Accountant’s Report included in Appendix I; and there has been no event since September 30, 2023 which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

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**APPENDIX V**

**DOCUMENTS DELIVERED TO THE REGISTRAR OF  
COMPANIES AND AVAILABLE ON DISPLAY**

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — 5. Other Information — Consents of Experts” in Appendix IV; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — 2. Further Information about our Business — Summary of Material Contracts” in Appendix IV.

**DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be available on display on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.shzhida.com](http://www.shzhida.com) during a period of 14 days from the date of this Document:

- 1. the Articles of Association;
- 2. the audited consolidated financial statements of our Group for the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023;
- 3. the Accountant’s Report for the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023 from PricewaterhouseCoopers, the text of which is set forth in Appendix I;
- 4. the report on the unaudited [REDACTED] financial information of our Group as at September 30, 2023 from PricewaterhouseCoopers, the text of which is set forth in Appendix II;
- 5. the material contracts referred to in “Statutory and General Information — 2. Further Information about our Business — Summary of Material Contracts” in Appendix IV;
- 6. the written consents referred to in “Statutory and General Information — 5. Other Information — Consents of Experts” in Appendix IV;
- 7. the service contracts and appointment letters referred to in “Statutory and General Information — 3. Further Information about our Directors and Supervisors” in Appendix IV;



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**APPENDIX V**

**DOCUMENTS DELIVERED TO THE REGISTRAR OF  
COMPANIES AND AVAILABLE ON DISPLAY**

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8. the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under PRC law;
9. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed “Industry Overview”; and
10. the PRC Company Law, the PRC Securities Law, the Guidelines for Articles of Association of Listed Companies, and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.