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Application Proof of

TAILG Technology Co., Ltd.

台鈴科技股份有限公司

(the “Company”)

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

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TAILG Technology Co., Ltd. 台鈴科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the
[REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED] 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 Hong Kong
Stock Exchange trading fee of
0.00565% (payable in full on
application in Hong Kong dollars and
subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [●]

Joint Sponsors, [REDACTED]



CITIC SECURITIES

CMS



招商證券國際

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide whether 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 section headed “Risk Factors” in this Document. You should read that section carefully before you decide whether to [REDACTED] in the [REDACTED].

OVERVIEW

Our Vision

To become a Global Leader in Low-Carbon Mobility Solutions.

Our Mission

Create Better Travel Experience for Global Users through Technological Innovation.

Who We Are

We are a leading electric micromobility vehicle brand that champions the value of green, low-carbon, and intelligent travel experience. As a pioneer in defining “long-range electric two-wheeled vehicles (長續航電動兩輪車)” in Chinese Mainland, we have been focusing on this strategic market position and established a comprehensive product portfolio covering electric bicycles, electric motorcycles and electric tricycles. In addition, we also provide batteries as an accessory for sales together with our vehicles. Leveraging years of efforts, we have built up an extensive sales network across Chinese Mainland with strong penetration into wide local regions, while achieving rapid growth in overseas markets.

According to Frost & Sullivan, in terms of revenue in 2024, we ranked third in the global electric micromobility vehicle market, with a market share of approximately 5.2%. In terms of revenue from electric two-wheeled vehicles in 2024, we ranked third in Chinese Mainland, with a market share of approximately 12.7%.

Furthermore, we are committed to promoting low-carbon mobility by focusing on continuous R&D to enhance product energy efficiency, while developing advanced software system facilitating our vehicles reach designed performance to maximum extent. In particular, capitalizing on our Tai-Link intelligent management system, users are able to enjoy convenient management and adjustment on performance of different components, customize trip and maintenance schedule, as well as review vehicle’s utilization track record, ensuring an exciting driving experience while intrinsically promoting optimized energy consumption and value-added services.

Leveraging our vast and continuously growing user base, and strong technology capabilities that can quickly convert insights derived from consumers’ behavior into well-received product designs and market highlights, as proven by our successful track record, we have received industry-wide recognition for our market leading positions. We have been invited to participate in the formulation of multiple national and industry standards, technical regulations and industry white papers in Chinese Mainland, including the *Energy Conservation Certification Rules for Motorcycles and Electric Bicycles* (《摩托車和電動自行車節能認證規則》), the *Technical Specifications for Energy Conservation Certification of Electric Bicycles* (《電動自行車節能認證技術規範》) (GB17761-2024) (the “New National Standard”), and the *China Electric Vehicle Energy Saving White Paper* (《中國電動車節能白皮書》).

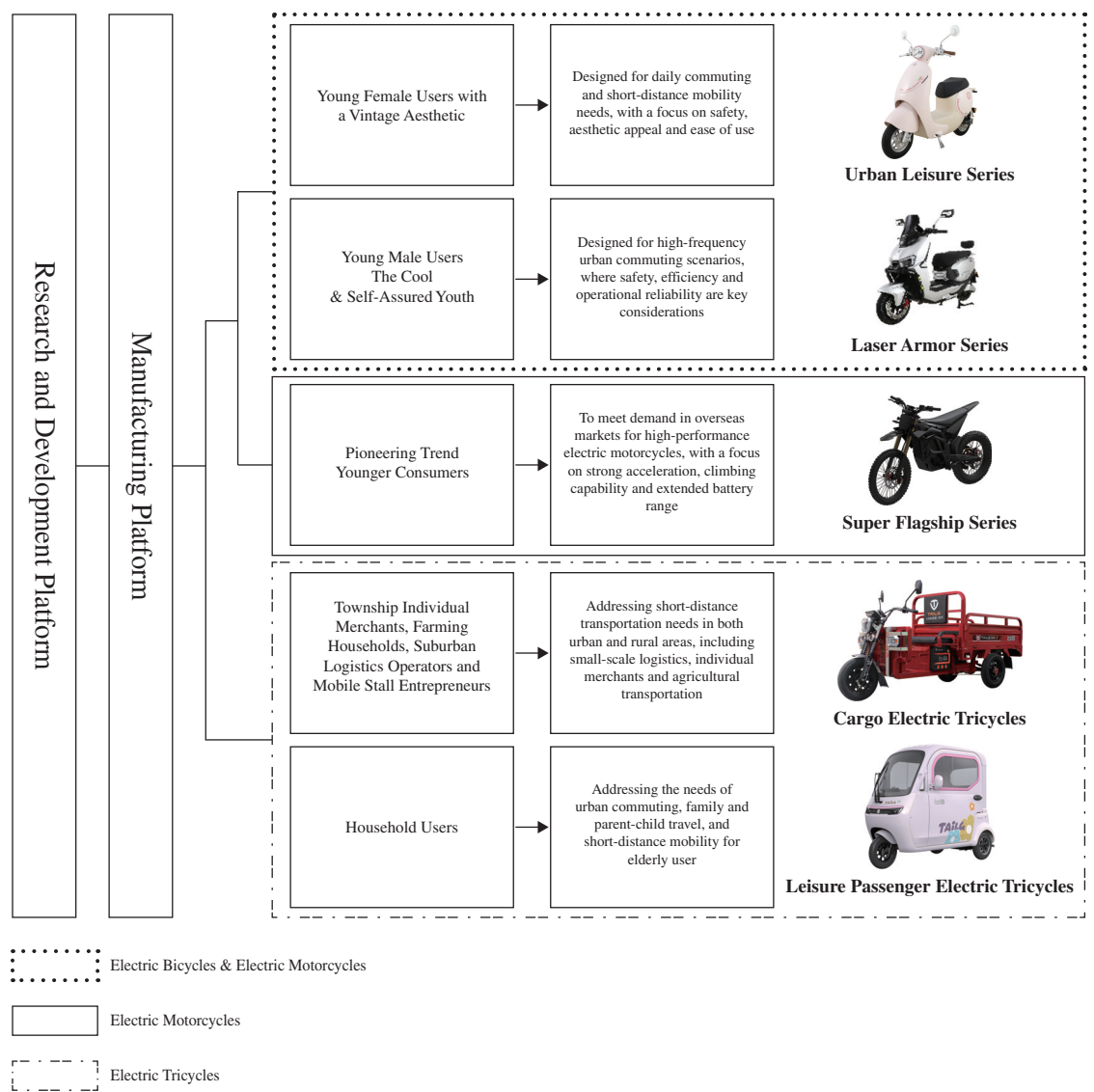
In recognition of our premium product design and stringent quality control capabilities, we have received various honors and awards, including the “National Quality Training Base (國家質量培訓基地)”, the “Industrial Design Red Sail Award – Gold Award (工業設計紅帆獎金獎)”, the “China Science and Technology Innovation Invention Achievement Award (中國科技創新發明成果獎)”, and the “National Advanced Unit for After-sales Service (全國售後服務先進單位)”.

SUMMARY

Furthermore, we have established two laboratories in Chinese Mainland that are accredited by the China National Accreditation Service for Conformity Assessment (“CNAS”). We are also the first electric micromobility vehicle enterprise in Chinese Mainland to have been awarded the “Zero-Carbon Factory (零碳工廠)” certification by the China Quality Certification Center (“CQC”).

OUR PRODUCTS

During the Track Record Period, we have developed a comprehensive product portfolio to cover diverse mobility scenarios. Our products feature innovative and aesthetic designs that specifically appeal to our target demographics around the world. As of September 30, 2025, we offer 50 electric bicycle models, 38 electric motorcycle models, and three electric tricycle models, including commuter-oriented models for daily urban transportation, utility-oriented models primarily used for delivery, cargo and other commercial applications, as well as leisure and sports-oriented models targeting consumers seeking enhanced performance and riding experience. The product matrix below illustrates our principal products.



For details, please see “Business — Our Business and Products.”

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We have developed the “TAILG” mobile application, which serves as an intelligent electric micromobility vehicle management tool. Through the application, users are able to view and track real-time vehicle status, battery data, vehicle location, historical riding routes and vibration-alert notifications.

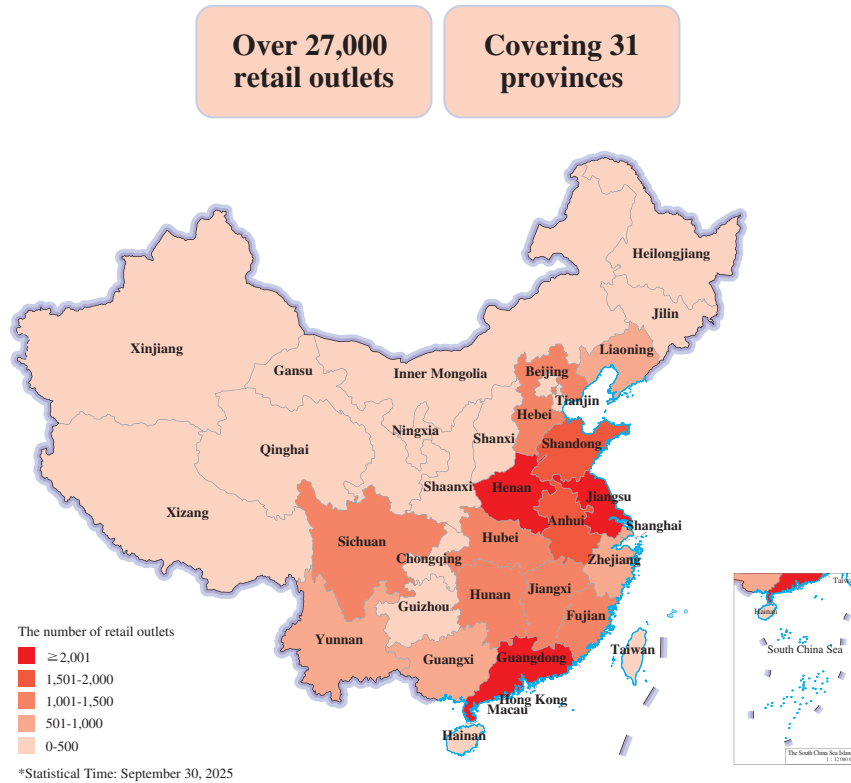
The “TAILG” mobile application is supported by the Tai-Link intelligent management system, which is independently developed and launched by us. By utilizing anonymized riding-related information and advanced algorithmic models, the Tai-Link intelligent management system is designed to provide comprehensive intelligent riding assistance. In addition, the Tai-Link intelligent management system incorporates various intelligent functions, including NFC unlocking, navigating system remote vehicle monitoring and diagnostics, intelligent lighting and voice interaction. Through the Tai-Link intelligent management system, we have established an intelligent ecosystem that connects users, vehicles and data, enabling enhanced interaction and system-level integration across our products and services.

OUR SALES, MARKETING NETWORK AND PRODUCTION BASES

Leveraging our strong brand recognition, we have established an extensive sales network across Chinese Mainland with global reach. During the Track Record Period, we sold our products primarily through distributors both in Chinese Mainland and overseas, benefiting from their insights into local and regional markets and their established relationships with local customers.

As of September 30, 2025, our sales network comprised (i) 5,597 distributors and over 27,000 retail outlets across Chinese Mainland; and (ii) 412 distributors and over 300 retail outlets overseas. As of the same date, our sales network covered 31 provinces in Chinese Mainland, as well as many countries and regions globally. The following map is an illustration of the geographic coverage and the number of retail outlets in Chinese Mainland as of September 30, 2025:

SUMMARY



Since our inception, we have been investing in building value for our “TAILG” brand and taken proactive efforts to enhance its market influence and premium reputation. We design and launch sales and marketing events, including celebrity endorsement, after studying the preference of strategic demographic groups, particularly those of young generation consumers. Furthermore, in recognition of growing influence of social media and short video content, which we believe have strong influence on young generation consumers who are accustomed to obtaining product information and making purchasing decisions online, we strategically promoting both our “TAILG” brand and personal IP of our founder, namely “TAILG Achu (台鈴阿楚)”, across major social media platforms in China. This dual-channel consumer communication approach allows us to convey professional authority through the brand channel while fostering a relatable, lifestyle oriented connection with consumers through “TAILG Achu (台鈴阿楚)” channel.

We have also launched different series of impactful brand campaigns that are designed to promote consumers’ impression on distinctive features of our products, such as premium quality, long-range operations with optimized energy consumptions, as well as endurance to deal with challenges associated with complex road conditions and weathers, which include the “Extreme Cold Challenge,” “Mars Extreme Challenge,” and “Hello, Yangtze” initiative. These initiatives have created and promoted a strong community for users to enjoy exciting interaction with our Company, our founder, where they can find the sense of belongings. As a result of which, we managed to achieve continuous expansion of consumer base, while enriching our brands’ cultural connotations.

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Further, we actively participate in major domestic and international industry exhibitions to enhance brand exposure and industry recognition, including the introduction of our new brand TLG at the International Motorcycle and Accessories Exhibition (EICMA) in Milan, Italy, and showcasing our products, long-range technologies and localization strategies at key trade shows such as the Beijing International Motorcycle Exhibition and Asia Bike Jakarta.

During the Track Record Period, we also carried out cross-industry marketing initiatives, including a limited-edition co-branded electric micromobility vehicle series launched in collaboration with a well-known international fast food enterprise, which generated significant online exposure and supported our efforts to enhance the brand’s contemporary and trend-oriented image. Collectively, these branding and marketing initiatives have contributed to the continued expansion of our consumer base and the enrichment of our brand identity.

Headquartered in Wuxi, Jiangsu Province, we operated six manufacturing bases in Chinese Mainland and one overseas manufacturing base in Vietnam, as of the Latest Practicable Date. With strategically located manufacturing bases across Chinese Mainland and overseas, and close proximity to key transportation infrastructure, we are able to effectively cover relevant regional markets around them in a highly cost-efficient and timely manner, laying a solid foundation for our dynamic and transparent inventory management system, thereby supporting potential improvements in operational efficiency and profitability.

We were among the first batch of enterprises to obtain the product certification for the New National Standard. We have taken the lead in completing a comprehensive upgrade of our quality control systems, safety architecture, and core technologies in full compliance with the new requirements. In addition, we lead the industry by obtaining the “Green Factory (綠色工廠)” certification for our Wuxi and Huizhou bases, with the Huizhou base being the first one in Chinese Mainland obtaining “Zero-Carbon Factory (零碳工廠)” certification issued by the CQC.

OUR MARKET OPPORTUNITIES

We believe that the electric micromobility vehicle market in Chinese Mainland has experienced, and is expected to continue to experience, robust growth, primarily driven by the vast market opportunities arising from the “dual carbon” national strategy in Chinese Mainland, growing public awareness of environmental protection which has driven the adoption of green mobility solutions, pressing demand for short-distance transportation arising from the ongoing process of urbanization, the expansion of instant delivery and sharing economy sectors, as well as consumers’ pursuit of vehicles with intelligent technologies and upgraded features.

According to Frost & Sullivan, the market size of the electric micromobility vehicles in Chinese Mainland is expected to reach RMB227.1 billion by 2029, with an expected compound annual growth rate (“CAGR”) of approximately 8.1% from 2025 to 2029. To effectively capture business opportunities associated with these factors, we have adopted a well-defined sales and marketing strategy by enhancing our penetration into the Chinese Mainland market,

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while continuously investing in product innovation and technology development that can effectively improve the driving experience and bring added value to end consumers. In addition, through enhancing the differentiated advantages of our core product series that each enjoy strong recognition among target demographic groups, including Laser Armor Series (火眼機甲系列), Urban Leisure Series (都市漫騎系列) and Super Flagship Series (超跑旗艦系列), we were able to capture attention of, and promote sales to, consumers with strong purchasing capability and willingness, as evidenced by our outstanding performance in terms of revenue growth and increase in number of retail outlets in 2024, compared with other electric two-wheeled vehicle enterprises in Chinese Mainland.

According to Frost & Sullivan, the global market for electric micromobility vehicles is projected to reach approximately RMB505.9 billion by 2029, with an expected CAGR of around 11.7% from 2025 to 2029. This expected growth, and historical increase in past few years of this market, is primarily driven by, among other things, (i) impact from global consensus on “carbon neutrality” initiatives; (ii) favorable environmental protection policies implemented by governments around the world, particularly those subsidy and incentive policies granted by some governments in South-East Asia driving phaseout of fuel-powered vehicles and replace them with electric ones, and/or setting restrictions on use of motorcycles; (iii) continuous technology iteration which enhances product performance and user experience; (iv) rising public awareness on environmental protection; and (v) mobility demands stemming from increasing urbanization, commuting pressure and population aging. In observation of this market trend, we believe that, by leveraging our technology capabilities, brand influence and strong supply chain management capacity, we can achieve robust growth and replicate our historical success in overseas market.

In particular, in line with our strategy to build an integrated global business operation system covering key sectors like R&D, manufacturing and sales around the world, we are in the process of establishing, as well as expanding our existing overseas manufacturing capability. In addition, we will closely monitor development of market conditions in other countries we deem with strong potential, and may launch production line development in relevant regions when we deem appropriate. As of the Latest Practicable Date, we have not entered into legally binding or definitive arrangement in relation to overseas production expansion, except for those disclosed in the document.

During the Track Record Period, we invested in studying development trends and customer preferences across different overseas markets. Based on such market insights, we adopted differentiated product design and marketing strategies tailored to the characteristics of each market, which supported our overseas expansion and long-term development in relevant regions. For instance, to address strong market demands associated with commuting in Vietnam, we developed and launched commuter-oriented models by capitalizing on R&D achievement and marketing strategy that we accumulated through successful operation in Chinese Mainland. In addition, for sales in Indonesia, we initially entered the market by launching models offering attractive value for money, and subsequently expanded our product offerings into other market segments. On the other hand, for sales in overseas market, we focus

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on developing and launching leisure and sports-oriented models, such as high-speed electric motorcycles and off-road motorcycles, to capture business opportunities driven by users’ recreational and sports needs in relevant markets, resulting in comparatively higher margins.

Leveraging our diversified overseas marketing and product development strategy that are solidly set upon our R&D capability and strong supply chain management capacity, we have achieved strong overseas expansion during the Track Record Period. As of September 30, 2025, our sales network covered many countries and regions worldwide, including Southeast Asia, Africa, Latin America and Europe.

Further, leveraging our successful track record of cooperation with overseas clients and our established overseas customer base, we have built a strong market presence in overseas markets. According to Frost & Sullivan, measured by aggregate sales of those made by overseas manufacturers and export sales from Chinese manufacturers, the overseas electric micromobility vehicles market expanded from approximately RMB65.6 billion in 2020 to approximately RMB138.7 billion in 2024, representing a CAGR of approximately 20.6%, reflecting strong and sustained growth in global demand for electric micromobility solutions. In terms of revenue in 2024, we ranked third in the global electric micromobility vehicle market, with a market share of approximately 5.2%.

R&D CAPABILITIES

We are dedicated to R&D of technologies that can effectively improve energy efficiency, endurance and quality of our products. Focusing on developing proprietary technologies through our in-house team, we prioritize R&D efforts towards improving vehicle performance, quality and product life, as well as supporting continuous product iteration to capture evolving market preferences. As of September 30, 2025, we had a dedicated R&D team comprising 607 employees, and had integrated R&D work with every key sector along the product development lifecycle, covering from initial project initiation to final mass production and commercialization.

In addition, in response to the implementation of the New National Standard, we actively advanced product design innovation by reorganizing cross-functional R&D efforts, redesigning existing models and adopting alternative materials to meet the new regulatory requirements. These efforts have strengthened our R&D reserves for products compliant with the New National Standard and positioned us to compete effectively in the future replacement and upgrade cycle driven by the implementation of the New National Standard.

We have developed a comprehensive technology portfolio covering the manufacturing and development of electric micromobility vehicles to enhance product performance and improve user experience, in particular through the Tai-Link intelligent management system. For details, please see “Business — Research and Development — Key R&D Achievements.”

SUMMARY

In addition, we continue to invest in and develop a number of technologies under research and development, with a view to further strengthening our product competitiveness and reinforcing our market position. For details, please see “Business — Research and Development — Key On-going R&D Projects.”

Additionally, we actively collaborate with various external parties to enhance our R&D capabilities. These collaborations cover a range of technologies relevant to our electric micromobility vehicle products. For example, we have collaborated with third parties relating to battery solutions for electric two-wheeled vehicles and have obtained related patents. Such battery technology enables batteries to enhance performance under low-temperature conditions and to exhibit enhanced durability and efficiency. Through these external collaborations, we are able to maintain our core competitive strengths and reinforce our leading position within the industry.

As of the Latest Practicable Date, we held 1,905 patents in the Chinese Mainland and 53 patents overseas. During the Track Record Period, our R&D activities were supported by sustained investment. Our research and development expenses amounted to RMB254.5 million, RMB294.8 million, RMB231.1 million and RMB275.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our research and development expenses increased by approximately 15.8% in 2024 as compared to 2023, and increased by approximately 19.2% for the nine months ended September 30, 2025 as compared to the corresponding period in 2024.

OUR FINANCIAL PERFORMANCE

Building on our strong brand recognition, extensive sales network, standardized and highly efficient production and management systems, advanced R&D capabilities, industry-leading product quality, as well as prudent development strategy, we recorded consistent performance growth during the Track Record Period. According to Frost & Sullivan, in 2024, as compared to 2023, our revenue growth ranked in the top two among electric micromobility vehicle enterprises in the Chinese Mainland with total revenue exceeding RMB10.0 billion.

Our revenue increased from RMB11,880.1 million in 2023 to RMB13,600.4 million in 2024, representing a growth rate of 14.5%. In addition, our revenue increased from RMB10,706.6 million for the nine months ended September 30, 2024 to RMB14,840.2 million for the nine months ended September 30, 2025, representing a growth rate of 38.6%. Our profit scale also recorded substantial growth. Our net profit increased from RMB286.5 million in 2023 to RMB472.4 million in 2024, representing a growth rate of 64.9%. Our net profit increased from RMB370.0 million for the nine months ended September 30, 2024 to RMB822.7 million for the nine months ended September 30, 2025, representing a growth rate of 122.4%.

SUMMARY

STRENGTH

We believe that the following competitive strengths differentiate us from our competitors and have contributed to our success:

- We are a leading enterprise in electric micromobility vehicle market and a leading brand promoting green, low-carbon and intelligent mobility;
- Our precise marketing positioning leads to successful product series with reliable performance features and trendy design to drive market acceptance;
- Extensive and expanding sales and distribution network supported by digitalized management and innovative marketing capabilities;
- Large-scale and strategically located production capacity supported by advanced and highly automated manufacturing systems;
- Sustained R&D investment driving technology leadership, user-centric innovation and product differentiation;
- Led by our visionary and accomplished founders, we have attracted and retained a strong team of professional talents, laying a solid foundation for our sustainable development.

STRATEGY

Leveraging our competitive strengths, we aim to become an enterprise leading the development of electric micromobility vehicle industry by implementing the following strategies:

- Deepening channel cultivation and accelerating global expansion;
- Continuing to invest in product upgrades and new product development and fostering brand recognition;
- Advancing a global green and low-carbon pathway;
- Strengthening production capacity with smart manufacturing technology to support rapid business expansion;
- Driving technological innovation to lead industry development;
- Continuously attracting and cultivating industry experts and professional talents.

SUMMARY

OUR CUSTOMERS

Our customers primarily included our distributors. In 2023, 2024 and the nine months ended September 30, 2025, our five largest customers in each year and period during the Track Record Period contributed 7.0%, 5.5% and 5.0%, respectively, to our total revenue for the respective periods. Sales to our largest customer in each year and period during the Track Record Period accounted for 2.4%, 1.2% and 1.3% of our total revenue for the respective periods. For details of our customers, please see “Business – Our Customers.”

PROCUREMENT AND OUR SUPPLIERS

Our suppliers primarily include suppliers for raw materials such as batteries and motors. In 2023, 2024 and the nine months ended September 30, 2025, our five largest suppliers in each year and period during the Track Record Period contributed 35.4%, 32.7% and 32.2%, respectively, to our total cost of sales for the respective periods. Purchase from our largest supplier in each year during the Track Record Period accounted for 12.4%, 15.2% and 17.1% of our total cost of sales for the respective periods. For details of procurement and our suppliers, please see “Business – Procurement and Our Suppliers.”

Raw Material Procurement

Our raw materials primarily include batteries and chargers, electric control systems and plastic components. During the Track Record Period, substantially all of our raw materials were sourced from China. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, raw materials costs amounted to RMB10,067.0 million, RMB11,291.8 million, RMB8,954.6 million and RMB12,046.6 million, respectively, representing 95.6%, 95.4%, 95.5% and 95.0% of our total cost of sales for the respective periods. For details of raw material procurement, please see “Business – Procurement and Our Suppliers – Raw Material Procurement.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants’ Report set out in Appendix I to this document, including the accompanying notes and the information set out in “Financial Information” in the document.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i> <i>(Unaudited)</i>	%	<i>RMB'000</i> <i>(Unaudited)</i>	%
Revenue	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0
Cost of sales	(10,535,320)	88.7	(11,838,632)	87.0	(9,375,453)	87.6	(12,676,732)	85.4
Gross Profit	<u>1,344,781</u>	<u>11.3</u>	<u>1,761,735</u>	<u>13.0</u>	<u>1,331,172</u>	<u>12.4</u>	<u>2,163,480</u>	<u>14.6</u>
Other income and gains .	123,896	1.0	185,619	1.4	120,222	1.1	144,218	1.0
Selling and distribution expenses	(564,047)	4.7	(686,694)	5.0	(492,590)	4.6	(669,837)	4.5
Administrative expenses .	(220,315)	1.9	(305,614)	2.2	(213,990)	2.0	(264,208)	1.8
Research and development expenses	(254,468)	2.1	(294,754)	2.2	(231,075)	2.2	(275,495)	1.9
Other expenses	(9,859)	0.1	(11,350)	0.1	(8,747)	0.1	(17,529)	0.1
Reversal of impairment/(impairment) on financial assets, net	(17,431)	0.1	216	0.0	(661)	0.0	(1,316)	0.0
Finance costs	(41,267)	0.3	(42,454)	0.3	(32,245)	0.3	(19,424)	0.1
Profit Before Tax	<u>361,290</u>	<u>3.0</u>	<u>606,704</u>	<u>4.5</u>	<u>472,086</u>	<u>4.4</u>	<u>1,059,889</u>	<u>7.1</u>
Income tax expenses . .	(74,832)	0.6	(134,324)	1.0	(102,072)	0.9	(237,187)	1.6
Profit for the Year/Period	<u>286,458</u>	<u>2.4</u>	<u>472,380</u>	<u>3.5</u>	<u>370,014</u>	<u>3.5</u>	<u>822,702</u>	<u>5.5</u>

SUMMARY

Revenue Breakdown by Types of Product

During the Track Record Period, we primarily derived revenue from manufacturing and sales of electric bicycles, electric motorcycles and electric tricycles. In addition, we also provide batteries as an accessory for sales together with our vehicles.

The following table sets forth a breakdown of our revenue by types of products, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Electric bicycles . . .	6,670,386	56.1	7,062,237	51.9	5,634,098	52.6	8,352,549	56.3
Electric motorcycles . .	2,874,297	24.2	3,184,449	23.4	2,458,559	23.0	2,912,209	19.6
Electric tricycles . . .	—	—	—	—	—	—	2,897	0.1
Batteries	1,896,274	16.0	2,785,894	20.5	2,165,252	20.2	3,034,082	20.4
Others ⁽¹⁾	439,144	3.7	567,787	4.2	448,716	4.2	538,475	3.6
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

Note:

(1) Primarily including revenue generated from sales of accessories.

The following table sets forth the sales volume and average selling prices per unit of our products for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit
	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB
Electric bicycles	5,142	1,297.2	5,542	1,274.3	4,422	1,274.1	5,993	1,393.7
Electric motorcycles	1,957	1,468.7	2,116	1,504.9	1,631	1,507.4	1,837	1,585.3
Electric tricycles	—	—	—	—	—	—	1	3,269.8
Total/Overall	7,099	1,344.5	7,658	1,338.0	6,053	1,337.0	7,831	1,438.9

SUMMARY

Our revenue experienced an increasing trend during the Track Record Period, amounting to RMB11,880.1 million, RMB13,600.4 million, RMB10,706.6 million and RMB14,840.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025. The increase was primarily due to the steady revenue generated from the sales of electric bicycles and motorcycles, which contributed more than 70% of our total revenue throughout the Track Record Period.

Our sale volume of products, including electric bicycles, electric motorcycles, experienced an increasing trend during the Track Record Period, amounting to 7.1 million units, 7.7 million units, 6.1 million units and 7.8 million units in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase was mainly contributed by the continuous increase in the sales volume of electric bicycles and electric motorcycles stipulated by customer demand throughout the Track Record Period.

For details of analysis on revenue breakdown by sales channels, see “Financial Information – Description of Key Components of Our Results of Operations – Revenue – Revenue Breakdown by Types of Products.”

Gross Profit

Our gross profit represents the excess of revenue over costs of sales. Gross profit margin represents gross profit as a percentage of revenue. The following table sets forth a breakdown of our gross profit and gross profit margins of our products by type of products for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)		(Unaudited)	
Electric bicycles	883,976	13.3	1,111,813	15.7	862,115	15.3	1,476,999	17.7
Electric motorcycles . .	382,206	13.3	516,359	16.2	379,059	15.4	526,484	18.1
Electric tricycles	–	0.0	–	0.0	–	0.0	(8)	(0.3)
Batteries	30,855	1.6	43,381	1.6	27,767	1.3	31,017	1.0
Others ⁽¹⁾	47,744	10.9	90,182	15.9	62,231	13.9	128,988	24.0
Total	<u>1,344,781</u>	<u>11.3</u>	<u>1,761,735</u>	<u>13.0</u>	<u>1,331,172</u>	<u>12.4</u>	<u>2,163,480</u>	<u>14.6</u>

Note:

(1) Primarily including revenue generated from sales of accessories.

SUMMARY

During the Track Record Period, our gross profit and gross profit margin of electric bicycles experienced an increasing trend. We record gross profit of RMB884.0 million, RMB1,111.8 million, RMB862.1 million and RMB1,477.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, with a gross profit of 13.3%, 15.7%, 15.3% and 17.7% for the respective periods. The increase was primarily because we continuously optimized our cost structure.

Summary of Selected Items of Financial Positions

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

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Total non-current assets	3,308,974	4,087,905	4,510,823
Total current assets	5,312,506	6,954,814	10,568,554
Total assets	8,621,480	11,042,719	15,079,377
Total non-current liabilities	789,023	724,536	696,811
Total current liabilities	7,394,471	9,394,813	12,615,049
Total liabilities	8,183,494	10,119,349	13,311,860
Net current liabilities	(2,081,965)	(2,439,999)	(2,046,495)
Total equity	437,986	923,370	1,767,517

Our net current liabilities increased from RMB2,082.0 million as of December 31, 2023 to RMB2,440.0 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB1,942.0 million to our suppliers for raw materials and (ii) an increase in other payables and accruals of RMB168.1 million, which were partially offset by (i) an increase in pledged deposits of RMB1,617.8 million and (ii) an increase in financial assets at FVTPL of RMB365.6 million.

Our net current liabilities decreased from RMB2,440.0 million as of December 31, 2024 to RMB2,046.5 million as of September 30, 2025, primarily due to (i) an increase in financial assets at FVTPL of RMB3,898.6 million for purchase of wealth management products, (ii) an increase in trade and bills receivables of RMB105.3 million and (iii) an increase in cash and bank balances of RMB110.0 million, which were partially offset by (i) an increase in trade and bills payables of RMB2,575.8 million, (ii) an increase in other payables and accruals of RMB356.5 million and (iii) an increase in contract liabilities of RMB213.4 million in line with business expansion.

SUMMARY

Summary of Consolidated Statements of Cash Flows

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

	For the year ended December 31,		For the nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Net cash generated from				
operating activities	800,375	1,289,787	2,649,087	4,562,340
Net cash used in investing				
activities	(604,647)	(790,198)	(2,088,390)	(4,355,095)
Net cash generated				
from/(used in) financing				
activities	213,838	(348,963)	(47,366)	(99,762)
Net increase in cash and				
cash equivalents	409,566	150,626	513,331	107,483
Cash and cash equivalents at				
beginning of the				
year/period	671,269	1,079,697	1,079,697	1,229,191
Effect of foreign exchange				
rate changes, net	(1,138)	(1,132)	(795)	2,566
Cash and cash equivalents				
at end of the year/period .	1,079,697	1,229,191	1,592,233	1,339,240

SUMMARY

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates indicated:

	As of/Year Ended December 31,		As of/Nine Months Ended September 30,
	2023	2024	2025
Return on equity ⁽¹⁾ (%)	61.2	69.4	61.1
Return on assets ⁽²⁾ (%)	3.6	4.8	6.3
Current ratio ⁽³⁾ (times)	0.7	0.7	0.8
Quick ratio ⁽⁴⁾ (times)	0.7	0.7	0.8
Gearing ratio ⁽⁵⁾ (%)	239.4	85.1	40.6

Notes:

- (1) Return on equity equals profit for the year/period divided by the average balance of total equity at the beginning and the end of that year/period and multiplied by 100%.
- (2) Return on assets equals profit for the year/period divided by the average balance of total assets at the beginning and the end of that year/period and multiplied by 100%.
- (3) Current ratio equals current assets divided by current liabilities as of the same date.
- (4) Quick ratio equals current assets less inventories and divided by current liabilities as of the same date.
- (5) Gearing ratio equals total debt, comprising borrowings and lease liabilities, divided by total equity as of the same date and multiplied by 100%.

COMPETITION

Driven by the global “carbon neutrality” agenda, supportive policy frameworks across jurisdictions and rising consumer awareness of environmental sustainability, the electric micromobility vehicle market has experienced robust growth. According to Frost & Sullivan, total manufacturer revenue in the global electric micromobility vehicle sector reached RMB263.2 billion in 2024, representing a compound annual growth rate of approximately 18.3% since 2020, which underscores the sector’s resilience and expansion momentum. It is further estimated that the total market size will increase to RMB505.9 billion by 2029, implying a projected compound annual growth rate of approximately 11.7% over the 2025-2029 forecast period. For details of competition, please see “Business – Competition.”

RISK FACTORS

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

SUMMARY

- We face intense competition in both domestic and overseas markets and may fail to maintain or enhance our market position.
- Our success depends on the continued recognition and reputation of our “TAILG” brand, and any damage to our brand image could materially and adversely affect our business.
- Our business depends on our ability to maintain consistent product quality, and any failure to do so could expose us to product liability claims, recalls, regulatory actions and reputational harm.
- We may not be able to timely develop and launch new models or respond to the latest technology advancements to meet consumer preferences and regulatory requirements.
- We may not be successful in implementing our future business strategies, and if we are unable to execute them effectively, our business, financial conditions, results of operations and prospects may be materially and adversely affected.
- Our R&D efforts, including fast-charging technology, may not yield expected outcomes.
- We are subject to risks associated with outsourced R&D, industrial design, and technological cooperation.
- Our marketing activities, including brand promotion and influencer collaboration, may not be effective in attracting or retaining consumers.
- Our overseas expansion are subject to political, economic and regulatory risks in countries where we operate or plan to expand.
- We may face difficulties in managing the standardizing product quality across our overseas manufacturing and assembly site.

DIVIDEND

No dividend was declared or paid by the Company during the Track Record Period.

Pursuant to our Articles of Association, our Board may propose to declare dividends by cash and/or by stock in the future after taking into account our profitability, capital needs and plans on shareholder returns. We may declare cash dividends provided that, among others, our distributable profits of the relevant fiscal year and our accumulated distributable profits are positive, and that we do not have significant investment plans or cash expenditures as defined in our Articles of Association. Our Board may propose customized cash dividend policies based on the industry characteristic, business model, the development stage of our businesses,

SUMMARY

profitability and capital expenditure plans upon meeting conditions per required PRC laws. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED].

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Sun Muqian (孫木鉗), Mr. Yao Li (姚立), Mr. Sun Muchu (孫木楚), directly and through Wuxi Chuangrui as its sole general partner, and Mr. Sun Muchai (孫木釵), were able to exercise an aggregate of 89.91% voting rights in the Company through the Common Control Arrangement and their long-term cooperation in managing our business. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Sun Muqian, Mr. Yao Li, Mr. Sun Muchu, directly and through Wuxi Chuangrui, and Mr. Sun Muchai will exercise the voting rights of approximately [REDACTED]% in our Company. Therefore, Mr. Sun Muqian, Mr. Yao Li, Mr. Sun Muchu, Mr. Sun Muchai and Wuxi Chuangrui, will be our Controlling Shareholders prior to and after the [REDACTED]. For details in relation to our Controlling Shareholders, see “Relationship with our Controlling Shareholders.”

PRE-[REDACTED] INVESTMENTS

Pre-[REDACTED] Investments in our Company were undertaken by the Pre-[REDACTED] Investors. For details of the 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] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED]	Based on an [REDACTED] of HK\$[REDACTED]
[REDACTED] of our Shares ¹	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ²	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

1. Based on the assumptions that [REDACTED] H Shares will be converted from Unlisted Shares and [REDACTED] H Shares will be issued pursuant to the [REDACTED], and the [REDACTED] is not exercised.
2. See “Appendix II — Unaudited [REDACTED] Financial Information” for details regarding the assumptions used and the calculation method.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million (after deducting [REDACTED] fees and estimated expenses payable by us in connection with the [REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]. We intend to use the net [REDACTED] from the [REDACTED] in the following manner:

- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for strengthening our production capabilities, mainly involving the construction and expansion of our manufacturing bases and the purchase and installation of related equipments and facilities.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for the enhancement of our sales and distribution network.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for our R&D activities and upgrades to our product matrix.
- approximately [REDACTED]%, or HK\$[REDACTED] million is expected to be used for branding and marketing activities to enhance our brand awareness.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for digitalization initiatives.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for working capital and other general corporate purposes.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately RMB[REDACTED] million (HK\$[REDACTED] million) (including [REDACTED] commission), at the [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of our indicative [REDACTED] for the [REDACTED]), and assuming the [REDACTED] is not exercised, among which (i) [REDACTED] expenses, including [REDACTED] commission and other expenses are approximately RMB[REDACTED] million (HK\$[REDACTED] million) and (ii) [REDACTED] expenses are approximately RMB[REDACTED] million (HK\$[REDACTED] million), comprising (a) fees and expenses of legal advisors and accountants of approximately RMB[REDACTED] million (HK\$[REDACTED] million) and (b) other fees and expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million). As of September 30, 2025, we incurred a total of RMB[REDACTED] million (HK\$[REDACTED] million) in [REDACTED] expenses, among which RMB[REDACTED] million (HK\$[REDACTED] million) were recognized in our statement of profit or loss, and RMB[REDACTED] million (HK\$[REDACTED] million) were capitalized.

SUMMARY

We estimate that additional [REDACTED] expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million) (including [REDACTED] commissions of approximately RMB[REDACTED] million (HK\$[REDACTED] million), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of our indicative [REDACTED] for the [REDACTED])) will be incurred by our Company, approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which is expected to be charged to our statements of profit or loss, and approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which is expected to be capitalized. Our [REDACTED] expenses as a percentage of gross [REDACTED] is [REDACTED]%, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of our indicative [REDACTED] for the [REDACTED]) and that the [REDACTED] is not exercised. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we have continued to expand and diversify our product portfolio of electric two-wheel vehicles and electric tricycles, extending the application scenarios from traditional commuting and leisure use to more diversified and segmented scenarios. Concurrently, we have proactively adapted to the evolving regulatory environment and aligned our R&D strategy with worldwide low-carbon and environmental sustainability trends by comprehensively upgrading our product standards and completing successive product iterations and replacements, and we launched over 50 products since the end of September 2025.

No Material Adverse Change

Save as disclosed above, after due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or [REDACTED] position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since September 30, 2025, being the end of the Track Record Period, and there is no event since September 30, 2025, which would materially affect the information shown in the Accountant’s Report, the contents of which are set out in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“Accountant’s Report”	the accountant’s report of our Company from Ernst & Young, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person(s), directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person(s)
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company adopted on January 25, 2026 with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix V to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of our Board
“BIS”	U.S. Department of Commerce, Bureau of Industry and Security
“Board” or “Board of Directors”	the board of Directors
“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]

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this document, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China
“Chongqing Tailg”	Tailg Technology (Chongqing) Co., Ltd. (台鈴科技(重慶)有限公司), a company established in the PRC with limited liability on November 6, 2020, and a wholly owned subsidiary of our Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Co-founder(s)”	refers to Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚) and Mr. SUN Muchai (孫木釵)
“Common Control Agreement”	the common control agreement dated November 26, 2025 entered into between Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚) and Mr. SUN Muchai (孫木釵)
“Common Control Arrangement”	the arrangement among Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚) and Mr. SUN Muchai (孫木釵) by entering into the Common Control Agreement and the Historical Control Confirmation Letter, pursuant to which they have historically acted, are currently acting, and will continue to act in a coordinated manner in voting and decision-making in respect of the exercise of their voting rights in our Group
“Common Controlled Entity(ies)”	the subsidiaries of our Group directly controlled by our Co-founders before relevant acquisitions, refers to Tianjin Tailg, Chongqing Tailg, Tailg Technology (Shenzhen) Co., Ltd. (台鈴科技(深圳)有限公司), Jiangsu Maitaotao, Guangdong Tailg, Tianjin Shenling, Jiangmen Zero Technology Co., Ltd. (江門市零號科技有限公司), Wuxi Tailg Technology Trading Co., Ltd. (無錫市台鈴科技貿易有限公司), Tianjin Ruitai Shengxiang Machinery Co., Ltd. (天津瑞泰盛祥機械有限公司), Dongguan Tailg Trading Co., Ltd. (東莞市台鈴貿易有限公司)

DEFINITIONS

“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” or “our Company” or “the Company” or “we” or “us”	TAILG Technology Co., Ltd. (台鈴科技股份有限公司), a company established under the laws of the PRC as a limited liability company on December 17, 2018 and converted into a joint stock company with limited liability in the PRC on December 10, 2021
“Comprehensively Sanctioned Countries”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction, currently Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People’s Republic (LPR) and Donetsk People’s Republic (DPR) regions and Zaporizhzhia and Kherson regions
“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 Shareholders Group” or “Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚), Mr. SUN Muchai (孫木釵) and Wuxi Chuangrui
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Director(s)”	the director(s) of our Company
“EAR”	United States Export Administration Regulations, 15 C.F.R. Parts 730-774

DEFINITIONS

“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“ESG”	environmental, social and governance
“Exchange Participant(s)”	a person: (a) who, in accordance with the Rules of the Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“FINI”	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new [REDACTED]
“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
“Frost & Sullivan Report”	the industry report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set forth in the section headed “Industry Overview” in this document
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange and as amended from time to time [REDACTED]
“Group”, “our Group”, “we”, “us” or “our”	our Company and, where appropriate, our subsidiaries or, in respect of the period before our Company became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be

DEFINITIONS

“Guangdong Tailg”	Tailg Technology (Guangdong) Co., Ltd. (台鈴科技(廣東)有限公司), a company established in the PRC with limited liability on September 27, 2019, and a wholly owned subsidiary of our Company
“Guangxi Tailg”	Tailg Technology (Guangxi) Co., Ltd. (台鈴科技(廣西)有限公司), a company established in the PRC with limited liability on April 28, 2023, and a wholly owned subsidiary of our Company
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Historical Control Confirmation Letter”	the historical control confirmation letter dated November 26, 2025 entered into between Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚) and Mr. SUN Muchai (孫木釵)
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the [REDACTED] for the [REDACTED] to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a clearing participant or a custodian participant under HKSCC to give electronic [REDACTED] instructions via HKSCC’s FINI system to apply for the [REDACTED] on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of the HKSCC

DEFINITIONS

“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong [REDACTED]”	the [REDACTED] of the [REDACTED] in the section headed “[REDACTED]” in this document
“Hong Kong [REDACTED]”	the [REDACTED] dated [●] relating to the [REDACTED] and entered into by, among others, our Company, the Controlling Shareholders, [REDACTED], as further described in the section headed “[REDACTED]” in this document

DEFINITIONS

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

[REDACTED]

“H Shareholder(s)” holders of the H Shares

“HKFRS Accounting Standards” Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations

“IIT Law” the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)

“Independent Third Party(ies)” any person(s) or entity(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company

[REDACTED]

“International Sanctions” all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the EU and its member states, the United Kingdom, UN or Government of Australia

“International Sanctions Legal Advisors” Hogan Lovells, our legal advisors as to International Sanctions laws in connection with the [REDACTED]

DEFINITIONS

[REDACTED]

“Jiangsu Maitaotao”	Jiangsu Maitaotao Technology Trading Co., Ltd. (江蘇麥淘淘科技貿易有限公司), a company established in the PRC with limited liability on September 13, 2021, and a wholly owned subsidiary of our Company
“Jiangsu Tailg”	Tailg Technology (Jiangsu) Co., Ltd. (台鈴科技(江蘇)有限公司), a company established in the PRC with limited liability on January 10, 2014, and a wholly owned subsidiary of our Company

[REDACTED]

“Joint Sponsors”	CITIC Securities (Hong Kong) Limited and China Merchants Securities (HK) Co., Limited
“Latest Practicable Date”	January 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“Lingdong Decoration”	Lingdong (Jiangsu) Architectural Decoration Design Co., Ltd. (鈴動(江蘇)建築裝飾設計有限公司), a company established in the PRC with limited liability on November 21, 2022, and a wholly owned subsidiary of our Company

DEFINITIONS

[REDACTED]

“Listing Committee” the listing committee of the Hong Kong Stock Exchange

[REDACTED]

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

“Lufeng Tailg” Lufeng Tailg Technology Co., Ltd. (陸豐市台鈴科技有限公司), a company established in the PRC with limited liability on February 27, 2025, and an indirectly controlled non-wholly-owned subsidiary of our Company

“Macau” the Macau Special Administrative Region of the People’s Republic of China

“Main Board” the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“MIIT” the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

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

“Mr. SUN Muchai” Mr. Sun Muchai (孫木釵), one of our Controlling Shareholders upon the [REDACTED], the Co-founder, an executive Director and the senior vice president of our Company

“Mr. SUN Muchu” Mr. Sun Muchu (孫木楚), one of our Controlling Shareholders upon the [REDACTED], the Co-founder, an executive Director and the executive president of our Company

DEFINITIONS

“Mr. SUN Muqian”	Mr. Sun Muqian (孫木鉗), one of our Controlling Shareholders upon the [REDACTED], the Co-founder, an executive Director and the chairman of the Board of our Company
“Mr. YAO Li”	Mr. Yao Li (姚立), one of our Controlling Shareholders upon the [REDACTED], the Co-founder, an executive Director and the president of our Company
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“OFAC”	the U.S. Department of Treasury’s Office of Foreign Assets Control

[REDACTED]

DEFINITIONS

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Advisor”	King & Wood Mallesons, the legal advisor to our Company as to the PRC laws
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors pursuant to the relevant equity transfer agreement(s) and/or share subscription agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this document

DEFINITIONS

“Pre-[REDACTED] Investor(s)” the [REDACTED] who acquired interest in our Company pursuant to the relevant equity transfer agreement(s) and/or share subscription agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this document

“Pre-[REDACTED] Share Incentive Plans” the employee incentive scheme of our Company which was adopted in December 2023 and September 2025, a summary of the principal terms of which is set forth in the paragraph headed “Further Information about Our Directors and Substantial Shareholders — 5. Pre-[REDACTED] Share Incentive Plans” in Appendix VI to this document

[REDACTED]

“Provinces” 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

“Regulation S” Regulation S under the U.S. Securities Act

“Relevant Jurisdiction” any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets or certain countries, governments, person or entities targeted by such law or regulation. For the purpose of this Document, Relevant Jurisdictions include the U.S., EU, UK, UN and Australia

“Relevant Persons” means the Company, together with its [REDACTED] and shareholders and persons who might directly or indirectly, be involved in permitting the [REDACTED], trading clearing and settlement of its shares including the Stock Exchange and related group companies

“Relevant Regions” Hong Kong, Turkey, Iraq and Egypt

DEFINITIONS

“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Sanctioned Person”	certain person(s) and identity(ies) listed on OFAC’s Specially Designated Nationals and Blocked Persons (“SDN”) List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
“Sanctioned Target”	any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Comprehensively Sanctioned Countries; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanwei Hualing”	Shanwei Hualing Technology Co., Ltd. (汕尾市華鈴科技有限公司), a company established in the PRC with limited liability on July 2, 2025, and an indirectly controlled non-wholly-owned subsidiary of our Company
“Share Incentive Platform” or “Wuxi Chuangrui”	Wuxi Chuangrui Investment Management Partnerships Enterprise (無錫創睿投資管理合夥企業(有限合夥)), a limited partnership established in the on September 11, 2025 for the purpose of implementing the Employee Incentive Scheme

DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of our Share(s)
	[REDACTED]
“sq.m.”	square meters
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy and ESG Committee”	the strategy and ESG committee of our Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“TAILG mobile application”	serves as an intelligent electric micromobility vehicle management tool, where users are able to view and track real-time vehicle status, battery data, vehicle location, historical riding routes and vibration-alert notifications
“Tailg Sales”	Jiangsu Tailg Sales Co., Ltd. (江蘇台鈴銷售有限公司), a company established in the PRC with limited liability on September 8, 2022, and a wholly owned subsidiary of our Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Tianjin Shenling”	Tianjin Shenling Technology Development Co., Ltd. (天津深鈴科技發展有限公司), a company established in the PRC with limited liability on May 24, 2011, and a wholly owned subsidiary of our Company
“Tianjin Tailg”	Tailg Electric Technology (Tianjin) Co., Ltd. (台鈴電動科技(天津)有限公司), a company established in the PRC with limited liability on September 11, 2018, and a wholly owned subsidiary of our Company

DEFINITIONS

“Track Record Period” the two financial years ended December 31, 2024 and the nine months ended September 30, 2025

[REDACTED]

“United States” or “U.S.” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“Unlisted Share(s)” ordinary Share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange

“US\$” or “USD” United States dollars, the lawful currency of the United States

“U.S. Securities Act” the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

“Vietnamese dong” Vietnamese *đồng*, the lawful currency of the Socialist Republic of Vietnam

[REDACTED]

“%” per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains terms used in this document in connection with us. As such, these terms and their meanings may not correspond to standard industry meanings or usages of these terms.

“Bluetooth”	a radio technology that makes it possible for mobile phones, computers and other electronic devices to be linked over short distances, without needing to be connected by wires
“BMS”	battery management system
“CAGR”	compound annual growth rate
“CNAS”	China National Accreditation Service for Conformity Assessment
“CQC”	China Quality Certification Center (中國質量認證中心)
“electric two-wheeled vehicles(s)”	Electric motorcycle(s), electric moped(s) and electric bicycle(s)
“GFA”	gross floor area
“ISO”	International Organization for Standardization
“kg”	kilogram
“km”	kilometer
“km/h”	kilometer per hour
“KOL”	key opinion leaders
“kW”	kilowatt
“LED”	light-emitting diode
“mm”	millimeter
“New National Standard”	the Safety Technical Specification for Electric Bicycles (《電動自行車安全技術規範》) (GB17761-2024)
“NFC”	Near Field Communication
“OA”	office automation

GLOSSARY OF TECHNICAL TERMS

“SOC”	state of charge
“SVM”	space vector modulation
“TCS”	traction control system
“V”	Volt
“W”	Watt
“WMS”	warehouse management system
“3C”	China Compulsory Certificate, a statutory compulsory safety certification system aimed at protecting the rights and interests of consumers and safeguarding the safety of consumers and their property

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully business strategies and plans to achieve these strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our ability to attract customers and further enhance our brand recognition;
- our future debt levels and capital needs;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy, if any; and
- changes or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

In some cases, we use the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed “Business” and “Financial Information” in this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

FORWARD-LOOKING STATEMENTS

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the 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 statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in the H Shares involves various risks. You should consider carefully all the information set out in this document and, in particular, the risks described below before making an [REDACTED] in the H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the [REDACTED] of the H Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face intense competition in both domestic and overseas markets and may fail to maintain or enhance our market position.

We operate in a highly competitive electric micromobility vehicle industry and face intense competition in both domestic and overseas markets. According to Frost & Sullivan, we ranked third in the global electric micromobility vehicle market in terms of total revenue in 2024, accounting for 5.2% of the market share. And we ranked third in the electric two-wheeled vehicles market in Chinese Mainland in terms of total revenue in 2024, accounting for 12.7% of the market share. For details, please see “Industry Overview.” Competition in our industry is based on multiple factors, including product quality and performance, pricing, brand recognition, technological capabilities, product range, distribution network, after-sales services and marketing effectiveness. In order to remain competitive, we may be required to increase investments in R&D, marketing, brand promotion or distribution networks. Such investments may increase our operating expenses and there can be no assurance that they will result in corresponding improvements in market position or financial performance. If we are unable to compete effectively against existing or new competitors, our market share, pricing power and profitability may be adversely affected, which in turn may have a material and adverse effect on our business, results of operations and prospects.

Our success depends on the continued recognition and reputation of our “TAILG” brand, and any damage to our brand image could materially and adversely affect our business.

Brand image plays a role in influencing consumer purchasing decisions. Consumers may take brand recognition into account when choosing among products offered by different brands, particularly in connection with first-time purchases. Brand reputation is generally developed over time through sustained product quality and service standards, which may contribute to increased market awareness, customer loyalty and repeat purchases, as well as more effective marketing efforts. We believe that the market recognition of the “TAILG” brand and our reputation in the electric micromobility vehicles market are relevant to our marketing and promotional efforts. Our ability to maintain and enhance brand recognition and brand image may affect our product differentiation and competitiveness in the relevant market.

RISK FACTORS

Our brand reputation may be adversely affected by various factors, including product quality issues, customer complaints, perceived or actual safety incidents, regulatory actions, negative media coverage or publicity, misconduct or improper behavior of our employees, distributors, business partners, or any other third parties, or negative developments involving our competitors or the industry as a whole. Any negative publicity, regardless of its accuracy or whether it directly relates to us, may harm our brand image, reduce consumer confidence and adversely affect demand for our products.

As we continue to expand our operations, product offerings and geographic reach, maintaining consistent product quality, customer service and brand positioning may become more challenging. There can be no assurance that we will be able to effectively manage our brand image or promptly respond to any events or perceptions that may adversely affect our reputation. In certain circumstances, addressing brand-related issues may require us to divert management attention and incur additional costs for remedial measures, marketing or public relations efforts.

Furthermore, any damage to our brand image or reputation may have a lasting impact on our relationships with consumers, distributors, business partners, or any other third parties, and may reduce our ability to attract new customers or retain existing ones. Recovery from reputational harm may be difficult, time-consuming and costly. If the recognition or reputation of our “TAILG” brand is compromised, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

Our business depends on our ability to maintain consistent product quality, and any failure to do so could expose us to product liability claims, recalls, regulatory actions and reputational harm.

Our business requires us to consistently deliver products with reliable quality and performance. While we have established quality control systems covering various stages of our operations, we cannot assure you that such systems will always be effective or that all potential defects can be identified before products are placed on the market or after prolonged use under different riding conditions.

Our vehicles are comprised of multiple components, including batteries, motors and electronic control systems, some of which are sourced from third-party suppliers. Defects in design, materials or manufacturing, whether arising from our own processes or from third-party suppliers, may result in product malfunctions, safety incidents or non-conformities. In the past, certain of our products were subject to administrative penalties for product non-conformities. If the quality of our products declines, or if consumers perceive our products to be unsafe, unreliable or not performing as expected, we may experience returns, order cancellations, customer complaints, warranty claims, administrative penalties or other regulatory actions.

RISK FACTORS

In addition, actual or alleged defects in our products, or in electric micromobility vehicles generally, may give rise to product liability claims, compensation demands, disputes or compulsory product recalls under applicable laws and regulations. Product recalls, whether voluntary or mandatory, may involve significant costs, including repair, replacement and logistics expenses, and may disrupt our production planning and sales activities. Even where such matters are ultimately resolved without material liability, they may still require substantial management time and resources and result in reputational harm.

Moreover, quality or safety issues affecting the electric micromobility vehicle industry as a whole, regardless of whether such issues relate to us, may negatively affect consumer confidence in our brand and demand for our products. Any actual or perceived quality, safety or compliance issues relating to our products or the industry may adversely affect our business, financial condition and results of operations.

We may not be able to timely develop and launch new models or respond to the latest technology advancements to meet consumer preferences and regulatory requirements.

Our ability to maintain competitiveness and support future growth depends on our ability to timely develop and launch new models or to respond to the latest technology advancements that meet evolving consumer preferences and applicable regulatory requirements. Consumer preferences are subject to continuous changes resulted by technological advancements, lifestyle trends, pricing considerations and competitive offerings. At the same time, our products are subject to increasingly stringent regulatory standards and technical requirements relating to safety, environmental protection, energy efficiency and other compliance matters, which require continuous investment in product development, testing and certification.

The development and launch of new products or the process to respond to the latest technology advancements involve complex and time-consuming processes, including R&D, industrial design, testing, certification, supply chain coordination and preparation for mass production. We may encounter difficulties in accurately anticipating consumer demand, completing development within planned timelines or obtaining necessary regulatory approvals. Even where new models with the latest technology advancements are successfully developed and launched, they may not be accepted by the market or perform as expected, which may necessitate additional modifications, pricing adjustments or marketing efforts. Therefore, delays in product launches, increased development costs or misalignment between products and market or regulatory expectations could adversely affect our operational efficiency, profitability and overall business performance.

RISK FACTORS

We may not be successful in implementing our future business strategies, and if we are unable to execute them effectively, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

We aim to pursue sustainable growth and enhance our competitiveness through the implementation of our business strategies. For details, please see “Business — Strategy.” However, our business plans and strategies are based on certain assumptions regarding future developments and are subject to various risks and uncertainties. Such assumptions may not prove to be accurate, which could affect the feasibility and effectiveness of our business plans and strategies. Accordingly, there can be no assurance that our business plans and strategies will be implemented as planned or will achieve the intended results.

If we are unable to implement our business plans and strategies in an effective and timely manner, our ability to expand our operations, manage growth, capture market opportunities or maintain competitiveness may be adversely affected. Even if we implement our business plans and strategies timely, various external or unforeseen factors may limit our ability to achieve the expected commercial or financial outcomes. Any failure of our future business plans and strategies to deliver the anticipated results could have a material adverse effect on our business, financial condition, results of operations and prospects.

As part of our development plans, we may seek to strengthen our production capacity in response to evolving business needs. The outcome of any such expansion initiatives may depend on a range of factors outside our control, including the progress of construction by third-party contractors, changes in applicable laws, regulations or government policies, the availability of suitable labor resources and fluctuations in market demand. In addition, the integration of new facilities into our existing operations may involve operational challenges or delays, which could result in higher operating costs, constraints on production capacity, delays in fulfilling customer orders or reduced operational efficiency. As a result, we may not be able to achieve the intended scale of expansion or manage our growth in a timely or cost-efficient manner.

Our R&D efforts, including fast-charging technology, may not yield expected outcomes.

We have invested, and expect to continue to invest, significant resources in R&D to enhance our products and technologies, including in areas such as fast-charging technology. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses amounted to RMB254.5 million, RMB294.8 million, RMB231.1 million and RMB275.5 million, respectively. Our ability to maintain competitiveness and support future growth depends, in part, on the success of such R&D efforts. In addition, R&D efforts may not generate the anticipated economic returns. We may incur substantial upfront expenses for personnel, equipment, testing, system integration and external cooperation without achieving corresponding improvements in product performance, market demand or pricing power. Rapid technological changes, evolving industry standards or competitors’ alternative technological solutions may also render certain of our research efforts less competitive or commercially unviable.

RISK FACTORS

Furthermore, the integration of new technologies into our existing products and production processes may present operational challenges, including compatibility issues, quality control risks or disruption to manufacturing efficiency. Any failure to effectively manage such integration may adversely affect production schedules, product quality or customer satisfaction. If our R&D efforts fail to yield the expected outcomes, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks associated with outsourced R&D, industrial design, and technological cooperation.

We engage third parties from time to time to conduct outsourced R&D, industrial design and technological cooperation to support our product innovation and technological advancement. Our ability to develop competitive products and technologies depends, in part, on the effective performance and cooperation of such third parties.

If our external R&D partners or technology collaborators fail to deliver expected outcomes due to technical difficulties, insufficient expertise, manpower constraints, delays in development schedules, changes in business focus, financial difficulties or the termination of cooperation arrangements, our outsourced R&D, industrial design or technological cooperation may be delayed or unsuccessful, which could result in delays in product development, increased costs or an inability to meet market expectations.

In addition, outsourced R&D and technological cooperation may give rise to risks relating to confidentiality, data security and intellectual property rights. Despite contractual arrangements designed to protect our interests, there can be no assurance that our proprietary technologies, trade secrets or other confidential information will not be misappropriated, disclosed or otherwise compromised. Disputes may also arise with third-party collaborators regarding ownership, usage rights or enforcement of intellectual property developed through such cooperation.

Furthermore, managing and coordinating multiple external R&D and technology partners may require significant management attention and resources. We may incur additional costs to monitor project progress, ensure quality standards or transition to alternative partners if cooperation arrangements become ineffective or are terminated.

Our marketing activities, including brand promotion and influencer collaboration, may not be effective in attracting or retaining consumers.

We promote our brand and products through a variety of marketing channels and activities, including brand promotion campaigns, online and offline marketing initiatives, influencer or key opinion leader collaboration, and other advertising and promotional efforts. These marketing activities may require significant expenditures and management resources,

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and their effectiveness is inherently difficult to predict and evaluate. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our selling and distribution expenses amounted to RMB564.0 million, RMB686.7 million, RMB492.6 million and RMB669.8 million, respectively.

Consumer preferences and purchasing behavior may change rapidly due to factors such as shifts in market trends, increased competition, pricing strategies of competitors and the proliferation of alternative marketing channels. There can be no assurance that our brand promotion efforts or collaborations with influencers or other third-party promoters will generate the intended level of consumer awareness, engagement or loyalty, or successfully translate into increased sales or long-term customer retention.

In addition, influencer collaboration and third-party promotional activities may involve reputational and compliance risks. Any negative publicity, inappropriate conduct or regulatory non-compliance by influencers or other promotional partners, whether related to us or not, could adversely affect our brand image and undermine consumer confidence in our products. Furthermore, the timing and impact of marketing activities may not be immediately reflected in our financial performance, and the benefits of such activities may be delayed or less significant than expected.

If our marketing activities fail to achieve their intended objectives, or if we are unable to effectively manage marketing costs while maintaining efficient consumer outreach, our ability to attract and retain consumers may be adversely affected, which in turn could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our overseas expansion are subject to political, economic and regulatory risks in countries where we operate or plan to expand.

Our overseas expansion forms part of our long-term business strategy. We currently operate in, and may further expand into, overseas markets, which may expose us to various political, economic, regulatory and operational risks that are beyond our control.

Operating in overseas markets subjects us to risks arising from political instability, changes in governmental policies, trade restrictions, tariffs or other barriers to entry, fluctuations in foreign exchange rates, inflation, economic downturns and differences in legal, regulatory and business environments. Regulatory regimes in overseas jurisdictions may differ significantly from those in the PRC and may be subject to changes or differing interpretations by local authorities. Compliance with such foreign laws and regulations may impose additional costs, administrative burdens or operational constraints on us.

In addition, our overseas operations may be exposed to risks relating to customs clearance, logistics, payment collection, local labor practices, tax regimes, sanctions or export control requirements, as well as disputes with overseas customers or business partners. We may also be subject to product liability claims or other legal disputes in overseas markets, which may result in substantial costs and diversion of management resources.

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Furthermore, geopolitical developments, international trade tensions or changes in diplomatic relations may adversely affect our ability to conduct business in certain overseas markets or increase the uncertainty associated with our overseas expansion plans. There can be no assurance that we will be able to successfully expand or sustain our presence in overseas markets on commercially acceptable terms, or at all.

If we are unable to effectively manage the risks associated with overseas expansion, or if adverse political, economic or regulatory developments occur in the countries where we operate or plan to expand, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We may face difficulties in managing and standardizing product quality across our overseas manufacturing and assembly site.

As we operate our business across multiple jurisdictions, we may face challenges in maintaining consistent product quality and implementing uniform quality control standards across different overseas manufacturing and the assembly site.

Overseas manufacturing and assembly activities may be subject to different regulatory requirements, technical standards, labor skill levels, supplier capabilities, production practices and quality expectations compared to those in China. Differences in local sourcing, workforce experience, production processes, equipment conditions and management execution may adversely affect product quality and consistency across sites.

Although we endeavor to implement standardized production processes and quality control measures across our overseas operations, such measures may not always be fully effective. Our ability to monitor and manage product quality may be constrained by geographic distance, reliance on local management teams or third-party partners, and operational complexity.

If we fail to effectively manage and standardize product quality with consistent quality standards in line with local laws and regulations in various jurisdictions, we may experience quality inconsistencies, increased defect rates, product recalls, warranty claims or customer complaints, which could harm our brand reputation and have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on our sales and distribution network, and our inability to manage our distributors effectively could affect our market performance.

We rely on our sales and distribution network to sell our products, and a substantial portion of our sales is conducted through distributors. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue from sales through distributors amounted to

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RMB11,394.8 million, RMB13,146.1 million, RMB10,371.8 million and RMB14,447.7 million, accounting for 95.9%, 96.7%, 96.9% and 97.4% of our total revenue, respectively. Our market performance depends significantly on the effectiveness, stability and compliance of our distribution network.

If our distributors fail to devote sufficient resources to the promotion and sales of our products, prioritize competing brands, deviate from our pricing or branding policies, or inadequately manage inventory levels, our sales volume, market coverage, brand image and customer satisfaction may be adversely affected. In addition, we may face challenges in effectively monitoring and managing a large and geographically dispersed distribution network. Despite contractual arrangements, internal policies and management measures, there can be no assurance that our distributors will consistently comply with applicable laws and regulations or adhere to our standards relating to sales practices, product presentation or after-sales services. Any misconduct, non-compliance or operational failures by distributors may result in reputational damage, regulatory scrutiny or disruption to sales activities.

We may not be able to compete effectively against certain of our existing or potential competitors that have greater scale and more substantial financial resources to support their sales and marketing activities, particularly where such competitors are able to offer more favorable commercial terms or arrangements to their distributors. We cannot assure you that we will not lose any of our distributors to our competitors, which may result in the loss of some or all of the preferential arrangements we have with such distributors and, in certain circumstances, the termination of our relationships with other distributors.

Furthermore, our distributors may accumulate excess inventory or fail to align their ordering decisions with actual market demand. In such circumstances, they may reduce future orders until inventory levels are adjusted, which may result in fluctuations or declines in our sales. We may also encounter difficulties in establishing or maintaining relationships with distributors on commercially acceptable terms, or in replacing distributors that cease or reduce their cooperation with us.

If we are unable to effectively manage our distributors, or if our sales and distribution network becomes unstable or less effective, our market performance, business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to effectively manage any overlap or potential competition among our distributors.

During the Track Record Period, we primarily sold our products through our distributors. Our success is highly dependent on our ability to maintain and expand these sales networks. We may face the risk if our distributors engage in cannibalization activities, such as cross-region sales that violate their contractual obligations. Such conducts could result in internal competition, potentially leading to cannibalization within our sales network.

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We cannot assure you that our measures to manage overlap or potential competition among our distributors will be fully effective. As a result, the expansion of our sales network may not lead to a proportional increase in our sales revenue. Furthermore, adverse competition and cannibalization among distributors could undermine the stability of our sales and distribution network, potentially having a material adverse effect on our profitability, business, financial condition, and results of operations.

We may have limited control over the operations of our distributors and their sub-distributors. Our business may be adversely affected by risks relating to the acts or omissions of our distributors and sub-distributors, including their potential breaches of distribution agreements or other applicable arrangements.

We rely on third-party distributors, which may directly conduct and/or engage sub-distributors for the marketing, branding and sales of our products. The performance of our distributors and sub-distributors, their ability to sell our products and the effectiveness of their distribution networks are important to our business growth and may have a direct impact on our revenue and profitability. There can be no assurance that we will be able to timely or effectively identify any non-compliance by our distributors or sub-distributors with the terms of their distribution agreements or other relevant arrangements.

Any non-compliance by our distributors or sub-distributors may damage our brand reputation and disrupt our sales channels. In addition, we may be exposed to risks of fraud or other misconduct committed by our distributors or sub-distributors. Such fraud or misconduct may include, among others, making unauthorized misrepresentations to customers, misappropriating or infringing third-party intellectual property or other proprietary rights, and engaging in bribery or other unlawful payments. In any such event, we may incur liability to customers or other third parties in connection with the fraud or misconduct of our distributors or sub-distributors. Regardless of whether such claims have merit, they may subject us to costly litigation, place significant strain on our brand equity, financial resources and management attention, and result in customer complaints, regulatory and legal liabilities, as well as material damage to our reputation.

Certain of our distributors or sub-distributors may be subject to penalties for their own misconducts such as making unauthorized alterations to our products, which could negatively impact our reputation, business, financial condition, results of operations and prospects.

In China, competent administrative authorities such as local branches of the SAMR are responsible for conducting regular inspections on products in the market. Our distributors or sub-distributors may be subject to administrative penalties in the course of their business due to their own misconducts such as selling products that do not comply with mandatory legal or regulatory requirements. These misconducts, including among others, the unauthorized alternations, which may be found to be in violation of applicable laws and regulations, leading to administrative penalties or fines. In certain circumstances, such misconducts may give rise

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to safety concerns. There can be no assurance that we may detect any misconducts by our distributors or sub-distributors in a timely manner. For details, please see “Business — Our Sales Network — Distributor Agreement” and “Business — Our Sales Network — Distributor Management.”

Further, there can be no assurance that such safety concerns will not cause any further incidents, to which consumers may bring claims or initiate administrative and/or legal proceedings against our distributors and/or sub-distributors and us, on the basis of product non-conformity, or even product liability for those products that have been unlawfully altered by distributors or sub-distributors. There can be no assurance that we will not be liable or exempted from bearing risks associated with such claims or administrative and/or legal proceedings. Any claims or proceedings, and their outcomes, may harm our reputation and brand recognition, reduce consumer confidence and demand for our products, and could have a material adverse effect on our reputation, financial condition, results of operations and prospects.

We may be adversely affected by negative publicity involving our products, employees, distributors, business partners, or any other third parties.

The electric micromobility vehicle industry is particularly sensitive to concerns relating to product quality, safety, pricing, service standards and regulatory compliance. Any adverse publicity or negative media coverage relating to our industry, regardless of its accuracy or whether it is directed at us in particular, could have a material adverse effect on our business and results of operations. Negative publicity concerning the safety, pricing or quality of our products, as well as any adverse media coverage relating to regulatory or legal actions against us, even if unfounded or immaterial to our operations, may damage our reputation and brand image, undermine end users’ confidence in our products and reduce long-term demand for our products. We cannot assure you that such negative publicity will not arise in the future. And when we are confronted with such adverse publicity, we cannot assure you that we will be able to take timely or effective clarification or remedial actions. Any clarification or remedial measures that we undertake may also divert management’s attention and other resources from our day-to-day operations. As a result, our business, financial condition, results of operations, reputation and prospects may be adversely affected.

We, our distributors or sub-distributors were subject to administrative penalties for using unverifiable advertising expressions, and any similar incidents in the future could expose us to regulatory and reputational risks.

In the ordinary course of our business, we, our distributors or sub-distributors adopt various forms of advertising and promotional activities to market our products, and such activities may, to a certain extent, be subject to regulatory compliance and reputational risks. For example, in 2024, we were subject to an administrative penalty imposed by the relevant regulatory authority in connection with the publication of advertising content relating to certain “TAILG” branded electric bicycles and electric motorcycles, which was determined to contain certain statements that were unverifiable or not sufficiently precise. Under the PRC

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Advertising Law (《中華人民共和國廣告法》), advertising activities are subject to strict regulatory requirements, and advertisers bear primary responsibility for the truthfulness, accuracy and completeness of advertising content. Failure to comply with such requirements may result in administrative penalties, including fines, corrective orders, suspension of advertising activities and, in serious circumstances, more severe regulatory sanctions.

During the Track Record Period, the above administrative penalty has been fully settled. However, we cannot assure you that similar incidents will not occur in the future. Our advertising and promotional activities involve product performance descriptions, marketing slogans, endorsements and other content that may, in certain circumstances, be subject to differing interpretations by regulatory authorities. If we, our distributors, sub-distributors or other third parties engaged by us fail to fully comply with applicable advertising laws and regulations, we may be subject to further administrative penalties, fines or corrective measures.

Any future violation of advertising-related laws or regulations, whether by us or by third parties acting on our behalf, could result in additional regulatory scrutiny, financial penalties, orders to suspend or modify our marketing activities and adverse publicity. Such events may harm our brand image and reputation, undermine consumer confidence in our products, divert management attention and resources, and consequently have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to detect or prevent fraud, bribery, corruption, or other misconduct committed by our employees, customers, distributors, suppliers, or other third parties, which could subject us to liability and harm our reputation and business.

We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers, distributors, suppliers, or other third parties in the course of our operations. Such misconduct could result in financial losses, regulatory penalties, civil or criminal liabilities, and damage to our reputation and business.

Although we have implemented internal control procedures and compliance policies, including anti-corruption and anti-bribery policies, designed to monitor our operations and promote compliance with applicable laws and regulations, we cannot assure you that these measures will be effective in preventing, detecting, or addressing all instances of misconduct in a timely manner. If any fraud, bribery, corruption, or other misconduct were to occur, we may be subject to claims, fines, penalties, suspension of operations, or other regulatory actions, and may suffer negative publicity and reputational harm. Any of the foregoing could have a material adverse effect on our business, reputation and financial condition, results of operations, and prospects.

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We rely on suppliers for raw materials, and any disruption in supply, deterioration in quality or increase in costs may materially and adversely affect our business, production and profitability.

We rely on suppliers for raw materials used in our manufacturing products, including, among others, batteries and chargers, electronic control system and plastic components. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, raw materials attributable to our cost of sales in each year during the Track Record Period amounted to RMB10,067.0 million, RMB11,291.8 million, RMB8,954.6 million and RMB12,046.6 million, respectively, representing 95.6%, 95.4%, 95.5% and 95.0% of our cost of sales in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, of total cost of sales for the same periods. A continuous, timely and stable supply of raw materials that meet our quality and technical specifications is essential to our manufacturing operations and product delivery.

Our suppliers may experience production disruptions, capacity constraints, financial difficulties, labor shortages, quality issues, regulatory actions or other operational challenges. In addition, geopolitical developments, trade restrictions, changes in import or export regulations, fluctuations in raw material prices, energy costs, transportation disruptions or global supply chain constraints may adversely affect the availability, cost or delivery schedule of raw materials. In light of such disruption in supply chains, we may be unable to secure alternative suppliers on comparable commercial terms, or at all, within a reasonable timeframe. Any material increase in the costs of such raw materials may increase our production costs, and we may not be able to fully pass such increased costs on to our customers in a timely manner, or at all, due to market competition, pricing pressures or contractual arrangements, which could adversely affect our gross margin and profitability.

Furthermore, any deterioration in the quality or performance of raw materials may result in lower product quality, production delays, rework, product recalls or reputational damage. Even if such issues are attributable to suppliers, we may still be required to bear associated costs, liabilities or customer claims, and our business relationships with customers and distributors may be adversely affected. Disruptions in the supply, quality or pricing of raw materials could impair our production and delivery capabilities and materially and adversely affect our overall business and operating results.

If our service providers, including logistics service providers, fail to provide reliable and timely services, our business, financial condition and results of operations may be materially and adversely affected.

We rely on service providers, including logistics service providers, to support certain aspects of our operations, particularly the storage, transportation and delivery of our products to customers. Any interruption to or failure in the services provided by these parties could prevent the timely or proper delivery of our products, which could adversely affect our business operations and customer relationships.

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Such interruptions or failures may arise from events beyond our control or the control of these service providers, including inclement weather, natural disasters, accidents, transportation disruptions, labor unrest or labor shortages, operational failures or capacity constraints. In addition, the services provided by these third parties may be disrupted or adversely affected by business disputes, industry consolidation, financial difficulties, insolvency, regulatory changes or government shut-downs.

If our service providers experience service disruptions or failures, we may not be able to identify alternative service providers or logistics routes in a timely, cost-effective or reliable manner, or at all. Any delay in securing alternative arrangements, or any additional costs incurred in doing so, could materially and adversely affect our business operations, financial condition and results of operations.

We may experience disruptions or increased costs due to production delays, equipment failures, or natural disasters affecting our manufacturing bases.

Our manufacturing facilities are essential to our production activities, and our operations depend on the continuous and effective functioning of production equipment, utilities and infrastructure. Equipment breakdowns, mechanical or technical failures, unplanned maintenance, power outages, water shortages or other utility interruptions may reduce production efficiency, suspend manufacturing activities or delay the fulfillment of customer orders, and may require us to incur additional costs to repair or replace equipment or to implement remedial measures.

In addition, our manufacturing operations may be exposed to risks arising from natural disasters or other unforeseen or force majeure events, such as fires, floods, earthquakes, extreme weather conditions or epidemics, which may damage our production facilities, inventory or equipment, disrupt logistics arrangements or result in temporary or prolonged production disruptions. Such events could disrupt our production capacity and operating efficiency and have a material adverse effect on our business and operating results.

Our adoption of new materials and green manufacturing processes may encounter technical or cost challenges.

We have adopted, and may continue to adopt, new materials and green manufacturing processes as part of our product development and sustainability initiatives, including the use of environmentally friendly materials and processes. The application of such new materials and manufacturing processes involves technical and commercial uncertainties.

New materials and green manufacturing processes may present challenges relating to technical performance, durability, consistency, scalability and compatibility with our existing production processes. There can be no assurance that such materials or processes will perform

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as expected under mass production conditions or that potential technical issues can be identified and resolved in a timely manner. Any failure to achieve stable performance or satisfactory production yields may lead to increased defect rates, quality issues, rework or production delays.

In addition, the use of new materials and manufacturing processes may result in higher production costs due to increased raw material costs, lower initial yields, additional testing and certification requirements, or the need for upgrades to production equipment and processes. We may be required to make additional investments in R&D, tooling, employee training or process optimization. There can be no assurance that we will be able to effectively control or offset such increased costs through pricing adjustments or operational efficiencies.

Furthermore, supply chains for new or alternative materials may be less developed or less stable than those for conventional materials. Any disruption in the supply, quality or availability of such materials may adversely affect our production planning and delivery schedules.

If we encounter technical difficulties, cost overruns or supply constraints in connection with the adoption of new materials or green manufacturing processes, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks relating to the warehousing of the products we sell.

During the Track Record Period, our warehousing needs were satisfied through a combination of self-operated warehouses and third-party warehouses. Prior to the delivery to our distributors, we temporarily store our products in warehouses owned or leased by us or operated by our logistics service providers. We maintain property-related insurance policies that are intended to cover financial losses arising from accidents.

However, there can be no assurance that such incidents will not occur. Any occurrence of accidents, including fires, that result in damage to our products or warehousing facilities could adversely affect our ability to supply products to our distributors. Such incidents may also require us to incur significant and unanticipated capital expenditures and may cause delays in product delivery.

Any sales losses or increases in operating costs arising from disruptions to our warehousing operations or delays in delivery may not be fully recoverable under our existing insurance coverage. In addition, prolonged disruptions to our operations could adversely affect our relationships with end customers and result in customer loss. If any of the foregoing risks were to materialize, our business, financial condition, results of operations and prospects could be materially and adversely affected.

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Our success depends on our ability to attract and retain qualified management, engineers and skilled workers.

Our success and future growth depend significantly on our ability to attract, retain and motivate qualified management personnel, engineers and other skilled workers who possess the necessary technical expertise, industry experience and operational capabilities required for our business. Our management team and key technical personnel play a critical role in formulating and executing our business strategies, overseeing operations, advancing technological development and maintaining product quality.

Competition for experienced management, engineering talent and skilled labor is intense, particularly in industries characterized by rapid technological advancement and increasing demand for specialized expertise. We may face difficulties in attracting or retaining such personnel on commercially reasonable terms, including challenges arising from rising labor costs, changes in labor market conditions and competition from other industry participants.

If we fail to retain our existing management members, engineers or skilled workers, or are unable to recruit suitable replacements or additional personnel in a timely manner, our operations may be disrupted. The loss of key personnel could also result in the loss of institutional knowledge, technical know-how and business relationships, which may adversely affect our R&D efforts, production efficiency, operational stability and strategic execution.

Moreover, as we continue to expand our business and operations, our need for qualified personnel is expected to increase. There can be no assurance that we will be able to effectively manage workforce expansion, maintain favorable labor relations or control increases in personnel-related costs. Any failure to do so could materially and adversely affect our business, financial condition, results of operations and prospects.

Our ESG initiatives, including zero-carbon factory programs and recycling commitments, may increase costs and involve regulatory uncertainties.

We have undertaken and may continue to undertake various environmental, social and governance initiatives as part of our corporate development strategy, including, among others, initiatives relating to energy efficiency improvement, carbon emission reduction, zero-carbon factory programs, recycling and sustainable use of materials, workplace safety and corporate governance enhancements.

The implementation of these ESG initiatives may require significant upfront and ongoing capital expenditures and operating costs, including investments in new equipment, technologies, production process upgrades, compliance systems, employee training and external advisory services. Such costs may increase our operating expenses and capital requirements and there can be no assurance that these investments will generate commensurate economic benefits, operating efficiencies or reputational advantages within an expected timeframe, or at all.

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Furthermore, the regulatory framework, technical standards and implementation guidelines relating to environmental protection, carbon emissions, recycling obligations and ESG-related disclosures in the PRC and other jurisdictions are evolving and remain subject to change and interpretation by relevant authorities. There can be no assurance that future laws, regulations or regulatory interpretations will not impose more stringent compliance requirements, additional reporting obligations or incremental costs on us. In certain circumstances, differing interpretations or enforcement practices by regulatory authorities may also result in compliance uncertainties or increased administrative burdens.

In addition, some of our ESG initiatives involve third-party service providers, suppliers or business partners, including those engaged in recycling, waste disposal or energy management. If the relevant third parties fail to comply with applicable laws, regulations or contractual obligations, we may be exposed to reputational damage, regulatory scrutiny or potential liabilities.

If we are unable to effectively manage the costs, execution or compliance risks associated with our ESG initiatives, or if regulatory requirements become more stringent or enforcement becomes more rigorous than anticipated, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business and financial results may fluctuate due to seasonality.

Demand for our products exhibits certain seasonal patterns, which may result in variations in our revenue and operating results across different periods within a financial year. Historically, sales volume may increase during specific periods due to factors such as seasonal consumer purchasing behavior, inventory level following major public holidays, and peak transportation demand associated with school terms. In addition, sales performance during certain periods may also be influenced by the timing of new product launches, marketing and promotional campaigns, as well as changes in inventory levels of our customers. As a result of these seasonal and timing-related factors, comparisons of our revenue and results of operations between different quarters or interim periods may not be indicative of our overall annual performance or future operating trends.

Any material decrease in demand for our products during peak sales periods, or failure to effectively manage production planning, inventory levels or distribution in response to seasonal demand fluctuations, could have a material and adverse effect on our business, financial condition and results of operations.

Our products or technologies may be subject to additional regulatory scrutiny or requirements in certain jurisdictions.

Our products incorporate, or may incorporate in the future, certain smart systems, software or connectivity features. As we expand our business into overseas markets, the use of such technologies may subject our products to additional regulatory scrutiny, approval procedures or compliance requirements in certain jurisdictions.

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In some countries or regions, products incorporating advanced technologies or connectivity features may be subject to enhanced regulatory review, certification requirements, security assessments or market access restrictions due to regulatory, compliance or other policy considerations. Regulatory authorities may impose additional approval, testing or disclosure requirements, or may restrict the sale or use of certain products.

The regulatory environment relating to advanced technologies, data usage and crossborder deployment of products is evolving and remains subject to change and differing interpretations by regulatory authorities. There can be no assurance that existing or future regulations will not impose additional compliance burdens, require modifications to our products or technologies, or otherwise affect our ability to sell certain products in overseas markets.

In addition, responding to regulatory scrutiny or compliance requirements may require additional costs, management attention or operational adjustments, and any delays in obtaining approvals or certifications, or restrictions imposed on our products, may adversely affect our market entry, competitiveness or business opportunities in affected markets.

Any increased regulatory scrutiny or restrictions applicable to our products or technologies may adversely affect our overseas sales, business operations, financial condition, results of operations and prospects.

Our electric micromobility vehicles are subject to mandatory safety technical specifications, and any failure to comply with such requirements could materially and adversely affect our business and results of operations.

The electric micromobility vehicles sold by us are required to comply with applicable standards in the markets in which they are sold. In China, our electric micromobility vehicles are required to meet or exceed all mandatory safety technical specifications, including, among others, the New National Standard applicable to electric bicycles and the *Safety Specification for Electric Motorcycles and Electric Mopeds* (GB24155-2020). Compliance with such requirements generally involves rigorous testing, the use of approved materials and components, and the completion of relevant certification procedures.

In particular, electric two-wheeled vehicles are required to obtain and maintain 3C before delivery from the factory, sale, export or use in any commercial activity, and such certification is subject to periodic renewal and regulatory inspections by the PRC authorities. If we fail to renew the required certifications upon expiry, if certified products are found to have quality or safety defects, or if non-compliance is identified during follow-up inspections, our relevant certifications may be suspended or revoked. During any period of suspension, or following revocation, affected products may be prohibited from delivery, sale, export or commercial use, which could materially and adversely affect our business and results of operations.

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We may fail to comply with regulatory requirements or maintain valid licenses and certifications necessary for our operations.

Our production activities, product quality control, sales, storage, distribution and advertising are subject to extensive PRC laws and regulations, including requirements relating to manufacturing permits, product standards, safety certifications, fire safety approvals and permits, and environmental compliance. We are required to obtain and maintain various approvals, licenses, registrations and certificates for our operations, and some of these requirements may change over time. Although the compliance requirements applicable to our principal products and production activities under the existing regulatory framework are generally manageable, there can be no assurance that more stringent or different regulatory requirements will not be imposed on our products or business activities in the future. Any changes to the applicable regulatory requirements may have an adverse effect on our business, financial condition, results of operations and prospects. We cannot assure you that all of our facilities, product models or operational processes will continue to meet the applicable legal and regulatory standards at all times, or that we will be able to renew or obtain all relevant licenses in a timely manner as regulations evolve.

Failure to obtain, maintain or comply with required licenses or certifications may result in administrative penalties, including fines, orders to suspend production, revocation of existing permits, forced product recalls or restrictions on sales of certain models. In addition, any actual or alleged non-compliance could lead to increased scrutiny by regulators, delays in introducing new products, higher compliance costs, or adverse publicity, which may negatively impact consumer confidence in our brand. Any of these events may materially and adversely affect our business, financial condition, results of operations and prospects.

We may face potential liabilities in relation to social insurance and housing provident fund contributions for certain employees.

In the ordinary course of our business from time to time, we may not make full contributions to social insurance and housing provident fund for certain employees in accordance with the relevant PRC laws and regulations due to historical practices and varying local implementation standards. The accumulated shortfall amount of contributions of social insurance and housing provident funds throughout Track Record Period was RMB298.5 million.

We cannot assure that the relevant PRC government authorities will not require us to make supplementary contributions, pay late payment surcharges or otherwise adjust our contribution arrangements. In addition, the relevant authorities may conduct inspections or reviews from time to time, and there can be no assurance that our internal policies and procedures will be sufficient to ensure full and continuous compliance with applicable requirements across all jurisdictions in which we operate.

If the relevant PRC authorities determine that additional social insurance or housing provident fund contributions are required, we may be required to make supplemental payments and, in certain circumstances, pay late fees or administrative penalties. Any such payments could increase our operating expenses and may have an adverse effect on our financial

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condition. Furthermore, any regulatory actions, rectification measures or related publicity may adversely affect our reputation, employee relations and our ability to attract and retain qualified personnel, which could, in turn, materially and adversely affect our business, results of operations and prospects.

We may be subject to regulatory actions or adverse consequences in connection with certain properties that lack complete ownership certificates or approval procedures.

As of the Latest Practicable Date, we leased a total of 26 major leased properties in the PRC that are used for production and business operations in the PRC, among which, in respect of four leased properties, we had not been provided with sufficient and valid property ownership certificates or proper authorizations from the relevant property owners. Any dispute or claim in relation to such properties may result in us having to relocate certain of our employees and/or arrange alternative office or operational premises. If our right to use such properties is challenged, we may be required to seek alternative properties on short notice and incur relocation costs, and there is no assurance that we would be able to identify suitable alternative properties on reasonable commercial terms or within a reasonable timeframe, or at all. Any such relocation may lead to disruptions to our operations and may adversely affect our business, financial condition, results of operations and prospects. For details, please see “Business — Properties — Leased Properties.”

In addition, as of the Latest Practicable Date, the lease agreements in respect of the above leased properties had not been duly registered with the relevant government authorities in accordance with PRC laws. As advised by our PRC Legal Advisor, the failure to register lease agreements does not affect their legality, validity or enforceability. However, if we fail to complete the registration of any such lease agreements upon request by the relevant authorities, we may be subject to administrative fines ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

As of the Latest Practicable Date, we owned land use rights for 29 land parcels with a total GFA of 1,192,994.3 sq.m. and 24 properties with a total GFA of 762,943.4 sq.m. in the PRC. Certain of our owned land and buildings in the PRC had not obtained property ownership certificates. According to the opinion of our PRC Legal Advisor, owned land and buildings without property ownership certificates may be deemed as unauthorized or non-compliant constructions under applicable PRC laws and regulations, and the relevant authorities may order suspension of use, rectification within a prescribed period or completion of approval procedures, and may impose administrative penalties such as fines or confiscation of illegal gains. In certain circumstances, such properties may be required to be demolished. As advised by our PRC Legal Advisor, such properties are auxiliary buildings and do not involve our core production processes or principal production and operating premises. For details, please see “Business — Properties — Owned Properties.”

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Although we have taken and are taking measures to address the above matters, and according to our PRC Legal Advisor, as of the Latest Practicable Date, we were not involved in any litigation, disputes or administrative penalties in relation to the above owned and leased properties, and such defects had not affected our actual use of such properties, we cannot assure you that the relevant authorities will ultimately determine that all such properties are fully compliant with applicable laws and regulations or that no further remedial actions will be required. If the competent authorities determine that any of such properties constitute unauthorized constructions or otherwise fail to comply with applicable regulatory requirements, we may be required to undertake rectification measures, incur additional compliance costs, suspend or restrict the use of certain facilities, relocate production activities or, in extreme cases, cease the use of the relevant properties.

Any of the foregoing regulatory actions or operational disruptions could adversely affect our production efficiency, operational continuity and cost structure, divert management attention and resources, and may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to environmental and workplace safety laws and regulations, and any non-compliance or changes in such laws and regulations may adversely affect our business.

Our operations are subject to various environmental protection and workplace safety laws and regulations. Compliance with these laws and regulations may require us to incur additional costs in connection with environmental protection measures, workplace safety management and related compliance procedures. Such costs may increase from time to time and could affect our operating efficiency. In addition, any failure or alleged failure to comply with applicable environmental or safety requirements may expose us to regulatory inquiries or enforcement actions and could adversely affect our brand image and reputation, as well as the timing and progress of the construction or expansion of our production facilities.

Environmental and workplace safety laws and regulations may be amended from time to time, and new laws and regulations may be introduced in the future. There can be no assurance that future changes in the regulatory environment will not require us to make adjustments to our business operations, adopt additional compliance measures or incur additional costs. Any such changes may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Based on certificates issued by the relevant competent authorities and as reviewed by our PRC Legal Advisor, we did not incur any penalties for violations of PRC environmental protection laws during the Track Record Period. However, there can be no assurance that our production and business activities will not be subject to inquiries, inspections or reviews by relevant environmental authorities from time to time. If any such inquiries or inspections result in adverse findings, we may be required to implement remedial measures, incur additional compliance costs or, in certain circumstances, adjust or suspend part of our operations, which may adversely affect our business and results of operations.

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In addition, pollution incidents or environmental issues arising at properties we own or operate, or at properties to which we transport materials, may subject us to liabilities under applicable environmental laws and regulations. There can be no assurance that such incidents or issues will not occur in the future, or that any resulting liabilities or costs will not have an adverse effect on our business, financial condition and results of operations.

Our operations are also subject to laws and regulations relating to workplace safety, which impose various requirements on us in relation to production safety and employee protection. Based on certificates issued by the relevant competent authorities and as reviewed by our PRC Legal Advisor, we did not incur any penalties for violations of PRC work safety laws during the Track Record Period. However, there can be no assurance that relevant authorities will not conduct inspections, inquiries or reviews of our workplace safety practices in the future. Any such inspections or inquiries may require us to incur additional compliance costs or implement corrective measures, and may in certain cases result in production delays or operational adjustments.

Our production activities involve the use of machinery and equipment, which may give rise to workplace safety risks, including the risk of accidents, personal injuries or property damage. Any significant workplace accident could disrupt our production operations, expose us to claims, lawsuits, fines or other regulatory actions, and result in damage to our reputation. Although we maintain certain insurance for our employees, such insurance coverage may not be sufficient to cover all losses, liabilities or claims arising from workplace accidents.

Furthermore, there has been increasing global focus on environmental protection, sustainability and social responsibility. More stringent environmental, social responsibility and workplace safety laws and regulations may be adopted in the future, which may increase our compliance costs and administrative burden. As we expand into new markets, we may become subject to additional regulatory requirements relating to environmental protection, workplace safety and labor practices. There can be no assurance that we will be able to manage such requirements effectively or that the associated costs will not adversely affect our business, results of operations and financial condition.

Our international operations may be subject to transfer pricing adjustments by the competent authorities in various jurisdictions where we operate.

Under the applicable laws and regulations in relevant jurisdictions in which we operate, arrangements and transactions intra-group subsidiaries may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, we established subsidiaries to carry out our operations in various jurisdictions, primarily including Chinese Mainland, Vietnam and Indonesia. We could face material and adverse tax consequences if relevant tax authorities determine that certain of our intra-group transactions were not on an arm's length basis and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax

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liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, we may be subject to late payment interest or surcharge and other penalties on us for any unpaid taxes.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we were not aware of any inquiry, audit, investigation, or challenge by any relevant tax authorities in the jurisdictions where we operate in relation to our intra-group transactions. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

We may be exposed to risks associated with third-party payment arrangements.

During the Track Record Period, certain customers may have settled payments with us through accounts held by third parties rather than through accounts of the contractual counterparties under the relevant sales and purchase agreements. For more details, please see “Business — Third Party Payment.”

Third-party payment arrangements involve inherent risks and uncertainties. In particular, payments made by parties other than the contractual counterparties may increase the difficulty in identifying the actual payer, verifying the source and intended use of funds, ensuring proper matching between cash flows and underlying transactions, maintaining accurate accounting records and implementing effective internal controls. Such arrangements may also give rise to disputes in relation to payment obligations. Although we have implemented internal control measures and procedures to monitor and manage payments received under such arrangements, we cannot assure you that these measures are sufficient to address all risks associated with third-party payment arrangements in all circumstances, or that they will remain effective on an ongoing basis.

In addition, third-party payment arrangements may increase our exposure to regulatory, compliance and reputational risks, as the laws and regulations relating to anti-money laundering, taxation, accounting and financial supervision are subject to interpretation and enforcement by the relevant authorities and involve inherent uncertainties. While we have adopted internal control measures to monitor and manage payments received under third-party payment arrangements, we cannot assure you that such arrangements will not be subject to increased regulatory scrutiny, or that we will not be required to make additional disclosures, implement further remedial measures or incur additional compliance costs in the future.

Any actual or perceived non-compliance, deficiencies in internal controls, disputes with customers or third-party payors, or negative publicity relating to third-party payment arrangements, whether substantiated or not, could adversely affect our business relationships with customers, our reputation and the efficiency of our business operations. If we fail to

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properly manage the risks associated with third-party payment arrangements or to further reduce our reliance on such arrangements, our business, financial condition, results of operations and future prospects could be materially and adversely affected.

Our export sales may be materially and adversely affected by high import tariffs or market access restrictions imposed by the United States and other countries.

Our export sales may be materially and adversely affected by import tariffs, trade restrictions or market access limitations imposed by the United States and other countries.

A portion of our products is sold to overseas markets, and our export sales are subject to tariffs, customs duties, trade policies and market access requirements imposed by importing countries. In recent years, international trade environments have become increasingly uncertain, and there can be no assurance that the United States or other countries will not impose higher import tariffs, quotas, import licensing requirements or other restrictive trade measures on products exported from China.

Higher import tariffs or trade restrictions may increase the prices of our products in overseas markets, reduce their price competitiveness or result in decreased demand from overseas customers. In certain cases, such measures may also require us to modify our product specifications, supply arrangements or pricing strategies, or may cause delays or disruptions in delivery and customs clearance.

In addition, changes in trade policies, geopolitical developments or bilateral trade relations may be implemented with limited notice and may be subject to sudden escalation. We may not be able to mitigate the adverse impact of such measures by adjusting our sales strategies, diversifying export destinations or restructuring our supply chain in a timely or cost-effective manner, or at all.

If our export sales are subject to materially higher tariffs or more restrictive market access measures in the United States or other overseas markets, our revenue from export sales, business operations, financial condition, results of operations and prospects may be materially and adversely affected.

Our performance is to some extent dependent on maintaining good labor relations with our employees. Any deterioration in labor relations, labor shortages, or significant wage increases may have an adverse impact on our business operations.

Our success relies on our ability to hire, train, retain, and motivate employees. We believe that good labor relations are a critical factor influencing our performance. Any deterioration in labor relations could lead to labor disputes, which may cause disruptions to production and operations. With economic growth and societal development, labor costs have significantly increased, and average wages are expected to continue rising. Furthermore, to attract and retain

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experienced employees necessary for achieving our business objectives, we may need to increase overall compensation expenditures. Any substantial increase in labor costs could have an adverse effect on our business performance.

We may be involved in claims, disputes and legal proceedings in our ordinary course of business.

In the ordinary course of business, we may encounter claims, disputes, and legal proceedings, including those related to breach of contract, labor disputes, intellectual property, or environmental issues. As a manufacturer of electric micromobility vehicles, we could also face product liability claims if our products fail to meet safety standards or cause safety incidents. For more details on legal proceedings during the Track Record Period, please see “Business — Legal Proceedings and Compliance — Legal Proceedings.” If we are unable to defend against such claims, we may be required to pay substantial damages. Any legal proceedings could result in significant costs, divert our resources, and harm our reputation. Additionally, some claims may arise from defective supplies provided by our suppliers, who may not be able to indemnify us in a timely manner or at all.

We may not be able to adequately protect our intellectual property rights and proprietary know-how, and any infringement by third parties could harm our brand and competitiveness.

In the ordinary course of our business from time to time, we may be exposed to claims or allegations of intellectual property infringement, which could result in the payment of significant damages, penalties or fines, and may require the removal of certain design or technology from our products. As competition in our industry intensifies and litigation is increasingly used as a means of dispute resolution, we may face a heightened risk of being subject to intellectual property infringement claims.

We cannot assure you that our operations or any aspects of our business do not, or will not in the future, infringe upon or otherwise violate patents, copyrights or other intellectual property rights owned by third parties. There may also exist intellectual property rights of which we are not aware that our business operations may inadvertently infringe. We also cannot guarantee that any policies, procedures or contractual protections that we have implemented or may implement will be effective in preventing such claims. From time to time, we may be involved in legal proceedings or be subject to claims relating to the intellectual property rights of third parties. In addition, competitors and other third parties may allege that our directors, officers or employees have infringed, misappropriated or otherwise violated their design, confidential information, trade secrets or other proprietary technologies in the course of their employment with us.

Any actual or threatened claims of infringement, misappropriation or other violations brought against us or our directors, officers or employees could harm our reputation. We may be required to pay substantial damages, be subject to injunctions or court orders, or be required to remove relevant content or modify or redesign our technology, any of which could have a

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material adverse effect on our business, financial condition and results of operations. Furthermore, we cannot assure you that we will not become subject to intellectual property laws and regulations in jurisdictions other than those in which we currently operate. If an infringement claim asserted against us in another jurisdiction is successful, we may be required to pay significant penalties, damages or fines, enter into licensing arrangements that may not be available on commercially reasonable terms or at all, or be subject to injunctive relief or court orders.

Even where such allegations or claims are ultimately found to be without merit, defending against them may be costly and time-consuming and could materially divert the attention and resources of our management and other personnel.

Third parties may claim that we have infringed their intellectual property rights, which could lead to disputes, litigation or financial losses.

We rely on our trademarks, patents, design rights and proprietary know-how to support our product development, brand positioning and technological capabilities. However, we cannot assure you that all our existing or newly filed trademark, patent or design applications will be granted or maintained effectively. Any leakage, misappropriation or unauthorized use of our proprietary information may weaken our competitive edge.

Furthermore, counterfeiting and imitation products remain common in the electric micromobility vehicle industry. Unauthorized third parties may copy our product designs, replicate our trademarks or adopt similar branding or appearance to mislead consumers. Taking action against such infringements may require substantial management time and legal expenses, and the outcomes are often uncertain. Any failure to effectively prevent or address such infringements may dilute our brand value, cause consumer confusion, reduce sales of our genuine products or erode our market share. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our information technology systems and intelligent management system may be vulnerable to failures, cyberattacks or data breaches.

Our operations rely on information technology systems and intelligent management system to support various aspects of our business. The stability, reliability and security of such systems are critical to our operational efficiency and service quality.

Our information technology system and intelligent management system may be vulnerable to system failures, disruptions or degradation in performance caused by hardware malfunction, software defects, system upgrades, power outages, telecommunication failures or other technical issues. Any such failure or disruption may result in operational inefficiencies, production delays, errors in data processing or interruptions to our business activities.

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In addition, our systems may be subject to cybersecurity risks, including cyberattacks, malware, unauthorized access, data breaches or other security incidents. Despite the implementation of certain security measures and internal controls, there can be no assurance that our information technology systems and intelligent management system will not be compromised, or that such measures will be sufficient to prevent all security breaches or system failures.

Any actual or perceived security breach, unauthorized access to data or system disruption may expose us to operational disruptions, loss or leakage of sensitive or confidential information, reputational damage, regulatory scrutiny or potential liabilities. In certain circumstances, we may be required to incur substantial costs to investigate, remediate or respond to such incidents, including system restoration, security enhancements, notification obligations or engagement of external experts.

If our information technology systems or intelligent management system experience material failures, cyberattacks or data breaches, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

Our limited insurance coverage may not be sufficient to cover potential losses or liabilities arising from our operations.

We maintain certain insurance coverage in accordance with industry practice. However, such insurance coverage may not be adequate to cover all risks associated with our business and operations, and certain types of losses, liabilities or damages may not be insurable on commercially reasonable terms or at all. In addition, we cannot assure you that any claims, if made, will be settled in a timely manner or at the expected amounts.

In addition, if accidents, product defects, fire incidents, natural disasters, workplace injuries, or other unforeseen events occur and result in losses that are not covered or fully covered by our insurance, we may be required to bear such losses ourselves. Any such uninsured or under-insured losses may lead to significant financial costs, operational disruptions, reputational damage, or legal liabilities. Moreover, if we decide to procure additional insurance coverage in the future, our insurance expenses may increase. Any of these circumstances may materially and adversely affect our business, financial condition, results of operations and prospects.

We may be adversely affected by foreign exchange rate fluctuations and international logistics challenges.

As part of our business operations, we engage in transactions that are denominated in foreign currencies and conduct cross-border sales and logistics activities. As a result, we are exposed to risks arising from fluctuations in foreign exchange rates, which may adversely affect our revenue, costs, profit margins and overall financial performance. Volatility in exchange rates could increase our operating costs or reduce the value of revenue or cash flows denominated in foreign currencies.

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In addition, our international logistics and transportation activities rely significantly on third-party logistics service providers. Cross-border transportation is subject to various uncertainties, including disruptions or delays caused by adverse weather conditions, port congestion, customs clearance procedures, geopolitical tensions, trade restrictions, changes in regulatory requirements, labor shortages or public health emergencies. Any interruption or failure in international logistics services could result in delivery delays, increased transportation costs or inability to fulfill customer orders on a timely basis.

Furthermore, international logistics arrangements may be subject to less predictability and higher costs compared to domestic logistics, and we may not be able to promptly identify alternative service providers or routes on commercially reasonable terms in the event of disruptions. Increased logistics costs or prolonged delivery delays could negatively affect customer relationships, reduce demand for our products and impair our competitiveness in overseas markets.

Any material adverse changes in foreign exchange rates, or significant disruptions in international logistics and transportation, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We face risks of force majeure events, natural disasters, or public health emergencies, including COVID-19 or similar outbreaks, which could materially and adversely affect our business and supply chain.

We are exposed to risks arising from force majeure events, natural disasters and public health emergencies, which are beyond our control and may adversely affect our operations and supply chain. Force majeure events, natural disasters such as earthquakes, floods or droughts, or outbreaks of epidemics and contagious diseases, including COVID-19 or similar public health emergencies, may occur in regions where we conduct production, sales, distribution or other business activities. Such events may disrupt our manufacturing operations, supply of key components, logistics arrangements, workforce availability or customer demand, and may result in operational inefficiencies or delays.

In addition, measures taken by the PRC government or other governments in response to public health emergencies or similar events, including movement restrictions, quarantine measures, temporary suspension of operations or logistical controls, may further disrupt our operations or those of our customers and business partners. Any prolonged or repeated occurrence of such events or related control measures could have a material adverse effect on our business operations, financial condition and results of operations.

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Our historical results of operations may not be indicative of future performance. We may not be successful in maintaining the growth and profitability of our business.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue was RMB 11,880.1 million, RMB 13,600.4 million, RMB 10,706.6 million and RMB 14,840.2 million, respectively. During the same period, our gross profit was RMB1,344.8 million, RMB 1,761.7 million, RMB 1,331.2 million and RMB 2,163.5 million, respectively.

However, there is no assurance that we will be able to sustain the same level of our revenue and net profit. Our future performance may be affected by several factors, including but not limited to, decreased consumer demand for our products, fluctuations in raw material costs, supply chain disruptions, or damage to our brand reputation. Failure to effectively manage these risks could adversely affect our revenue, profitability, and overall business performance. Therefore, we caution [REDACTED] not to rely solely on our historical results as an indicator of future performance.

We are exposed to credit risks related to our trade and bills receivables, prepayments and other receivables.

In the ordinary course of our business, we regularly enter into various contractual arrangements with different counterparties. During the Track Record Period, we typically required payment in advance from our customers, although we may, on a case-by-case basis, extend credit limits to certain customers. For details, please see “Business — Our Sales Network — Distributor Management.” In 2023, 2024 and nine months ended September 30, the net balance of our trade and bills receivables amounted to RMB165.8 million, RMB169.8 million, and RMB275.1 million, respectively.

To manage and minimize our credit risk, we have implemented credit control policies and procedures to maintain control over our outstanding receivables. Our senior management regularly reviews the recoverability of overdue balances of trade and bills receivables and makes provisions or reversals for impairment where necessary. In 2023 and the nine months ended September 30, 2025, we recorded impairment provisions for trade and bills receivables of RMB16.0 million and RMB0.8 million, respectively. In 2024, we recorded a reversal of impairment provisions for trade and bills receivables of RMB0.3 million.

Due to the limited financial or public information available for many of our counterparties, despite our efforts to conduct credit assessments, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default in the future. As a result, we are exposed to the risk that our counterparties may fail to fulfil their contractual obligations.

Furthermore, in 2023, 2024 and the nine months ended September 2025, the turnover days of our trade and bills receivables were 3.4 days, 4.2 days, and 4.0 days, respectively. As we plan to continue expanding the scale of our business, we cannot guarantee that the turnover

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days will not continue to increase in the future. This may make it more challenging for us to effectively manage our working capital and could materially and adversely affect our results of operations, financial condition, and liquidity.

However, we cannot assure you that our suppliers and service providers will fulfill their obligations in a timely manner. If our suppliers fail to provide raw materials and services to us on time or in full, we may face risks of default related to such prepayments, which could materially and adversely affect our business and financial condition. While we did not incur any material impairment losses related to other receivables and prepayments during the Track Record Period, we cannot guarantee that we will not incur such losses in the future.

Failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales opportunities.

Our inventory primarily includes finished goods, raw materials and work in progress. Maintaining optimal inventory levels of finished vehicles and spare parts is critical to our operational efficiency and financial performance. In 2023, 2024 and the nine months ended September 30, 2025, the balance of our inventory amounted to approximately RMB477.0 million, RMB429.4 million, and RMB298.0 million, respectively. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our inventory turnover days were approximately 14.5 days, 13.8 days and 7.7 days, respectively. We are required to forecast market demand, production schedules and sales volumes in advance in order to manage inventory levels effectively.

We may be unable to accurately forecast changes in market demand, consumer preferences, seasonal sales patterns or the timing and success of new product launches. As a result, we may experience inventory levels that are either excessive or insufficient. Excessive inventory may lead to increased inventory holding costs, deterioration or obsolescence of products, higher storage and insurance expenses or the need for inventory write-downs, which may adversely affect our financial condition and results of operations.

On the other hand, insufficient inventory levels may result in delayed order fulfillment, reduced product availability or failure to meet customer demand in a timely manner, which may cause us to lose sales opportunities, undermine customer and distributor relationships and negatively affect our market competitiveness.

Furthermore, inventory management challenges may be exacerbated by supply chain disruptions, production delays or changes in logistic arrangements, which may impair our ability to adjust inventory levels promptly in response to market conditions. If we fail to maintain optimal inventory levels of finished vehicles and spare parts, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

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If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

As of December 31, 2023 and 2024, and the nine months ended September 30, 2025, we had contract liabilities of RMB290.3 million, RMB294.7 million and RMB508.1 million, respectively. If we fail to perform our obligations under the contracts entered into with our customers, we may not be able to recognize such contract liabilities as revenue, and our customers may require us to refund the prepayments made by them, which could in turn adversely affect our financial condition.

In addition, any failure on our part to perform our contractual obligations may adversely affect our relationships with our customers, which could in turn have an adverse impact on our results of operations in the future.

Our investments in financial assets measured at fair value through profit or loss (“FVTPL”) are subject to valuation uncertainties and market volatility, which could adversely affect our financial condition and results of operations.

During the Track Record Period, in order to better manage our cash on hand, we invested in certain wealth management products issued by the banks, structured deposit and securities account wealth management. Such investments are classified as financial assets measured at FVTPL in accordance with applicable accounting standards.

In 2023, 2024 and the nine month ended September 30, 2025, the carrying amounts of our financial assets measured at FVTPL amounted to RMB299.7 million, RMB665.2 million and RMB4,563.8 million, respectively.

The fair value of such financial assets is determined using valuation techniques, which may involve both observable and unobservable inputs. In particular, certain significant unobservable inputs used in the valuation models are based on management’s judgment and assumptions, which may not accurately reflect actual market conditions. As a result, the fair values recognized may differ from the prices that could be obtained in actual market transactions, and the valuation of such financial assets is inherently subject to uncertainty.

In addition, our investments in such financial assets expose us to counterparty risks. Although the relevant wealth management products and structured deposits are generally issued by commercial banks, we cannot assure you that any of our counterparties will be able to perform their contractual obligations at all times. In the event that any counterparty becomes insolvent, bankrupt or otherwise fails to perform its obligations, we may not be able to recover the principal and expected returns of our investments in a timely manner, or at all, which could materially and adversely affect our financial condition and cash flows.

Furthermore, such financial assets are subject to fluctuations in overall market conditions, including volatility in the [REDACTED], changes in interest rates and liquidity conditions. Any market volatility or adverse changes in such factors may cause the fair value of our

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financial assets measured at FVTPL to decline, which would result in us recognizing fair value losses in our consolidated statements of profit or loss. Any material decline in the fair value of such investments may have a material adverse effect on our results of operations and financial performance.

Although we have implemented certain internal control and risk management procedures to manage the risks associated with such investments, we cannot assure you that such measures will be sufficient or effective in all circumstances. We also cannot assure you that we will not incur fair value losses on such financial assets in the future or that any such losses or other adverse impacts will not have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to higher income tax rates if our preferential tax treatments become unavailable, and government grants currently received by us may be reduced or discontinued in the future.

During the Track Record Period, we benefited from certain preferential tax treatments under applicable tax incentive policies. We cannot assure you that we will continue to enjoy similar preferential tax treatments in the future. The statutory corporate income tax rate applicable to our operations in China is 25%. During the Track Record Period, certain of our subsidiaries qualified for preferential enterprise income tax treatments under applicable PRC tax incentive policies, including incentives available to enterprises operating in encouraged industries, ethnic autonomous regions, and small and micro enterprises. As a result, these subsidiaries were subject to enterprise income tax rates lower than the generally applicable statutory rate. Such preferential tax treatments were granted based on specific qualifications and local policies in effect during the Track Record Period.

If we cease to qualify for any of the aforesaid preferential tax treatments, or if the relevant tax incentive policies are amended, repealed or otherwise become unavailable to us, our income tax expenses may increase, which could adversely affect our results of operations, financial condition and cash flows.

In the ordinary course of our business from time to time, we received government grants from local government authorities in China as part of incentive measures. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, the government grants amounted to RMB6.8 million, RMB26.7 million, RMB15.9 million and RMB22.8 million. We cannot assure you that we will continue to receive such government grants in the future, or at the same level. Any reduction, discontinuation or delay in the receipt of such government grants could adversely affect our other income and overall financial performance.

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We had net current liabilities in 2023, 2024 and the nine months ended September 30, 2025, and we cannot assure you that we will not continue to record net current liabilities in the future or experience liquidity problems.

In 2023, 2024 and the nine months ended September 30, 2025, we recorded net current liabilities of RMB2,082.0 million, RMB2,440.0 million and RMB2,046.5 million, respectively. Our net current liabilities primarily reflected trade and bills payables to suppliers for raw materials and other payables and accruals, which were partially offset by pledged deposits and financial assets measured at fair value through profit or loss.

Net current liabilities may expose us to liquidity risks and could limit our operational flexibility, which may adversely affect our ability to grow our business, expose us to certain liquidity risks and constrain our operational flexibility. Our future liquidity will primarily depend on our ability to generate sufficient cash flows from operating activities and to obtain adequate external financing. These factors will, in turn, be affected by our future operating performance, prevailing economic conditions, our financial condition and other factors, many of which are beyond our control. There can be no assurance that we will be able to maintain sufficient working capital to meet our future operational and capital requirements. If we are unable to do so, we may need to rely on external financing. Our inability to obtain additional external financing on a timely basis, on acceptable terms, or at all, could require us to curtail or defer our development and expansion plans and may have a material adverse effect on our business, financial condition and results of operations.

Our business requires significant capital expenditure, and there can be no assurance that we will have sufficient cash to successfully implement our capital expenditure plans.

Our operations depend on continuous investment in property, plant, and equipment, intangible assets, and land use rights to support our business growth and meet the evolving demands of the electric micromobility vehicle market. These investments are critical for maintaining the quality, efficiency, and competitiveness of our products, as well as adapting to market changes and technological advancements.

During the Track Record Period, our capital expenditures were primarily directed towards property, plant, and equipment, intangible assets, and land use rights. Specifically, in 2023, 2024 and the nine months ended September 30, 2024 and 2025, our capital expenditures amounted to RMB528.6 million, RMB432.7 million, RMB235.8 million, and RMB568.3 million, respectively. For details, please see “Financial Information — Capital Expenditures”.

However, there can be no assurance that we will generate sufficient cash flow from operations or secure timely equity financing to fund our planned capital expenditures. Any delays or difficulties in obtaining the necessary funding, or any unforeseen increases in costs related to our capital projects, could negatively impact our operations and financial performance.

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Moreover, changes in the electric micromobility vehicle market may require us to make additional, unforeseen investments to remain competitive. If we fail to allocate sufficient resources to adapt to technological advancements, or if our investments do not yield the expected returns, our market position and profitability could be adversely affected.

RISKS RELATING TO THE JURISDICTIONS WHERE WE OPERATE OUR BUSINESS

Changes in economic, political and social conditions, as well as laws, regulations, industry standards and government policies in the jurisdictions where we operate our business may materially and adversely affect our business, financial condition, results of operations and prospects.

A substantial portion of our assets, operations and revenue is located in or derived from Chinese Mainland. As a result, our business, financial condition, results of operations and prospects could be affected by any general economic, political, social and regulatory conditions.

China’s economy has for decades evolved from a planned economy toward a more market-oriented model. The PRC government has implemented economic reform measures to emphasize the utilization of market forces in economic development, yet still retains substantial influence over industrial development and macroeconomic management through policy guidance, resource allocation, monetary and fiscal measures, and sector-specific initiatives. While these efforts may have supported growth over time, they can create uncertainties for particular industries or companies, including ours.

China’s economy has grown significantly in recent years; however, there can be no assurance that such growth will continue. Any material moderation in overall economic conditions, shifts in industrial policy, or the global economy, as well as the political environment in various regions of the world, which continue to impact China could have a negative effect on our business and operations as well as our financial performance.

The development of the legal system in China may subject us to non-compliance due to unexpected changes to laws and regulations applicable to us, which could affect the legal protections available to our Shareholders.

The legal system in China is a civil law system based on written statutes, under which prior court decisions may be cited for reference but generally have limited precedential value. Over the past decades, a comprehensive body of laws, regulations and rules governing economic and commercial matters has been promulgated, which has enhanced protections available to market participants. However, the interpretation and application of laws and regulations can evolve, and different authorities may adopt varying approaches in practice,

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making the outcome of administrative actions or court proceedings difficult to predict. In addition, the volume of published decisions is limited, and such decisions are not binding on subsequent cases, which can add to uncertainty in evaluating potential disputes and available remedies.

Changes to laws, regulations or their interpretation and enforcement may occur from time to time, and we cannot predict the timing, scope or impact of future developments, including any pre-emption of local rules by national laws or adjustments to enforcement priorities. These uncertainties may affect the legal protections available to our investors. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We are required to complete filing procedures and other regulatory requirements of the CSRC or other competent authorities in connection with this overseas [REDACTED] and further capital raising activities and future major events.

CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five supporting guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures are applicable to overseas securities [REDACTED] and [REDACTED] conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC, either in direct or indirect means.

Under the current filing-based regime for overseas securities [REDACTED] and [REDACTED] by PRC domestic companies, we are required to complete filing and related procedural requirements in connection with our overseas [REDACTED] and [REDACTED] and follow-on [REDACTED] in the same market, [REDACTED] or [REDACTED] in other overseas markets, and certain specified post-[REDACTED] “major events” (such as changes of control, investigations or sanctions by overseas regulators, changes of [REDACTED] status, or [REDACTED]) according to the competent PRC authorities within a prescribed timeframe after submitting our [REDACTED] to the overseas regulator.

We cannot assure you that we will be able to complete any required filing procedures on a timely basis, or at all. Failure to complete the filing, or the submission of filing materials not in compliance with the requirements under the Trial Measures, may result in administrative measures or penalties, and could in turn delay, restrict or prevent our overseas [REDACTED] and [REDACTED] or any future financing transactions, and may have a material adverse effect on our business as well. In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this [REDACTED] or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, prospects and the value of our H Shares.

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Fluctuations in exchange rates of Renminbi and other currencies may have a material adverse impact on your [REDACTED].

Substantially all of our revenues and expenditures are denominated in Renminbi. However, the net [REDACTED] from the [REDACTED] will be in Hong Kong dollars, and therefore fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar (and other currencies) affect, among other things, the relative purchasing power in Renminbi terms of the net [REDACTED], the value of any foreign-currency denominated assets and liabilities, and the translation of foreign-currency transactions and balances into our reporting currency. Such movements may cause us to record foreign exchange gains or losses and may affect the relative value of any dividends paid by our PRC subsidiaries, which could in turn impact our reported financial results without a corresponding change in our underlying operations.

Movements in Renminbi exchange rates are influenced by a range of factors, including market conditions and policy developments. We cannot assure you that the Renminbi will not appreciate or depreciate significantly against the Hong Kong dollar, U.S. dollar or other currencies in the future, or predict the timing or magnitude of such movements. Any adverse exchange rate changes could increase our costs (where inputs are sourced or obligations are settled in foreign currencies), reduce the Renminbi value of foreign-currency denominated receipts, or otherwise affect our financial condition and results of operations, which could in turn impact your [REDACTED].

Policies regarding foreign currency conversion could negatively affect our financial condition, operations and our ability to pay dividends, and affect the value of your [REDACTED].

Under the PRC foreign exchange regulatory regime, the conversion and remittance of our operating cash are governed by the specific foreign exchange authorities under applicable laws and regulations. While payments under current account items, including profit distributions and trade-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (SAFE) or its local branches under the current foreign exchange regulations in China, provided the prescribed documentary and procedural requirements are satisfied and the transactions are conducted through designated foreign exchange banks, prior registration and other procedures with the relevant government authorities will be required before converting Renminbi into foreign currency and remitting it out of the PRC to cover capital expenses.

Foreign exchange policies may be adjusted from time to time, and changes to the scope, conditions or administration of current account convertibility, or to the requirements applicable to capital account transactions, could affect the remittance of Renminbi into or out of the PRC or impose additional constraints on how converted funds may be used. Under the current regulatory requirement, there is no assurance that we will be able to convert enough foreign current for our business operations. A shortage of available foreign currency could limit our ability to fulfill our foreign currency-denominated obligations, such as paying dividends to our Shareholders, settle foreign currency-denominated obligations, or fund offshore uses of capital,

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and may affect the value of your [REDACTED]. Additionally, non-compliance with applicable foreign exchange rules could result in administrative penalties and fines and could adversely affect our business, financial condition and reputation.

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

PRC taxation on dividends and capital gains relating to our H Shares.

Under the current tax laws and regulations in China, holders of our H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of us, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realised through the sale or transfer by other means of H shares by such shareholders.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and the Implementation Regulations for 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》), both of which came into effect on 1 January 2019, and other applicable PRC tax rules and regulations, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of H shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “Double Taxation Arrangements”) executed on 21 August 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in accordance with the PRC laws, but the levied tax (in the case where the beneficial owners of the dividends are not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was newly revised and implemented on 29 December 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was revised on 26 December, 2024 and implemented on 20 January 2025, and other applicable PRC tax rules and regulations, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Double Taxation Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; or (ii) otherwise, 10% of the total amount of dividends.

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Considering the foregoing, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realised through sales or transfers by other means of the H Shares. There remains substantial uncertainty as to the interpretation and implementation of the PRC tax laws and other applicable PRC tax rules and regulations by the PRC tax authorities, including whether and how non-PRC resident H shareholders are subject to personal income tax or enterprise income tax on gains realized upon the sale or other dispositions of their H shares. In addition, the value of your [REDACTED] in our H Shares may be materially affected by unfavorable changes in the applicable tax rates currently stipulated by the PRC tax authorities.

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 regulations regarding the industries in which they participate and are subject to additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024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 11 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment between 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 [REDACTED], we may need to sell or restructure our business which has become restricted or prohibited for foreign [REDACTED]. 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 payment of dividends is subject to restrictions under applicable laws and regulations.

We shall not declare or pay any dividend until we have distributable profits after the accumulated losses have been made up and statutory reserves have been drawn in accordance with relevant laws and regulations and the Articles of Association. Consequently, we may not have sufficient distributable profit to make dividend distributions to our Shareholders, even in profitable years. Any undistributed profit in a given year is retained and available for distribution in subsequent years.

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Additionally, we must adhere to the dividend distribution rules set by PRC regulatory authorities when determining our dividend payout ratios. We cannot guarantee that our dividend distribution amounts and capital available for business development and growth will remain unaffected in the future. Furthermore, differences in accounting standards or accounting practices may affect the determination of distributable profits. As a result, our subsidiaries may not have distributable profits in certain periods despite being profitable, which may limit the distributions we receive from them. Failure of our subsidiaries to pay dividends to us could negatively impact our cash flows and our ability to distribute dividends to our Shareholders in the future, even during periods when our financial statements show profitability.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by our non-PRC shareholders.

On February 3, 2015, the SAT promulgated the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “Circular 7”), which was further revised in October and December 2017. Circular 7 provided comprehensive guidelines relating to, and also heightened the Chinese tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise (the “Chinese Taxable Assets”). For example, Circular 7 specifies that where a non-resident enterprise transfers Chinese Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, and such transfer is deemed for the purpose of avoiding EIT payment obligations and without any other bona fide commercial purpose, the transfer may be reclassified by the Chinese tax authorities as a direct transfer of Chinese Taxable Assets.

Although Circular 7 contains certain exemptions, it is unclear whether any exemptions under Circular 7 will be applicable to the transfer of our H Shares or to any future acquisition by us outside of China involving Chinese Taxable Assets, or whether the Chinese tax authorities will classify such transactions by applying Circular 7. Therefore, the Chinese tax authorities may deem any transfer of our H Shares by our Shareholders that are non-resident enterprises, or any future acquisitions by us outside of China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional Chinese tax reporting obligations or tax liabilities.

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Your ability to initiate legal proceedings or enforce foreign judgments against us, our Directors and senior management may be limited. You may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors and management.

A substantial portion of our assets and the majority of our Directors and senior management are located in Chinese Mainland. As cross-border service of process is typically cumbersome and time-consuming, [REDACTED] outside Chinese Mainland may find it difficult to effect service of legal process upon us or upon our Directors and senior management residing in Chinese Mainland. Bringing original actions against us or our PRC-resident officers and Directors in courts outside Chinese Mainland may also be impracticable, and initiating original actions in Chinese Mainland based on the civil liability provisions of non-PRC securities laws is subject to the conditions of PRC civil procedure and court acceptance.

Recognition and enforcement in Chinese Mainland of foreign court judgments generally depend on the existence of applicable international treaties or the principle of reciprocity, and remain subject to statutory grounds for refusal. Chinese Mainland has not entered into treaties for the recognition and enforcement of judgments with certain major jurisdictions, including the United States, and the interpretation and application of principle of reciprocity is subject to uncertainties. As a result, there may be changes to enforce in Chinese Mainland judgments obtained in such jurisdictions against us or our Directors and senior management based on future bilateral treaties signed.

On January 18, 2019, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”), which took effect on January 29, 2024 and seeks to establish a mechanism that promotes clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and Chinese Mainland. However, whether a specific judgment will be recognized and enforced remains subject to case-by-case review by the competent court in accordance with the Arrangement and applicable PRC law.

Although we will be subject to the Hong Kong Listing Rules and the Hong Kong Takeovers Code upon [REDACTED], holders of our H shares will not be able to bring actions on the basis of alleged breaches of the Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules.

Export control and economic sanctions that were imposed on our business partners may affect our business, financial conditions and results of operations.

In recent years, the U.S. government imposed targeted export controls and economic sanctions on a number of Chinese companies and institutions, restricting their access to U.S.-origin goods, software, and technologies (collectively, “Items”), as well as Items containing a specified proportion of U.S.-origin Items or being direct products of specific U.S.

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technology or software. During the Track Record Period, we sold our products to various non-sanctioned customers in the Relevant Regions. As advised by our legal advisors as to International Sanctions after performing the procedures they consider necessary, given that (i) our products did not incorporate more than the de minimis value of U.S.-origin content; and (ii) no U.S. persons were involved in our Group’s business activities with the Relevant Regions, our transactions with the Relevant Regions did not represent a violation of applicable International Sanctions. Further, during the Track Record Period, our Group did not have any business activities in Comprehensively Sanctioned Countries, with Sanctioned Persons, or (i) with, or (ii) directly or indirectly benefitting, or involving the property or interests in property of a Sanctioned Target. Therefore, as advised by our legal advisors as to International Sanctions, our Group’s activities did not represent a violation of applicable International Sanctions and thus the risk is low that our Group’s activities would result in the imposition of sanctions on the Relevant Persons.

However, U.S. export controls and trade laws and regulations are complex and likely subject to frequent changes, and the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be changed by political and/or other factors that are not within our control or that are heightened by national security concerns. For example, the U.S. government has tightened restrictions on exports of certain high-tech products to China. If any potential restrictions, any associated inquiries or investigations, or any other government actions occur, complying with them may be difficult or incur substantial costs and may, among other things, delay or impede the development of our technology and solutions, and hinder the stability of our supply chain. They could also result in reputational damage, require significant time and attention of the management and subject us to fines, penalties or orders that we cease or modify our existing business practices, if they occur. Any of these events may have an adverse effect on our business, financial condition and results of operations.

Any failure to protect our distributors, customers and suppliers data, or the improper collection, use or disclosure of such data, as well as the uncertainties surrounding the cybersecurity review may subject us to the liabilities imposed by data privacy and protection laws and regulations, which may negatively impact our reputation and business.

In the ordinary course of our business from time to time, we may collect and use information provided by distributors, customers and suppliers based on their consent, which may include their payment services’ account names and other information. We are subject to various laws and regulations regarding the collection, storage, sharing, use, disclosure and protection of personally identifiable information and data.

On October 28, 2025, the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會) (the “SCNPC”) promulgated the PRC Cyber Security Law (《中華人民共和國網絡安全法》), which became effective on January 1, 2026. The PRC Cyber Security Law requires, among others, that network operators take security measures to protect the network from unauthorized interference, damage and unauthorized access and prevent data

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from being divulged, stolen or tampered with. Network operators are also required to collect and use personal information in compliance with the principles of legitimacy, properness, and necessity, and strictly within the scope of authorization by the subject of personal information unless otherwise prescribed by laws or regulations. On June 10, 2021, SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which became effective on September 1, 2021. The PRC Data Security Law sets out various obligations for data processors in conducting data processing activities. On August 20, 2021, SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021. The PRC Personal Information Protection Law lays out the fundamental rules for the collection, storage, use, processing, transmission, provision, disclosure, and deletion of personal information in China. The PRC Personal Information Protection Law further supplements the existing data protection regime previously established by the Cyber Security Law and provides the circumstances under which a personal information processor could process personal information, which include but are not limited to, where the consent of the individual concerned is obtained or where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. The collection of personal information should be conducted in a disciplined manner with as little impact on individuals’ rights and interests as possible, and excessive collection of personal information is prohibited. On September 24, 2024, the State Council of the PRC promulgated the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》), which became effective on January 1, 2025. The Regulations on the Administration of Network Data Security further refine and supplement the PRC regulatory framework on network data security. Numerous regulations, guidelines and other measures have been and are expected to be adopted under the Cyber Security Law and the PRC Personal Information Protection Law. For details, please see “— Regulatory Overview — Regulations Relating to Information Security and Personal Information Protection.” In June 2021, the SCNPC promulgated the PRC Data Security Law, which became effective on September 1, 2021. This law establishes a comprehensive framework for data security governance in China, aiming to safeguard national security, public interests, and the rights and interests of individuals and organizations. It outlines the responsibilities of organizations and individuals in handling data, emphasizing data classification, risk assessment, and security measures, imposes assessment requirements on companies conducting cross-border outbound data transfers.

Besides, the Measures for Cybersecurity Review (《網絡安全審查辦法》) stipulates the mandatory requirement of cybersecurity review for companies which hold more than one million users’ personal information when applying for a [REDACTED] in a foreign country (國外上市). Our PRC Legal Advisor is of the view that such mandatory requirements of cybersecurity review under Article 7 of the Measures for Cybersecurity Review are applicable to companies which are seeking a [REDACTED] in a foreign country (國外上市) and we are not required to initiate a submission for cybersecurity review in connection with the [REDACTED] in Hong Kong under Article 7 of the Measures for Cybersecurity Review.

Complying with these data security, privacy and protection laws and requirements may involve substantial expenses or require us to alter or change our practices in a manner that may have potential impacts on our business. We expect that we will continue to face uncertainty as

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to whether our efforts to comply with evolving obligations under data protection, privacy and security laws will be sufficient. In addition, any failure or perceived failure by us or our business partners to comply with any applicable data privacy and protection laws and regulations, or any failure by our employees to comply with our relevant internal policies and measures, could subject us to legal proceedings, regulatory actions or penalties, which could materially and adversely affect our business and results of operations.

The regulatory regime governing data security and personal information protection in the PRC is still evolving, and the interpretation, application and enforcement of relevant laws, regulations and standards remain subject to uncertainties. We may be subject to inquiries, inspections, investigations or enforcement actions by governmental authorities in connection with our data processing activities. Any actual or alleged failure by us, our employees or our business partners to comply with applicable data protection and cybersecurity laws and regulations, even if unfounded, could result in administrative penalties, civil liabilities, reputational damage or other adverse consequences, which could materially and adversely affect our business, results of operations and financial condition. In May 2024, MIIT issued a list with respect to mobile applications that were deemed as collecting information from users at high frequency, where our “TAILG” mobile application was included. We immediately rectified and had submitted updated version to fix the issue in June 2024, and as of the Latest Practicable Date, we have not received any further notice or warning from MIIT or any other competent authorities regrading our “TAILG” mobile application.

If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, results of operations and business prospects and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs or require us to change our business practices in a manner that has a material and adverse effect on our business. For details of cybersecurity-related regulations, the relevant impact and our compliance thereof, please see “Regulatory Overview — Regulations on Cybersecurity.”

RISKS RELATING TO THE [REDACTED]

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

Prior to completion of the [REDACTED], there has been no [REDACTED] for our H Shares. Following the completion of the [REDACTED], the Stock Exchange will be the only market where our H Shares are [REDACTED], and there can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and [REDACTED] (for itself and on behalf of [REDACTED]), which may not be indicative of the price at which our H Shares will be traded following completion of the [REDACTED]. The market price of our H Shares may drop below the [REDACTED] and liquidity of our H Shares may be materially and adversely affected at any time after completion of the [REDACTED].

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

The [REDACTED] and [REDACTED] of our H Shares may be highly volatile and could fluctuate significantly due to factors beyond our control. These factors may include, but are not limited to, actual or anticipated fluctuations in our revenue, earnings, or cash flow; changes in our pricing strategies due to competitive pressure; the addition or departure of key personnel; potential strategic alliances or acquisitions; changes in ratings or outlooks issued by financial analysts or credit rating agencies; fluctuations in the selling prices or demand for our products; public perception or negative publicity concerning our products; unexpected business disruptions caused by natural disasters, power shortages, or other unforeseen events; our inability to obtain or maintain regulatory approvals for our operations; or litigation, government investigations, or other legal or regulatory proceedings. Additionally, political, economic, financial, and social developments in Chinese Mainland, Hong Kong, or other regions globally may also impact the price and [REDACTED] of our H Shares. Moreover, the Stock Exchange and other securities markets have, from time to time, experienced significant price and [REDACTED] fluctuations unrelated to the performance of specific companies. Such market-wide volatility could adversely affect the price of our H Shares regardless of our actual operating performance, which may materially and negatively impact the value of your [REDACTED].

Normally, a [REDACTED] acting on behalf of the [REDACTED] may [REDACTED] or effect short sales or any other [REDACTED] with a view to [REDACTED] or maintaining the market price of the [REDACTED] at a level higher than that which might otherwise prevail in the [REDACTED]. However, given that we will not grant any [REDACTED] to the [REDACTED], no [REDACTED] has been appointed by us in connection with the [REDACTED] and it is anticipated that no [REDACTED] activities will be conducted by any [REDACTED], which may result in substantial losses for [REDACTED] during the period when [REDACTED] activities would normally have been conducted.

You will incur immediate and substantial dilution and may experience further dilution in the future.

If the [REDACTED] of our H Shares is higher than the net tangible book value per Share of our H Shares immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] net tangible book value. If we issue additional Shares in the future, purchasers of our H Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

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Future issuances or sales, or perceived issuances or sales, or availability for sale of substantial amounts of our H Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the market price of our H Shares and our ability to raise additional capital in the future.

The H Shares beneficially owned by our Controlling Shareholders are subject to certain lock-up periods under the Listing Rules and additional undertakings in favor of us. However, there can be no assurance that our Controlling Shareholders will not dispose of their Shares following the expiration of these lock-up periods. Any future sales, or market perception of such sales, of a substantial amount of our H Shares by our Controlling Shareholders or other Shareholders in the [REDACTED] could materially and adversely affect the prevailing market price of our H Shares. Furthermore, such disposals could make it more difficult for us to [REDACTED] new Shares in the future at a time and price we consider appropriate, limiting our ability to raise additional capital. We are unable to predict the impact that any significant future disposal of our Shares may have on the market price of our H Shares, which could result in volatility or a decline in the value of your [REDACTED].

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

Our Controlling Shareholders exercise significant influence over our operations and may have the ability to require our Group to effect business strategies and corporate actions due to their substantial shareholding in our Group. This influence may enable them to direct corporate actions in line with their own preferences. The interests of our Controlling Shareholders may not always align with the interests of our other Shareholders. If any conflict arises between the interests of our Controlling Shareholders and other Shareholders, or if our Controlling Shareholders pursue strategic objectives that diverge from the interests of other Shareholders, it could adversely affect our Group’s business or the interests of other Shareholders.

Furthermore, there is no assurance that our Controlling Shareholders will retain their Shares following the expiration of their respective lock-up periods after the [REDACTED]. We cannot predict the potential impact of any future sale of Shares by our Controlling Shareholders or the availability of such Shares for purchase on the market price of our H Shares. Sales of a substantial number of Shares by our Controlling Shareholders, or market perception that such sales might occur, could materially and adversely affect the prevailing market price of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

No dividend was declared or paid by the Company during the Track Record Period. We protect our Shareholders’ interests by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China, the payment of dividends may

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be subject to certain limitations. Moreover, different applicable accounting standards or accounting treatments may result in variations in the determination of profit and distributable profit, which may in turn affect the amount or timing of profits available for distribution.

The declaration and distribution of dividends by our Company, if any, will be at the sole discretion of our Directors and will depend on various factors, including our future operations and earnings, capital requirements, financial condition, surplus, contractual restrictions, and other factors deemed relevant by our Directors. Any dividends declared and distributed, as well as the amount thereof, will also be subject to the provisions of our Articles of Association and applicable PRC laws, which may include obtaining the necessary approvals from our Shareholders and Directors. There is no assurance that dividends of any amount will be declared or distributed in any given year. For details, please see “Financial Information — Dividends” for further details of our dividend policy.”

Since there may be a gap of several Business Days between [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the price of our H Shares could fall during the period before [REDACTED] of our H Shares on the Stock Exchange commences.

The initial price to the public of the H Shares [REDACTED] in the [REDACTED] will be determined on the [REDACTED]. However, the H Shares will not commence [REDACTED] on the Hong Kong Stock Exchange until they are delivered, which is expected to be the second Business Day after the [REDACTED]. During this period, there is a risk that the market conditions, [REDACTED] sentiment, or external factors affecting the broader market may change, which could result in fluctuations in the perceived value of our H Shares.

Holders of our H Shares during this gap period will not be able to trade or hedge their positions, making them vulnerable to any decline in the market price of our H Shares before [REDACTED] begins. Accordingly, holders of our H Shares are subject to the risk that the price of the H Shares after [REDACTED] begins could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time [REDACTED] begins, which could result in immediate losses for [REDACTED] who purchase our H Shares during the [REDACTED].

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return. For details, please see “Future Plans and [REDACTED].” However, our management will have discretion as to the actual application of our [REDACTED]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the net [REDACTED] from this [REDACTED].

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We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources and other third parties contained in this document, and statistics in this document provided by Frost & Sullivan are subject to assumptions and methodologies set forth in the “Industry Overview” section of this document.

Facts, forecasts and other statistics in this document relating to the economy and the electric micromobility vehicle industry on a national, regional and provincial basis have been collected from materials from official government sources. While we believe these sources are reliable and appropriate and have taken reasonable care in extracting and reproducing such information, we cannot assure you regarding, nor make any representation as to, the accuracy or completeness of such information. Neither our Company, our Directors, the Joint Sponsors, [REDACTED], or any of their respective affiliates or advisors, nor any other party involved in the [REDACTED] we or any of our respective affiliates or advisors, nor the [REDACTED] or any of their affiliates or advisors, have prepared or independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. None of these parties make any representation or warranty as to the correctness, accuracy, or completeness of such information.

Statistics, industry data and other information relating to the economies and the industry derived from official government sources used in this document may not be consistent with other information available from other sources and should not be unduly relied upon. Due to possible flawed collection methods, discrepancies between published information, different market practices or other issues, the statistics, industry data and other information relating to the economies and the industry derived from official government sources and provided by Frost & Sullivan might be inaccurate or might not be comparable to statistics produced from other sources. The statistics contained in the “Industry Overview” and other sections of this document provided by Frost & Sullivan should be read in conjunction with the assumptions and methodologies set forth in the “Industry Overview” of this document. Additionally, such information may not have been compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere, and it may not be up-to-date. In all cases, you should carefully consider how much weight or importance you should attach or place on such statistics, industry data and other information relating to the economies and the industry.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] and [REDACTED] of our H Shares may decline.

The market price and [REDACTED] of our H Shares may be affected by research reports and recommendations issued by securities or industry analysts. These analysts may assess our business operations, financial performance, competitive position, industry trends, and future prospects, and their opinions could influence [REDACTED] perceptions and [REDACTED] decisions regarding our H Shares. If analysts cease coverage of our Company or fail to publish research reports about our business, the availability and visibility of public information for [REDACTED] may decrease, potentially reducing [REDACTED] interest in our H Shares and

RISK FACTORS

leading to a decline in their market price or [REDACTED]. Conversely, if analysts issue negative reports or revise their recommendations downward — whether due to concerns about our business strategy, financial condition, growth prospects, or industry outlook — or if their earnings forecasts for our Company fall below market expectations, [REDACTED] confidence in our H Shares could weaken, potentially resulting in selling pressure and a subsequent drop in the market price or [REDACTED] of our H Shares. We have no control over the content or frequency of research reports or recommendations published by securities or industry analysts, and their opinions may not accurately reflect our actual business performance or future prospects. Consequently, their views could lead to market volatility that may adversely affect the value or liquidity of our H Shares.

This document contains forward-looking statements relating to our plans, objectives, expectations and intentions, which may not represent our overall performance for periods of time to which such statements relate.

This Document contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “ought to,” “should,” “will” or similar terms. Such statements reflect the current views of our management with respect to our growth strategy and expectations concerning our future operations, liquidity and capital resources. [REDACTED] in our H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations by us that our plans or objectives will be achieved and [REDACTED] should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. For details, please see “Forward-looking Statements.”

Prospective [REDACTED] should read the entire document carefully and are strongly cautioned against placing any reliance on the information in any press article or other media coverage which contains information not being disclosed or which is inconsistent with the information included in this document.

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document. We have not authorized anyone to provide you with information that is not contained in, or is different from what is contained in, this document.

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Prior to the completion of the [REDACTED], there may be press and media coverage regarding our Group and the [REDACTED]. Our Directors would like to emphasize to prospective [REDACTED] that we do not accept any responsibility for the accuracy or completeness of such information and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding us or our H Shares. In making decisions as to whether to [REDACTED] in our H Shares, prospective [REDACTED] should rely and will be deemed to have agreed to rely exclusively on the financial, operational and other information included in this document.

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

In preparation for the [REDACTED], our Company has sought and [has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we 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.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. SUN Muchu (孫木楚) and Ms. HO Wing Nga (何詠雅) as our authorized representatives (the “**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company’s principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile (if applicable) and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly as and when required, including means to communicate with our Directors when they are travelling. Our Company will also inform the Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives in accordance with the Listing Rules. We have provided the contact details of each Director (such as mobile phone numbers, office phone numbers (if any), email addresses and fax numbers (if any)) to each of the Authorized Representatives and the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

- (c) we confirm and will ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;
- (d) we have appointed Lego Corporate Finance Limited as our compliance advisor upon [REDACTED] 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]. Our compliance advisor will serve as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available and will have access at all times to the Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and
- (e) meetings between the Stock Exchange and our Directors can be arranged through the Authorized Representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

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

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

- (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.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. DONG Hanyu (董寒雨) (“**Mr. Dong**”), our Board secretary, as one of our joint company secretaries. He has considerable experience in matters relating to financial management and auditing but 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. HO Wing Nga (何詠雅) (“**Ms. Ho**”), an associate of The Hong Kong Chartered Governance Institute (“**HKCGI**”), and a fellow of both the HKCGI and The Chartered Governance Institute, 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. Dong for an initial period of three years from the [REDACTED] to enable Mr. Dong 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 FROM STRICT COMPLIANCE WITH LISTING RULES

Given Ms. Ho’s professional qualification and experience, she will be able to explain to both Mr. Dong and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Ho will also assist Mr. Dong 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. Ho is expected to work closely with Mr. Dong and will maintain regular contact with Mr. Dong, our Directors and the senior management of our Company. In addition, Mr. Dong will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by our compliance advisor and our legal advisor as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Dong does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Dong 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] on the conditions that (a) Mr. Dong must be assisted by Ms. Ho, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver shall be valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Ms. Ho ceases to provide such assistance to Mr. Dong as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Dong 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 before the expiration of the three-year period to enable it to assess whether Mr. Dong, having benefited from the assistance of Ms. Ho for the preceding three years, will have acquired the skills necessary to carry out the duties of a 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.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. SUN Muqian (孫木鉗)	Flat 18C, Block A1, Cuijingju Baomin 2nd Road, Bao’an District Shenzhen, Guangdong Province PRC	Chinese
Mr. YAO Li (姚立)	Flat 15B, Unit 2, Building 9, Zone 11, Taoyuan Residence Qianjin 2nd Road, Bao’an District Shenzhen, Guangdong Province PRC	Chinese
Mr. SUN Muchu (孫木楚)	No. 129, Phase I, Xiangmei Garden, Meicun, Xinwu District Wuxi City, Jiangsu PRC	Chinese
Mr. SUN Muchai (孫木釵)	2A25D, Jincheng Shidai Jiayuan Bao’an District Shenzhen, Guangdong Province PRC	Chinese
Mr. CHANG Yao (常耀)	Room 501, No. 58, Xiangjunyuan Meicun, Xinwu District Wuxi, Jiangsu Province PRC	Chinese
Mr. CHEN Jinsong (陳勁松)	Flat 1304, No. 5, Block C, Kaixuan Huating (Phase C) Xishan District Wuxi, Jiangsu Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-executive Directors		
Mr. GONG Jun (貢俊)	Flat 1103, No. 71, Meilong Fifth Village Xuhui District Shanghai PRC	Chinese
Ms. CHE Xiaoxin (車曉昕)	Flat 26B, Buliding 2, Jiariwan Huating Shahe Street, Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Mr. LIU Gangjian (劉剛健)	Flat C 5/F, Elegance Court 5 Discovery Bay Road, Hillgrove Village Discovery Bay Lautau New Territories Hong Kong	Chinese

For details with respect to our Directors, see “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CITIC Securities (Hong Kong) Limited

18/F, One Pacific Place

88 Queensway

Hong Kong

China Merchants Securities (HK)

Co., Limited

48/F, One Exchange Square

8 Connaught Place

Central

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to our Company

As to Hong Kong laws and U.S. laws:

O’Melveny & Myers

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

As to PRC laws:

King & Wood Mallesons

18th Floor, East Tower, World
Financial Center
No. 1 Dongsanhuan Zhonglu
Chaoyang District
Beijing 100020
PRC

As to International Sanctions law:

Hogan Lovells

11th Floor
One Pacific Place
88 Queensway
Hong Kong

**Legal Advisors to the Joint Sponsors and
[REDACTED]**

As to Hong Kong laws and U.S. laws:

Sidley Austin

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

As to PRC laws:

Jingtian & Gongcheng

34/F, Tower 3
China Central Place
77 Jianguo Road
Beijing 100025
China

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditors and Reporting Accountants

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King’s Road

Quarry Bay, Hong Kong

Industry Consultant

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

Room 2504

Wheelock Square

No. 1717 West Nanjing Road

Shanghai

The PRC

Compliance Advisor

Lego Corporate Finance Limited

Room 1505, 15/F

Wheelock House

20 Pedder Street

Central

Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	No. 3-1 and 3-2, Dongsheng Road Anzhen Subdistrict Wuxi, Jiangsu Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen’s Road East Wan Chai, Hong Kong
Company’s Website	<u>www.tailg.com.cn</u> (Information contained on this website does not form part of this document)
Joint Company Secretaries	Mr. DONG Hanyu (董寒雨) No. 3-1 and 3-2, Dongsheng Road Anzhen Subdistrict Wuxi, Jiangsu Province PRC
Authorized Representatives	Mr. SUN Muchu (孫木楚) No. 129, Phase I, Xiangmei Garden, Meicun, Xinwu District Wuxi City, Jiangsu PRC Ms. HO Wing Nga (何詠雅) 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai, Hong Kong
Audit Committee	Ms. CHE Xiaoxin (車曉昕) (<i>Chairperson</i>) Mr. LIU Gangjian (劉剛健) Mr. GONG Jun (貢俊)
Remuneration and Appraisal Committee	Mr. GONG Jun (貢俊) (<i>Chairperson</i>) Ms. CHE Xiaoxin (車曉昕) Mr. SUN Muchu (孫木楚)
Nomination Committee	Mr. GONG Jun (貢俊) (<i>Chairperson</i>) Ms. CHE Xiaoxin (車曉昕) Mr. SUN Muchu (孫木楚)

CORPORATE INFORMATION

Strategy and ESG Committee

Mr. GONG Jun (貢俊) (*Chairperson*)

Mr. YAO Li (姚立)

Mr. SUN Muchu (孫木楚)

[REDACTED]

Principal Banks

Agricultural Bank of China Limited,

Wuxi Anzhen Sub-branch

(中國農業銀行股份有限公司無錫安鎮支行)

No. 26 Jin'an Road, Xishan District

Wuxi, Jiangsu

PRC

China CITIC Bank,

Wuxi Xishan Sub-branch

(中信銀行無錫錫山支行)

No. 79 Xizhou Middle Road

Xishan District

Wuxi, Jiangsu

PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by the Company, and from various official government publications and available resources from [REDACTED] research. The Company engaged Frost & Sullivan to prepare the Frost & Sullivan Report in connection with the [REDACTED]. The information from official government sources has not been independently verified by any of the Joint Sponsors, [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED] (other than Frost & Sullivan), and no representation is given as to its accuracy.

OVERVIEW OF THE ELECTRIC MICROMOBILITY VEHICLE MARKET

The electric micromobility vehicle market is positioned at the intersection of urban transportation systems and last-mile logistics systems. It primarily comprises electric micromobility solutions implemented through various categories of electric micromobility vehicles, including electric two-wheeled vehicles, electric tricycles and other electric micromobility vehicles. These vehicles are widely used across key application scenarios such as personal commuting and urban mobility, as well as instant retail, food delivery and express delivery last-mile services.

Classification of Electric Micromobility Vehicles

- **Electric two-wheeled vehicles:** Key sub-categories include electric bicycles, electric motorcycles, and electric pedal-assist bicycles and electric scooters. Supported by improving performance and policy support for green mobility, penetration has increased across urban commuting, recreational riding and light-duty commercial transportation, making electric two-wheeled vehicles the largest category among electric micromobility vehicles globally.
- **Electric tricycles:** Electric tricycles are widely used in logistics delivery, community mobility and short-distance operations, supported by higher payload capacity, driving stability and relatively lower operating costs. With the continued expansion of instant retail and local lifestyle services, their share of the global market is expected to further increase.
- **Other electric micromobility vehicles:** This category includes electric kick scooters, electric self-balancing vehicles and foldable electric mobility devices, mainly used for urban first-/last-mile connections, campus mobility and leisure activities and characterized by portability and ease of use. Emerging formats such as small autonomous delivery vehicles and mobility robots for industrial park logistics and express delivery “last-mile” services remain at a pilot and demonstration stage.

INDUSTRY OVERVIEW

As efforts to promote energy conservation and emission reduction advance and investment in green mobility and urban mobility infrastructure continues, demand for electric micromobility vehicles has increased across both personal mobility and commercial use cases. In addition, the continued shift toward on-demand logistics, higher-frequency food delivery and the digitalization of local lifestyle services has further supported demand growth for electric micromobility vehicles.

Electric micromobility vehicles are evolving along three practical directions that matter most to end users and fleet operators: longer usable range, stronger safety and reliability, and smarter connectivity. As the industry becomes more mature, differentiation is less about new components and more about system-level integration across battery, motor, controls, structure and software, which together determine real-world endurance, uptime, compliance performance and total cost of ownership.

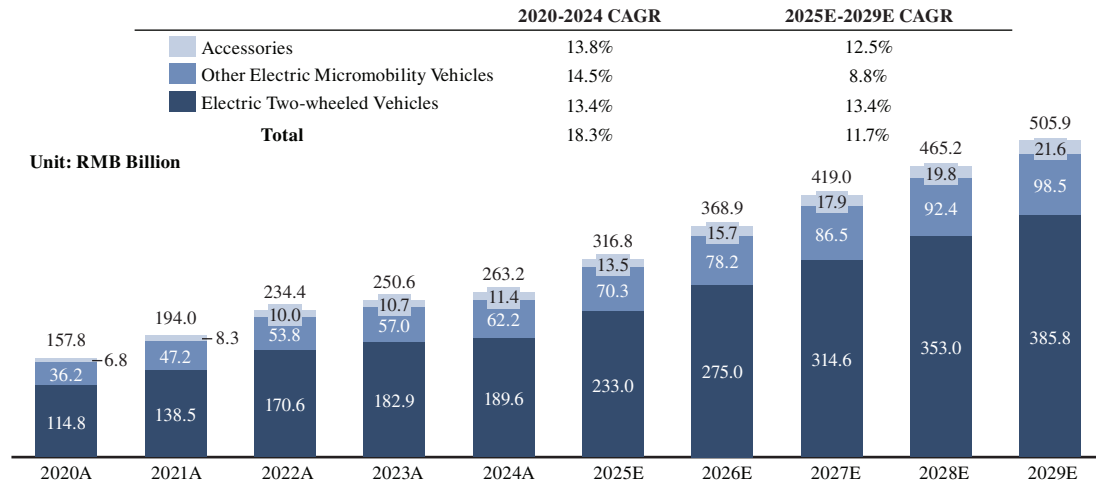
- **Longer usable range through system efficiency.** Improvements come from matching battery chemistry and pack design with refined energy management and an efficient drivetrain, so that vehicles deliver more stable range across different loads, temperatures and riding patterns, while also supporting convenient replenishment options such as fast charging or battery swapping where applicable.
- **Safety, reliability and compliance as the baseline for scale.** Strong battery monitoring and protection, robust electrical architecture, and safety-oriented structural design reduce failure risk and improve lifecycle availability. In practice, consistent quality control and compliance readiness increasingly define who can scale in regulated channels and high-frequency use cases.
- **Connectivity and data-driven operations as the new differentiator.** Connected modules and cloud-based platforms enable positioning, anti-theft, remote diagnostics and over-the-air updates, supporting standardized fleet management and faster service response. Over time, data-driven optimization improves riding experience and operating efficiency, strengthening the “hardware plus software plus services” model.

Global Electric Micromobility Vehicle Market Size

According to data from Frost & Sullivan, total global manufacturer revenue from electric micromobility vehicles reached RMB263.2 billion in 2024, representing a CAGR of approximately 18.3% from 2020 to 2024. Supported by policy initiatives, evolving mobility preferences, and the continued development of instant retail and local lifestyle services, penetration of electrification across personal and commercial mobility vehicles has continued to increase. By 2029, total global manufacturer revenue from electric micromobility vehicles is expected to reach RMB505.9 billion, implying a forecast CAGR of approximately 11.7% during 2025-2029.

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Global Electric Micromobility Vehicles Market Size, by Manufacturer Revenue, 2020-2029E



Note: Other electric micromobility vehicles primarily include electric tricycles and electric scooters.

Source: Society of Manufacturers of Electric Vehicles, National Bicycle Dealers Association, Confederation of the European Bicycle Industry, The European Association of Motorcycle Manufacturers, Frost & Sullivan analysis

Industry Development Trends

- **Decarbonization and energy transition are accelerating electrification of micromobility.** Driven by carbon neutrality and net-zero targets and urban transport decarbonization plans, electric two-wheeled vehicles, electric tricycles and other electric micromobility vehicles are increasingly incorporated into green mobility and last-mile logistics systems across Europe, North America and emerging markets. In parallel, manufacturing and supply chains are increasingly being located closer to demand centers, supported by localized manufacturing bases and broader clean energy adoption.
- **Intelligent features and digital operations are becoming baseline capabilities.** As the costs of onboard connectivity and cloud platforms decline, electric micromobility vehicles are increasingly integrated into shared mobility platforms and fleet management systems, while delivery fleets in emerging markets are also deploying vehicle connectivity and operational platforms. For individual users, app connectivity, OTA, energy/range management, anti-theft functions and riding data services are increasingly standard.
- **High-frequency operations are raising technical requirements, with lifecycle efficiency and reliability as common benchmarks.** Operators and users increasingly focus on range, battery cycle life, vehicle durability and stability under extreme conditions across commuting, shared micromobility and on-demand delivery scenarios. System-level optimization, including higher energy-density batteries, more capable battery management, high-efficiency motors and electronic control, and lightweight yet high-strength structures, supported by diversified energy replenishment options such as removable batteries, centralized charging, fast charging, and battery swapping.

INDUSTRY OVERVIEW

- **Demand is shifting toward more granular segmentation and stronger lifestyle attributes.** In Europe and North America, electric micromobility vehicles are extending beyond commuting into leisure and performance-oriented segments, while in emerging markets, preferences for design, ergonomics and cargo capability are strengthening. As a result, premium products compete through design, intelligent features and performance, while value-for-money products compete on durability and extended range.
- **Mobility robots and autonomous delivery formats may extend the ecosystem.** Some regions are exploring small autonomous delivery vehicles and mobility robots to address last 100-meter needs in on-demand delivery, industrial park logistics and community services. These formats leverage electric powertrain systems and vehicle connectivity capabilities and remain at a pilot and validation stage.

Competitive Landscape

The global electric micromobility vehicle industry has been experiencing increasing market concentration. During the industry’s rapid growth phase, a large number of small and medium-sized manufacturers and regional brands operated globally; however, rising requirements for safety, environmental protection and energy efficiency, together with higher costs for channel development and brand building, have accelerated the consolidation of market share toward leading players with scale, technological and brand advantages. In 2024, measured by revenue, the Company was the third largest player in the global electric micromobility vehicle market with a market share of 5.2%.

Global Electric Micromobility Vehicles Competitive Landscape

Company	Revenue	Market Share
	(RMB billion)	(%)
Company A	28.2	10.7%
Company B	21.3	8.1%
The Company	13.6	5.2%
Company C	12.1	4.6%
Others	188.0	71.4%
Total	263.2	100%

Source: Listed companies’ public filings, literature research, Frost & Sullivan analysis

Notes:

1. Company A was founded in 2001 and listed on the Main Board of The Stock Exchange of Hong Kong in 2016, with its headquarters in Wuxi, Jiangsu Province. It is primarily engaged in the R&D, manufacturing and sales of electric two-wheeled vehicles (including electric bicycles and electric motorcycles) and related components.
2. Company B was founded in 1999 and listed on the Main Board of the Shanghai Stock Exchange in 2021, with its headquarters in Tianjin. It focuses on the R&D, manufacturing and sales of electric two-wheeled vehicles, including electric bicycles, electric mopeds and electric motorcycles.
3. Company C was founded in 2012 and listed on the STAR Market of the Shanghai Stock Exchange in 2020, with its headquarters in Beijing. It is primarily engaged in the design, R&D, manufacturing and sales of intelligent electric kick scooters, intelligent electric two-wheeled vehicles and service robots.

INDUSTRY OVERVIEW

OVERVIEW OF THE CHINA ELECTRIC MICROMOBILITY VEHICLES MARKET

China’s electric micromobility vehicle market started in the 1990s with electric two-wheeled vehicles and scaled rapidly in the 2000s and 2010s, driven by urban commuting demand and the expansion of on-demand delivery. As the product landscape broadened to electric tricycles and other categories, China became the largest global production and consumption base. The market has shifted from scale-first growth, often marked by uneven research and manufacturing capabilities, inconsistent quality control, and weaker after-sales, toward a more standards-driven phase emphasizing safety, reliability, and compliance.

The main categories include electric bicycles, electric motorcycles, and electric tricycles. Electric bicycles dominate short daily trips, while electric motorcycles support high-frequency use cases such as delivery and are expanding into suburban commuting, longer-distance travel, and leisure-oriented scenarios.

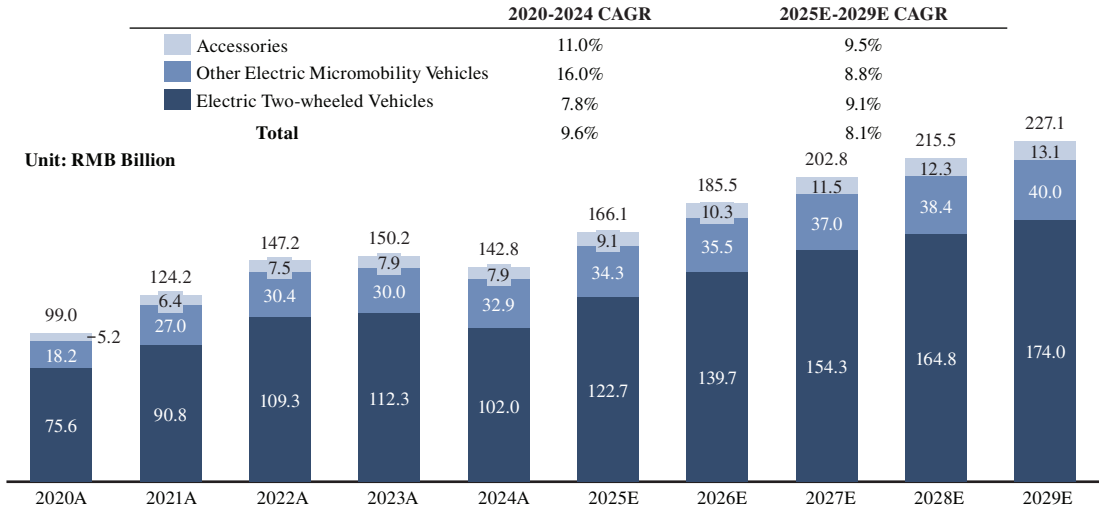
Electric tricycles in China are predominantly operations-oriented and are widely used in high-frequency local lifestyle scenarios, including instant retail, food delivery and express delivery last-mile services, and have become an important component of urban micro-logistics networks. At the same time, electric kick scooters, electric self-balancing vehicles and foldable electric mobility devices are gaining adoption in campus mobility, metro connections and leisure travel, supporting diversified needs and a relatively mature product ecosystem for China’s electric micromobility vehicles.

According to Frost & Sullivan, total revenue from China’s electric micromobility vehicles reached RMB142.8 billion in 2024, representing a CAGR of approximately 9.6% from 2020. Driven by electrification of commuting, increasing demand for on-demand delivery and continued growth in urban transportation, the market has expanded rapidly and is characterized by a structure in which electric two-wheeled vehicles remain the core category, electric tricycles are increasing penetration, and other electric micromobility vehicle categories are growing steadily. By 2029, total manufacturer revenue from China’s electric micromobility vehicles is expected to reach RMB227.1 billion, implying a forecast CAGR of approximately 8.1% during the 2025-2029 period.

Electric two-wheeled vehicles, as the largest category, cover commuting, personal mobility and light-duty operational scenarios and have maintained steady growth. Electric tricycles, supported by high-frequency operational demand from food delivery, retailer-to-home delivery and express delivery “last-mile” services, offer advantages in payload capacity and operational efficiency and represent an important source of incremental growth. Other electric micromobility vehicles, including electric kick scooters, electric self-balancing vehicles and foldable electric mobility devices, are continuing to penetrate connection, campus mobility and leisure scenarios, complementing the core categories.

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China Electric Micromobility Vehicles Market Size,
by Manufacturer Revenue, 2020-2029E



Note: Other electric micromobility vehicles primarily include electric tricycles and electric kick scooters.

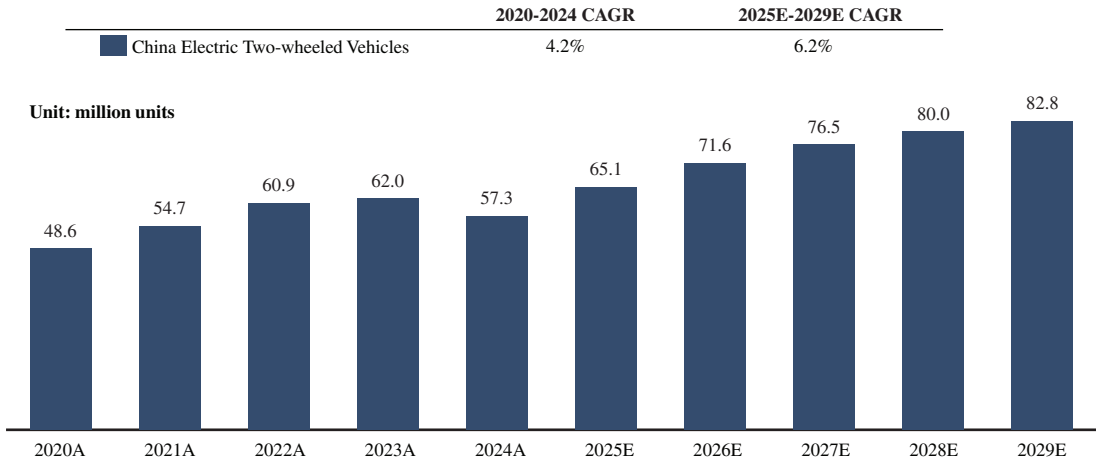
Source: China Bicycle Association, China Chamber of Commerce for Motorcycle, China Association of Automobile Manufacturers, Frost & Sullivan analysis

Measured by sales volume, China’s electric two-wheeled vehicles market reached 57.3 million units in 2024, representing a CAGR of approximately 4.2% from 2020. Growth was driven by compliant replacement demand, increased penetration of graphene and lithium batteries that improved range and reliability, rising high-frequency usage from on-demand delivery and local lifestyle services, and continued improvements in channel coverage and after-sales support.

During the forecast period, supported by green mobility policies and essential demand for personal mobility, the market is expected to reach 82.8 million units by 2029, implying a forecast CAGR of approximately 6.2% during the 2025-2029 period.

INDUSTRY OVERVIEW

China Electric Two-wheeled Vehicles Market Size, by Shipment Volume, 2020-2029E



Source: China Bicycle Association, China Chamber of Commerce for Motorcycle, China Association of Automobile Manufacturers, Frost & Sullivan analysis

Based on usage intensity and functional configuration, electric two-wheeled vehicles can be broadly grouped into two segments: the advanced configuration segment and the basic utility segment, reflecting differentiated performance and feature requirements.

- **Advanced configuration segment:** This segment serves longer-range commuting and higher-intensity use cases where extended real-world range and range stability under load are critical. Typical configurations include higher-capacity battery systems, high-efficiency motors with optimized electronic control, and refined energy management with regenerative braking to maximize usable range. Models in this segment more often feature enhanced safety protection, structural robustness, and riding comfort, together with practical smart functions such as connectivity, remote diagnostics, and over-the-air updates. Fast charging and battery swapping compatibility are also more common to support high uptime.
- **Basic utility segment:** This segment serves everyday mobility such as urban and suburban commuting and community travel, emphasizing stable performance, durability, ease of maintenance, and broad channel suitability. Configurations typically focus on proven powertrain matching, compliant safety features, and sufficient real-world range for daily trips, with longer-range variants increasingly adopted to reduce charging frequency. Smart functions, if included, are usually limited to practical features such as basic anti-theft, simple status monitoring, and service support.

Driven by increasingly diverse usage intensity and functional requirements, leading brands are differentiating electric two-wheeled vehicles through configuration-based portfolio upgrades. This is typically achieved through system-level improvements across the battery, motor and electronic control system, complemented by more efficient energy replenishment,

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practical smart connectivity, enhanced safety and chassis systems, tighter manufacturing quality control, and stronger service coverage. Together, these upgrades improve usable range and range stability under load, power delivery and safety performance, durability and uptime, and lifecycle cost efficiency, supporting clearer differentiation between the advanced configuration segment and the basic utility segment.

The table below sets out the key configuration-based differentiation pathways for electric two-wheeled vehicles, together with the corresponding focus areas and user value.

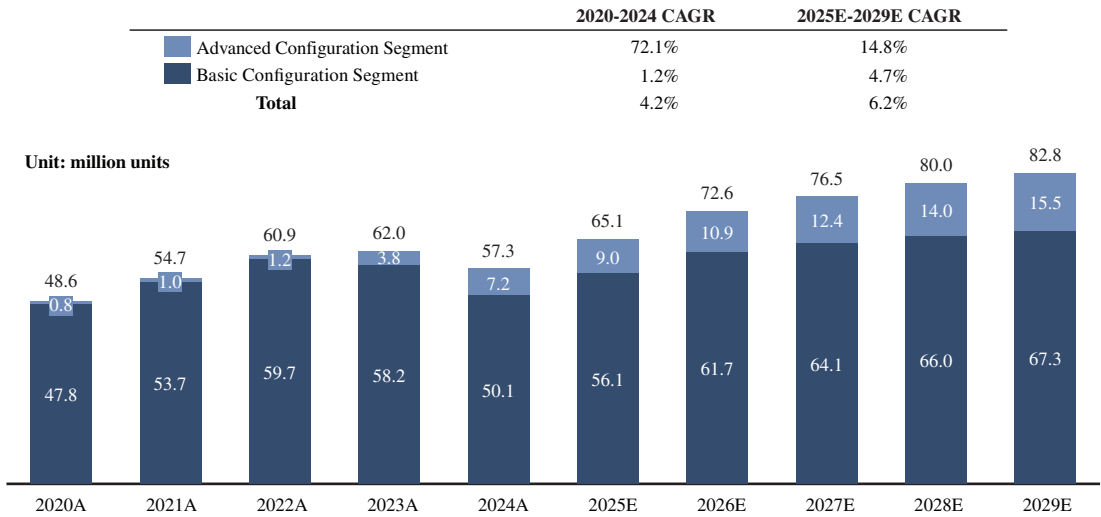
Differentiation pathway	Core configuration and technology focus	User value
Long-range capability and system efficiency	Advanced configuration segment: higher-capacity battery, efficient motor, optimized control and energy management. Basic utility segment: proven powertrain matching; sufficient usable range; optional long-range variants.	Longer usable range and better range stability under load, fewer charging interruptions, improved energy efficiency in typical use
Safety, durability and compliance readiness	Advanced configuration segment: strengthened battery safety and sealing; upgraded chassis and braking. Basic utility segment: compliant safety baseline; standardized components and quality control.	Lower safety and failure risk, improved stability and braking, higher lifecycle availability and reliability
Connectivity and service readiness, enabling higher uptime	Advanced configuration segment: connectivity, anti-theft, remote diagnostics and OTA; fast charging and battery swapping readiness where applicable. Basic utility segment: basic anti-theft and status alerts; standard service support.	Faster troubleshooting and service response, better theft deterrence, higher uptime and more predictable ownership and fleet operation experience

Source: Frost & Sullivan analysis

Measured by shipment volume, China’s advanced configuration segment reached 7.2 million units in 2024, representing a CAGR of 72.1% from 2020. Growth was primarily driven by the increasing adoption of high-performance components and smart connectivity features. The segment is expected to reach 15.5 million units by 2029, implying a forecast CAGR of 14.8% during the 2025-2029 period. China’s basic configuration segment recorded 50.1 million units of shipments in 2024, representing a CAGR of 1.2% from 2020. Despite a temporary contraction in 2024, growth remains supported by steady replacement demand and cost-effective mobility requirements. The segment is expected to reach 67.3 million units by 2029, implying a forecast CAGR of 4.7% during the 2025-2029 period.

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China Electric Two-wheeled Vehicles Market Size, by Segment, by Shipment Volume, 2020-2029E



Source: China Bicycle Association, China Chamber of Commerce for Motorcycle, China Association of Automobile Manufacturers, Frost & Sullivan analysis

Growth Drivers and Development Trends

- Green mobility targets and tighter regulation are accelerating electrification and standardization.** Carbon-reduction objectives and green mobility policies continue to support electric micromobility for short-distance travel and last-mile logistics. In parallel, safety and compliance requirements are becoming more explicit and enforceable, pushing the industry toward more standardized product definition, stronger quality control, and higher compliance readiness.
- Urbanization and commuting pressure underpin stable, everyday demand.** Large urban populations, congestion, and parking constraints make electric two-wheeled vehicles a practical solution for daily commuting, transit connections, and community travel. Demand remains resilient because these use cases are high frequency, time sensitive, and supported by an established distribution and service footprint.
- On-demand delivery and shared mobility are scaling fleet demand and raising performance benchmarks.** Growth in food delivery, instant retail, and other last-mile services is driving concentrated procurement from rider fleets, where uptime, durability, and long-range capability are critical. Shared mobility further increases requirements for utilization efficiency, replenishment convenience, backend fleet management, and consistent safety performance. The number of users in China’s shared micromobility vehicle market reached 0.37 billion in 2020 and 0.50 billion in 2024, with a further increase to 0.60 billion projected by 2029.

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- **System-level upgrades are increasingly centered on long-range capability, safety, and replenishment efficiency.** Product value is being reshaped through coordinated improvements across the battery, motor, and electronic control system, complemented by better safety design and durability. Energy replenishment options are also diversifying to match different operating environments, including removable batteries, centralized charging, fast charging, and battery swapping where applicable.
- **Competition is shifting toward connected operations, service capability, and larger-scale platforms, with faster overseas expansion.** Connectivity features are moving from optional add-ons to expected capabilities, enabling positioning and anti-theft, remote diagnostics, software updates, and more efficient dealer and fleet operations. At the same time, tighter standards and higher operating requirements are accelerating industry concentration among players with stronger supply chains, channel networks, and service systems. Leading brands are also expanding overseas through exports, localized manufacturing, and partnerships, with increasing emphasis on local compliance and scenario-based product adaptation.

Competitive Landscape

China’s electric two-wheeled vehicles industry is relatively concentrated. With tightening requirements on safety, environmental performance and energy efficiency and higher quality standards, market share has continued to consolidate toward leading players with scale, technology and brand advantages supported by standardized and compliant manufacturing.

In 2024, measured by revenue, the Company was the third largest electric two-wheeled vehicles manufacturer in China, with a market share of 12.7%.

Competitive Landscape of Electric Two-wheeled Vehicles Market in China, by Revenue, 2024

Company	Revenue	Market Share
	(RMB billion)	(%)
Company A	27.3	26.8%
Company B	18.3	17.9%
The Company	13.0	12.7%
Company C	7.2	7.1%
Others	36.2	35.5%
Total	102.0	100%

Source: Listed companies’ public filings, literature research, Frost & Sullivan analysis

In the advanced configuration segment, measured by sales volume, the Company was the third largest advanced configuration electric two-wheeled vehicle manufacturer in China in 2024, with a market share of 21.1%.

INDUSTRY OVERVIEW

Competitive Landscape of Advanced Configuration Electric Two-wheeled Vehicles Market in China, by Sales Volume, 2024

Company	Sales Volume	Market Share
	(million units)	(%)
Company A	1.69	23.5%
Company C	1.64	22.8%
The Company	1.52	21.1%
Company B	1.19	16.5%
Others	1.16	16.5%
Total	7.2	100%

Source: Listed companies’ public filings, literature research, Frost & Sullivan analysis

OVERSEAS ELECTRIC MICROMOBILITY VEHICLES MARKET OVERVIEW

Outside Mainland China, the electric micromobility vehicle market features diverse product formats and clear regional differences. It spans electric two-wheeled vehicles and electric tricycles for daily mobility and delivery, alongside a broader mix of products such as e-bikes/pedelecs, e-mopeds and kick scooters used for commuting, leisure and shared mobility. Different regulations, riding culture and energy economics across Europe/North America versus emerging markets shape distinct product mixes and use cases.

- **Emerging markets.** In the Middle East and Africa, Southeast Asia and Latin America, demand is anchored in commuting and small-scale commercial transport, with on-demand delivery increasingly driving fleet purchases. Adoption is mainly driven by total cost of ownership, durability and long-range capability per charge, positioning electric two-wheeled vehicles as a key substitution pathway from fuel motorcycles. Local climate and charging constraints shape product and replenishment requirements, while electric tricycles are gaining traction in light cargo and last-mile delivery; incentives and restrictions on fuel motorcycles can accelerate penetration.
- **Developed markets.** In Europe and North America, electric micromobility is centered on e-bikes, with electric scooters typically complementary. Supported by cycling infrastructure and riding culture, e-bikes are widely used for commuting and have expanded into leisure, driving demand for longer-range, higher-quality and comfort-oriented products. Design and brand matter, alongside practical smart functions such as connectivity, navigation, anti-theft and riding data services.

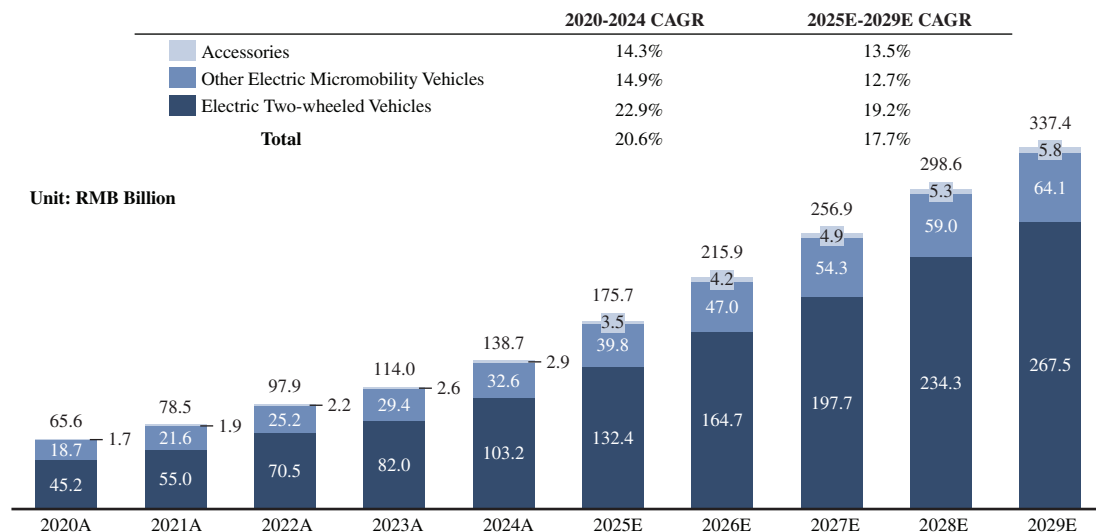
In shared mobility and professional fleet applications, operators widely deploy e-bikes and electric scooters, and in certain cities also deploy cargo e-bikes and electric three-wheelers for instant delivery and last-mile logistics. In specific scenarios such as campuses, industrial parks and core commercial districts, pilot deployments of small autonomous delivery vehicles and mobility robots based on electric two-wheeler platforms have emerged. While still limited in scale, these formats are generally viewed as a forward-looking extension of the electric micromobility vehicle industry.

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Supported by global carbon-neutrality targets, policy incentives across major regions and rising environmental awareness among consumers, the overseas electric micromobility vehicles market has maintained strong growth. Measured by manufacturer revenue attributed to overseas sales (including exports from China), total market size increased from approximately RMB65.6 billion in 2020 to approximately RMB138.7 billion in 2024, representing a CAGR of approximately 20.6%. Electric two-wheeled vehicles were the primary growth contributor, with market size expanding from approximately RMB45.2 billion to RMB103.2 billion over the same period, driven mainly by steady expansion of e-bikes in Europe and rapid fuel-to-electric substitution in Southeast Asia. Other electric micromobility vehicles increased from approximately RMB18.7 billion to approximately RMB32.6 billion, with rising penetration in urban delivery, community mobility and micro-logistics scenarios, becoming a key contributor to incremental transport capacity.

During 2025-2029, supported by deeper implementation of green mobility policies, expansion of e-commerce delivery networks and accelerating electrification of energy systems, electric two-wheelers and other electric micromobility vehicles are expected to grow at CAGRs of approximately 19.2% and 12.7%, respectively. As a result, total overseas market size is expected to reach approximately RMB337.4 billion by 2029, measured by manufacturer revenue attributed to overseas sales (including exports from China).

Overseas (excluding Chinese Mainland) Electric Micromobility Vehicles Market Size, by Manufacturer Revenue, 2020-2029E



Notes:

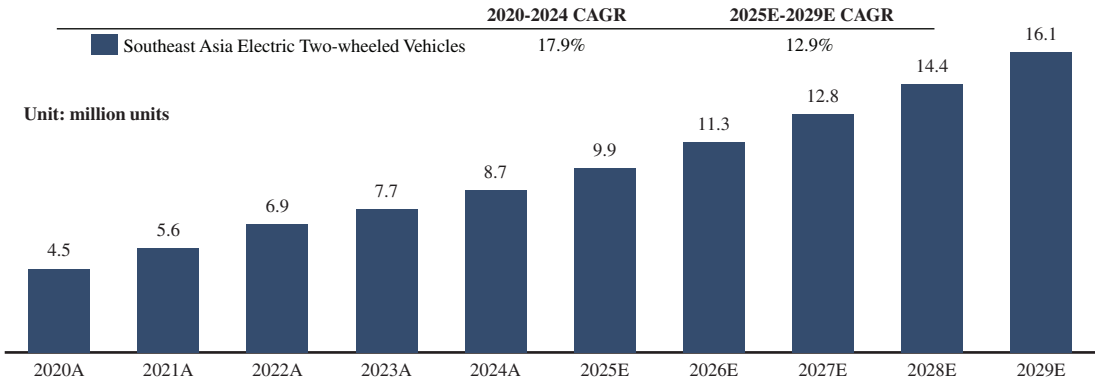
- Other electric micromobility vehicles primarily include electric tricycles and electric kick scooters.
- By manufacturer revenue attributed to overseas sales, including exports from China.

Source: National Bicycle Dealers Association, Confederation of the European Bicycle Industry, The European Association of Motorcycle Manufacturers, Frost & Sullivan analysis

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Supported by fuel-to-electric policies, elevated fuel costs and rapid expansion of high-frequency delivery use cases, Southeast Asia’s electric two-wheeled vehicles market has grown quickly in recent years. By sales volume, the market increased from approximately 4.5 million units in 2020 to approximately 8.7 million units in 2024. In terms of product mix, electric scooters and e-mopeds remain the mainstream electrified format aligned with local motorcycle usage habits, while electric motorcycles are expanding faster in delivery-intensive scenarios. Looking ahead, continued policy support, further growth in delivery demand and the rollout of battery swapping networks are expected to sustain the market’s rapid growth momentum, with sales volume projected to reach approximately 16.1 million units by 2029.

Southeast Asia Electric Two-wheeled Vehicles Market Size, by Sales Volume, 2020-2029E



Source: Asosiasi Industri Sepeda Motor Indonesia, Vietnam Automobile Manufacturers Association, Thai Automotive Industry Association, Frost & Sullivan analysis

Industry development trends are being shaped by faster fuel-to-electric substitution in emerging markets such as the Middle East and Africa, Southeast Asia, India and Latin America, where total cost of ownership, durability and longer single-charge range are becoming core purchase criteria, supported by incentives and road-access measures in some markets. In developed markets, demand continues to be anchored by e-bikes for commuting and leisure, with gradual upgrades toward better riding experience and smarter functions. At the same time, shared mobility and professional fleet applications are raising technical benchmarks across regions, as operators place greater emphasis on range consistency, battery cycle life and vehicle durability, and increasingly rely on connectivity and backend systems for positioning, dispatch, status monitoring and remote maintenance, making long-range capability and data-enabled operations key determinants of competitiveness.

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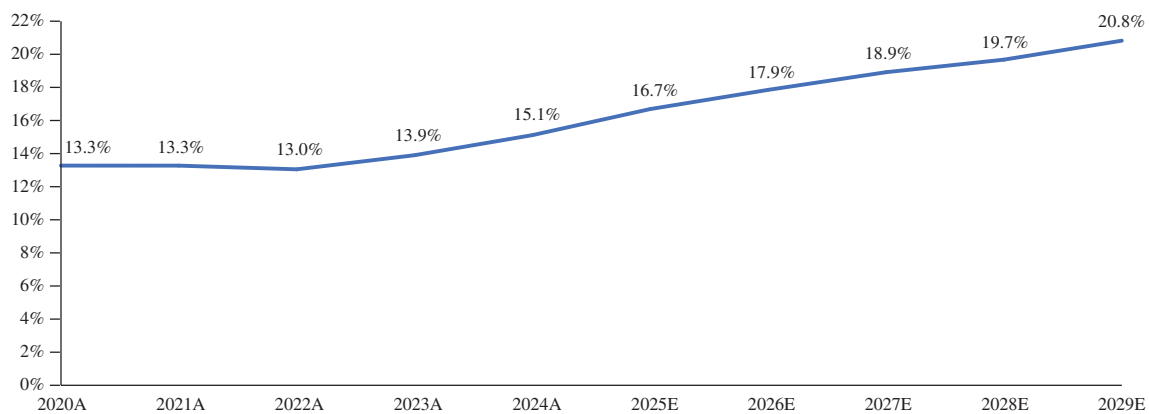
Chinese manufacturers are increasingly active participants in global competition in the electric micromobility vehicles market and have become an important force supporting market development. Key growth drivers include:

- **Supply chain advantages.** China has a comprehensive and large-scale industrial chain for electric micromobility vehicles, with a high localization rate of core components and tight integration across raw materials, components and manufacturing. Mature manufacturing systems, including automated welding, painting, final assembly, in-line inspection and consistency control, support higher mass-production efficiency and delivery stability, providing combined cost and quality advantages.
- **Strong product definition and rapid iteration.** Supported by extensive domestic use cases and intense competition, Chinese manufacturers have built capabilities in product planning, user insights, platform-based development and fast iteration. Across commuting, leisure, delivery and customized products, they can achieve efficient development through platform design, modular configurations and rapid prototyping, maintaining high “value density” and competitiveness across price bands.
- **Industrial design and experience innovation.** Chinese manufacturers continue to iterate on styling, ergonomics, payload capability, riding comfort, safety configurations (braking, frame and suspension) and protection ratings such as waterproofing and dustproofing. These efforts enhance aesthetics and brand recognition while meeting the needs of different overseas markets and use cases.
- **System integration and core technology capabilities.** Long-term industrialization has strengthened capabilities in the “battery, motor and electronic control system,” vehicle architecture, battery pack layout and thermal management, BMS calibration, and durability and reliability. Chinese manufacturers have also established application systems for intelligent functions, including app connectivity, remote diagnostics, OTA upgrades, positioning and anti-theft and riding data services, enabling rapid localization to different road conditions, regulations and consumer preferences.
- **Quality management and reliability systems.** End-to-end quality systems covering R&D validation, supplier quality, incoming inspection, in-process control and vehicle durability and environmental testing support durability, consistency and lower failure rates versus emerging overseas competitors, improving lifecycle value.
- **Channel development and retail operations capabilities.** Built through long-term experience in a large domestic market, Chinese manufacturers have developed mature capabilities in channel expansion, retail management and penetration into lower-tier markets, supported by standardized operations, training and digital tools. These capabilities can be replicated in overseas expansion through flexible dealer models to improve coverage and sustain sell-through, supporting market penetration and end-user reach.

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According to data from Frost & Sullivan, in 2024, products manufactured by Chinese companies, including exports of proprietary brands as well as OEM/ODM manufacturing for overseas brands, accounted for over 15.1% of manufacturer revenue from electric two-wheeled vehicles sold globally outside Mainland China, underscoring China’s role as a core manufacturing base in the global electric two-wheeled vehicles industry. Chinese brands are accelerating the shift from product exports to brand-led overseas expansion, and in markets such as Southeast Asia and Europe, market share has continued to increase steadily, supported by strong cost competitiveness and rapid market response capabilities.

Chinese Brands’ Share of the Overseas Electric Two-wheeled Vehicles Market, by Manufacturer Revenue, 2020-2029E



Source: General Administration of Customs of China, Frost & Sullivan analysis

Key Success Factors

Under the combined impact of the global carbon-neutrality transition and domestic consumption upgrading, China’s electric micromobility vehicles industry is moving from scale- and price-driven growth toward competition increasingly centered on product quality, premium offerings and differentiated user needs. As expectations for energy efficiency, safety, intelligent experience and design continue to rise, market concentration has increased and competitive advantages are more closely linked to system-level capabilities. Key success factors commonly include:

- **Clear and focused brand positioning.** In a highly homogeneous market, product functions can be replicated quickly, while consistent brand associations help strengthen user preference. Companies typically anchor brand positioning around a limited set of core value propositions, such as longer range, higher intelligence or enhanced safety, which supports willingness to pay and prioritization at the point of sale.

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- **System-level capability in R&D, manufacturing, and quality control.** Product competitiveness, especially in energy efficiency, usable range, and long-term reliability, increasingly depends on integrated design, calibration, and optimization across the battery system, motor drive, and electronic control, rather than on standalone components. Leading players typically sustain continuous R&D investment and build robust testing and validation systems, including recognized laboratory capabilities where applicable, to support faster iteration and consistent mass production. Over time, disciplined process control, supply chain traceability, and accumulated core technologies and patents help reduce failure rates, strengthen compliance readiness, and maintain stable product quality at scale.
- **Broad channel coverage and strong frontline operations.** As a durable consumer product, electric two-wheelers rely heavily on offline sales, user experience and after-sales service. Competitiveness is often supported by deep channel penetration, including lower-tier markets, and refined dealer operations enabled through standardized training, marketing support and digital tools to improve sell-through and service consistency.
- **Product mix upgrading and expansion into advanced configuration categories.** As replacement demand increasingly shifts toward models with stronger long-range capability and higher functional requirements, relying on basic utility models alone becomes less sustainable for brands seeking to improve operating quality. Expanding the portfolio toward advanced configuration models and differentiated use cases such as dedicated long-range, lightweight and off-road products typically supports a higher overall ASP and a healthier profitability profile.

SOURCE OF INFORMATION

This section contains information extracted from the Frost & Sullivan Report prepared by Frost & Sullivan independently, which is commissioned by us in connection with the [REDACTED]. We expect to pay Frost & Sullivan a total of RMB680,000 for the Frost & Sullivan Report and our use of the report. Frost & Sullivan is a consulting company which provides industry consulting services, commercial due diligence and strategic consulting services for a variety of industries. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the Frost & Sullivan Report. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed “Summary,” “Risk Factors,” “Business,” “Financial Information” and elsewhere in this document to provide our potential [REDACTED] with a more comprehensive presentation of the industry in which we operate.

Our Directors, after making reasonable enquiries, confirm that there have been no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

Information disclosed in this section is relevant PRC laws, regulations and regulatory documents in effect which have a significant impact on our operations in the PRC as of the Latest Practicable Date (hereinafter referred to as “**PRC Laws**”), which are subject to change in the future, but it does not include a detailed analysis of PRC Laws related to our business activities and operations in the PRC, or serve as all PRC Laws applicable to our operations in the PRC.

Regulations in Relation to Compulsory Certification and Admission

Compulsory Product Certification

According to the Regulations of the People’s Republic of China on Certification and Accreditation (Revised in 2023) (《中華人民共和國認證認可條例》(2023修訂)) which was promulgated by the State Council on September 3, 2003, latest revised and implemented on July 20, 2023, and the Administrative Provisions on Compulsory Product Certification (Revised in 2022) (《強制性產品認證管理規定(2022修訂)》) which was promulgated by the SAMR on December 3, 2001, latest revised on September 29, 2022 and implemented on November 1, 2022, no products specified by the State may leave the factory, or be sold, imported or used in other business activities until they are certified (hereinafter referred to as “compulsory product certification”) and labeled with certification marks. For products that are subject to compulsory product certification, the State will unify the product catalogue (hereinafter referred to as the “catalogue”), the compulsory requirements, standards and conformity assessment procedures for technical specifications, the certification marks and the charging standards.

The catalogue shall be formulated by the SAMR. Producers or sellers or importers of products included in the catalogue (hereinafter collectively referred to as the “certification clients”) shall entrust a certification agency designated by the SAMR (hereinafter referred to as the “certification agency”) to certify the products produced, sold or imported thereby. A certification agency shall issue the certificate to the certification client if the certification requirements are met. The certificate is valid for 5 years. Where a certificate expires and needs to be renewed, the certification client shall apply for renewal within 90 days prior to the expiry of the certificate.

According to the Announcement on Optimizing the Catalog of Compulsory Product Certification (《關於優化強制性產品認證目錄的公告》) which was promulgated by the SAMR and came into effect on April 21, 2020, and the Announcement on the Publication of the Description and Delimitation Table of the Catalog of China Compulsory Certification (《關於發布強制性產品認證目錄描述與界定表的公告》) which was promulgated by the SAMR and came into effect on August 10, 2023, Electric Bicycles and Motorcycles belong to the product types subject to Compulsory Certification.

REGULATORY OVERVIEW

Road Motor Vehicle Manufacturing Enterprises and Products

According to the Administrative Measures on Admission of Road Motor Vehicle Manufacturing Enterprises and Products (《道路機動車輛生產企業及產品準入管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the “MIIT”) on November 27, 2018 and became effective on June 1, 2019, the State implements categorised admission administration for enterprise manufacturing road motor vehicles and road motor vehicle products manufactured by them and used in China. Road motor vehicle manufacturing enterprises and their products comprise six categories including motorcycles. An applicant for admission of road motor vehicle manufacturing enterprise shall submit to the MIIT and where the admission is granted, a public announcement shall be made by the MIIT. A road motor vehicle manufacturing enterprise may manufacture and sell the corresponding road motor vehicle products only upon obtaining admission approval. Road motor vehicle manufacturing enterprises shall organise manufacturing based on the contents of admission of road motor vehicle manufacturing enterprises and products, and bear the liability for product quality and manufacturing consistency for road motor vehicles.

World Manufacturer Identifier

According to the Measures for the Administration of Vehicle Identification Numbers (for Trial Implementation) (《車輛識別代號管理辦法(試行)》), which was promulgated by the NDRC on November 2, 2004 and implemented on December 1, 2004, all enterprises engaging in the manufacturing of road motor vehicles within the territory of the PRC shall apply for World Manufacturer Identifier (hereinafter referred to as the WMI), in accordance with the Measures.

Regulations in Relation to National Standards

National Mandatory Standards for Production of Electric Bicycles and Electric Motorcycles

According to the Standardization Law of the People’s Republic of China (《中華人民共和國標準化法》) promulgated by the SCNPC on December 29, 1988 and implemented as of April 1, 1989 (last revised on November 4, 2017, and implemented as of January 1, 2018) and the Implementing Regulations for the Standardization Law of the People’s Republic of China (《中華人民共和國標準化法實施條例》) promulgated and implemented as of April 6, 1996 (last revised on March 10, 2024, and implemented as of May 1, 2024), national standards are divided into mandatory standards and recommended standards. Mandatory must be implemented. The State encourages adoption of recommended standards. Some standards for electric bicycles and electric motorcycles are mandatory.

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The mandatory standards relating to electric bicycles mainly include the Safety Technical Specification for Electric Bicycle (《電動自行車安全技術規範》) (GB 17761-2024), which was promulgated by the SAMR and the Standardization Administration of China (國家標準化管理委員會) (the “SAC”) on December 31, 2024 and implemented on September 1, 2025, to replace the Safety Technical Specification for Electric Bicycle (《電動自行車安全技術規範》) (GB 17761-2018) which was promulgated on May 15, 2018 and implemented on April 15, 2019. The Safety Technical Specification for Electric Bicycle has set clear requirements regarding the gross vehicle weight, material requirements, the tamper resistance and the nameplate design.

The compulsory standards relating to electric motorcycles mainly include the Safety Specifications for Electric Motorcycles and Electric Mopeds (《電動摩托車和電動輕便摩托車安全要求》) (GB24155-2020), which were promulgated by the SAMR and the SAC on May 29, 2020 and implemented from January 1, 2021, to replace the Safety Specifications for Electric Motorcycles and Electric Mopeds (《電動摩托車和電動輕便摩托車安全要求》) (GB24155-2009), which were promulgated on June 25, 2009 and implemented on January 1, 2010.

According to the Announcement on Strict Compulsory Product Certification Management for Electric Bicycles in with respect to issued by the National Certification and Accreditation Administration on October 23, 2025, and the Opinions on Strengthening the Implementation of Compulsory National Standards for Electric Bicycles in with respect to and Accelerating the Supply of New Products jointly issued by MIIT, Ministry of Public Security, SAMR and the National Fire and Rescue Administration (國家消防救援局) (the “NFRA”) on June 4, 2025, all electric bicycles sold from December 1, 2025 shall conform to the requirements of the “Technical Specifications for Safety of Electric Bicycles” (GB17761-2024).

Electric Bicycle Enterprise Specification

According to the Specifications for the Electric Bicycle Industry (《電動自行車行業規範條件》) and Measures for the Administration of the Electric Bicycle Industry Specification Announcement (《電動自行車行業規範公告管理辦法》), which were jointly issued by the MIIT, the SAMR and the NFRA on April 29, 2024 and became effective on May 1, 2024, enterprises that satisfy the requirements of the Specifications for the Electric Bicycle Industry shall, on a voluntary basis, submit an application to the provincial competent department of the electric bicycle industry in their respective regions. Upon the examination and approval of the provincial competent department of the electric bicycle industry and the MIIT, the MIIT shall release the qualified enterprises in the form of announcement. These Specifications are a guiding document and shall not constitute a precondition or compulsion for administrative approval.

REGULATORY OVERVIEW

Regulations in Relation to Registration of Electric Bicycles and Electric Motorcycles

According to the Law of the People’s Republic of China on Road Traffic Safety (《中華人民共和國道路交通安全法》) promulgated by the SCNPC on October 28, 2003 and effective on May 1, 2004 (revised and implemented on April 29, 2021), vehicles are divided into motor vehicles and non-motor vehicles. “Motor vehicles” mean the wheeled vehicles driven or drawn by power sets on roads for carrying people, for transporting cargoes, or for special engineering operations. “Non-motor vehicles” mean such means of transport as are driven or drawn by man or animal on roads, and the motor wheelchairs for the disabled and electrically operated bicycles which are installed with power sets but the designed maximum speed per hour, the empty vehicle’s quality and the external size of which are in conformity with the relevant standards of the State.

The State practises a registration system for motor vehicles. A motor vehicle shall be driven on roads only after it is registered with the traffic control department of a public security organ. Non-motor vehicles required for registration according to law shall run on roads only after they are registered with the traffic control departments of the public security organs. The types of non-motor vehicles required for registration according to law shall be specified by the people’s governments of provinces, autonomous regions, and municipalities directly under the Central Government in light of the actual local conditions. The local governments of Beijing, Shanghai, Jiangsu Province, Guangdong Province and other regions have formulated relevant regulations on the registration, driving and other matters of electric bicycles.

Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated by the SCNPC in December 1993 and further amended in December 1999, August 2004, October 2005, December 2013, October 2018 and December 2023, respectively. The PRC Company Law also applies to foreign-invested joint stock limited companies.

Investment activities in the PRC by foreign investors are governed by the Provisions on Guiding Foreign Investment Direction (《指導外商投資方向規定》), which was promulgated by the State Council in February 2002 and came into effect in April 2002, the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version) (《外商投資準入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which was promulgated by the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”) and the NDRC in September 2024 and came into effect on November 1, 2024, the Catalogue of Encouraged Industries for Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Encouraged Catalogue**”), which was promulgated by the MOFCOM and the NDRC in October 2022 and came into effect in January 2023, and the Catalogue of Encouraged Industries for Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by the MOFCOM and the NDRC in December 2025 and will come into effect in February 2026. The Provisions on Guiding Foreign Investment Direction divides foreign investment projects into four categories, namely “encouraged”, “permitted”, “restricted” and “prohibited” categories. The Encouraged

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Catalogue lists the foreign investment projects of the encouraged category, while the Negative List sets out the foreign investment projects of the restricted and prohibited categories, and foreign investment projects which fall outside the encouraged, restricted and prohibited categories belong to the permitted category. The Negative List sets out the restrictive measures in a unified manner, such as the requirements on shareholding percentages and corporate governance, for the access of foreign investments, and the industries that are prohibited from receiving foreign investment. The Negative List covers 11 industries, and any field not falling under the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) was promulgated by the NPC in March 2019 and came into effect on January 1, 2020. The Law on Wholly Foreign-owned Enterprises of the PRC (《中華人民共和國外資企業法》), the Law on Sino-foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》) and the Law on Sino-foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) were repealed upon the Foreign Investment Law coming into effect. The investment activities of foreign natural persons, enterprises or other organizations (collectively, the “Foreign Investors”) directly or indirectly within the territory of China shall comply with and be governed by the Foreign Investment Law. Such activities include establishments by Foreign Investors of foreign invested enterprises in China alone or jointly with other investors; acquisitions by Foreign Investors of shares, equity, property shares, or other similar interests of Chinese domestic enterprises; investments by Foreign Investors in new projects in China alone or jointly with other investors; and other forms of investment prescribed by laws, administrative regulations or the State Council.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, which came into effect on January 1, 2020. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities in accordance with the Measures on Reporting of Foreign Investment Information.

The Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and MOFCOM on December 19, 2020 and taking effect on January 18, 2021 set forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

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Regulations on Overseas Investment

The Administrative Measures on Overseas Investments (《境外投資管理辦法》), which promulgated by the MOFCOM on September 6, 2014 and taking effect on October 6, 2014, specifies that the Ministry of Commerce and the competent commercial authorities of all provinces, autonomous regions, specifically designed cities in the state plan, and Xinjiang Production and Construction Corps (hereinafter referred to as provincial commercial authorities) are responsible for the management and supervision of overseas investment, and the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions, or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the NDRC. Non-sensitive projects, which means a project neither involving any sensitive country or region nor involving any sensitive industry, directly conducted by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to recordation management.

Regulations on Import and Export of Goods

Foreign Trade

According to the Foreign Trade Law of the PRC (Amended in 2022) (《中華人民共和國對外貿易法(2022年修訂)》) promulgated by the SCNPC on May 12, 1994, and subsequently amended on December 30, 2022, the Foreign Trade Law of the PRC (Amended in 2025) (《中華人民共和國對外貿易法(2025年修訂)》) which was promulgated by the SCNPC in December 27, 2025 and will come into effect in March 1, 2026, and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods to and from the PRC are free, unless otherwise provided in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The amended law grants the PRC government the authority to allow the free import and export of commodities, except as specified otherwise by other laws and administrative regulations.

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Customs

According to the Customs Law of the PRC (《中華人民共和國海關法》) enacted by the SCNPC on January 22, 1987, and subsequently amended on April 29, 2021, which became effective from the same date, the Customs of the PRC is vested with the authority for the supervision and administration of entry and exit points. Under the framework of pertinent laws and administrative regulations, the Customs exercises its jurisdiction over various aspects, including the inspection and regulation of vehicles, goods, luggage, postal articles, and other items entering and departing the country. This mandate encompasses the assessment and collection of customs duties, taxes, and fees, as well as the prevention and detection of smuggling activities, compilation of customs statistics, and execution of related customs procedures.

Furthermore, as delineated in the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs (海關總署) on November 19, 2021, and implemented from January 1, 2022, the term “customs declaration entities” pertains to consignees and consignors of import and export goods, as well as customs declaration enterprises officially registered with the customs authorities. Entities seeking recordation are required to hold valid market entity qualifications. Specifically, importers and exporters must also possess records as foreign trade operators. The recordation status of customs declaration entities is of a permanent nature.

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

The SCNPC promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), on June 10, 2021 (effective from September 1, 2021), for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security. The Regulations on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council on September 24, 2024 and implemented on January 1, 2025, further stipulates that network data processors shall, in accordance with the provisions of laws and administrative regulations as well as the mandatory requirements of national standards, enhance the protection of network data security on the basis of network security multi-level protection. Network data processors shall establish and improve network data security management systems, adopt technical measures such as encryption, backup, access control, and security authentication, along with other necessary measures, to protect network data from tampering, destruction, leakage, illegal acquisition, or illegal use. Network data processors shall respond to network data security incidents, prevent illegal and criminal activities targeting or utilizing network data, and assume primary responsibility for the security of the network data they process.

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According to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室) (the “CAC”) on July 7, 2022 and came into effect on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the critical information infrastructure operator or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

According to the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) issued by the CAC on February 22, 2023 and effective from June 1, 2023, to provide personal information to an overseas recipient through the conclusion of the standard contract, a personal information processor shall meet all of the following circumstances: (i) it is not a critical information infrastructure operator; (ii) it has processed the personal information of less than one million individuals; (iii) it has cumulatively provided the personal information of less than 100,000 individuals to overseas recipients since January 1 of the previous year; and (iv) it has cumulatively provided the sensitive personal information of less than 10,000 individuals since January 1 of the previous year.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), a data processor that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification, if such data handler accumulatively transfers overseas ordinary personal information of less than 100,000 individuals since the January 1 of the current year.

Personal Information Protection and Cybersecurity

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”), which was promulgated by the NPC on May 28, 2020 and became effective from January 1, 2021, personal information of natural persons is protected by law. If any organization or individual needs to obtain other people’s personal information, they should obtain it in accordance with the law and ensure the security of the information. They must not illegally collect, use, process, or transmit other people’s personal information, and must not illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

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According to the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, and the Cybersecurity Law of the People’s Republic of China (Amended in 2025) (hereinafter referred to as the “Cybersecurity Law”) which was promulgated by the SCNPC in October 2025 and came into effect in January 1, 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide. Network operators are not allowed to leak, tamper with, or damage the personal information they collect; they are not allowed to provide personal information to others without the consent of the person whose data is being collected. However, this does not apply to cases where a specific individual cannot be identified and the identity cannot be recovered after processing. Network operators should take technical measures and other necessary measures to ensure the security of the personal information they collect and prevent leakage, damage and loss of information.

In relation to responsibilities and obligations of cybersecurity, the Cybersecurity Law stipulates that the construction and operation of networks or the provision of services through networks shall comply with the mandatory requirements of laws, administrative regulations, and national standards. Technical measures and other necessary measures shall be taken to ensure the secure and stable operation of networks, effectively respond to cybersecurity incidents, prevent network-related illegal and criminal activities, and protect the integrity, confidentiality, and availability of network data. The Cybersecurity Law emphasizes that no individual or organization using networks shall endanger cybersecurity or use networks to engage in activities that jeopardize national security, economic order, and social order, or infringe upon the reputation, privacy, intellectual property rights, and other lawful rights and interests of others.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) promulgated by thirteen Chinese government bodies including CAC on December 28, 2021 and effective on February 15, 2022, the critical information infrastructure operators procuring network products and services, and network platform operators carrying out data processing activities that affect or may affect national security, shall undergo cybersecurity review by the Cybersecurity Review Office established under the CAC. Furthermore, network platform operators in possession of personal information of over one million users must declare a cybersecurity review to the Cybersecurity Review Office before [REDACTED] overseas. The CAC may also initiate a cybersecurity review on a voluntary basis if any network product, service, or data processing activity affects or may affect national security.

Regulations on Self-Owned Real Properties

According to the Civil Code, the creation, alteration, alienation, or extinguishment of the property right of a real property shall become effective upon registration in accordance with law. The certificate of ownership of real property shall be an evidence of the right holder’s entitlement in the real property.

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According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and taking effect from January 1, 2020, China implements socialist public ownership of land, that is, ownership by the whole people or collective ownership by the working masses. The State formulates an overall land utilization plan to stipulate land use, classifying land into agricultural land, construction land, or unused land. Entities or individuals using land must use the land strictly in accordance with the purposes of land use determined in the overall land utilization plan.

Regulations on Lease of Real Property

According to the Civil Code, a lease contract generally shall contain clauses specifying the name, quantity and purpose of use of the leased object, the term of the lease, rent, the schedule and method of its payment, the maintenance and repair of the leased object, etc. The lessee of a lease may, with the consent of the lessor, sublease the leased object to a third party.

According to the Administrative Measures for Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) (the “**MOHURD**”) on December 1, 2010 and became effective on February 1, 2011, a commodity housing lease contract should be registered and filed with the competent construction (real estate) departments of the municipalities directly under the central government, cities and counties where the house is located within 30 days after the execution of the lease contract. Those who fail to comply with the aforementioned filing regulations may be ordered by the competent authority to correct within a time limit. If the entity does not correct within the specified period, it may be subject to a fine ranging from 1,000 to 10,000 yuan.

Regulations on Construction

Construction Work Planning Permit

In accordance with the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and last amended with effect from April 23, 2019, where construction work is conducted in a city or town planning area, the relevant construction entity shall apply for a construction work planning permit (建設工程規劃許可證) from the competent administrative authority in charge of urban and rural planning.

Construction Work Commencement Permit

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997 and last amended with effect from April 23, 2019, a construction entity shall, prior to the commencement of a construction work, apply for a construction permit (施工許可證) from the competent construction administrative authority, except that certain small-scale projects that meet the requirements and conditions set by the competent construction administrative authority are exempted from obtaining a construction permit.

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According to the Administrative Measures for Construction Permits of Building Projects (《建築工程施工許可管理辦法》) promulgated by the MOHURD on October 15, 1999 and last amended with effect from March 30, 2021, any entity in China that carries out construction, fitting-out or decoration of a building and its ancillary facilities, installation of supporting lines, pipelines or equipment, as well as the construction of municipal infrastructure projects shall, prior to the commencement of the construction, apply for a construction permit. Construction works with a construction investment amount of less than RMB300,000 or a construction area of less than 300 square meters are not required to obtain construction permits.

Acceptance on Completion of Construction

According to the Measures for the Administration of Completion Acceptance and Filing of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated by the MOHURD and taking effect from October 19, 2009, any entity in China that carries out construction works to build, expand or re-build real properties or municipal infrastructure projects shall, within 15 days after the acceptance of the relevant construction work, make a record-filing with the competent construction administration authority.

Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”), which was promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “**Implementation Rules of the Patent Law**”), promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023 and came into effect on January 20, 2024. The Patent Law and the Implementation Rules of the Patent Law provide for three types of patents, namely “invention,” “utility model” and “design.” “Invention” refers to any new technical solution relating to a product, a process or improvement thereof; “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and “design” refers to any new design of the shape, pattern, color or the combination of any two of them, of a product, which creates an aesthetic feeling and is suitable for industrial application. The duration of a patent right for “invention” is twenty (20) years; the duration of a patent right for “utility model” is ten (10) years; and the duration of a patent right for “design” is fifteen (15) years, all of which durations are from the date of application.

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Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 last amended on January 30, 2013, and became effective on March 1, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT, on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended and effective as of October 15, 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) acquiring a trade

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secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Regulations in Relation to Product Quality and Consumer Protection

Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), which was issued by the SCNPC on February 22, 1993, last revised and became effective on December 29, 2018, the Product Quality Law is applicable to all activities of production and sale of any product within the territory of mainland China, and the producers and sellers shall be responsible for product quality in accordance with the Product Quality Law. The seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties designated for use, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as displayed on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased product, the seller shall compensate for such losses. After a seller has taken responsibility for compensation or losses, where the liability falls on the producer or any other seller who provides the product to the seller, the seller shall have the right to recover the compensation from the producer or the other seller.

Pursuant to the Civil Code, producers shall assume tort liability where the defects in relevant products cause damage to others. Sellers shall assume tort liability where the defects in relevant products causing damage to others are attributable to the sellers. The aggrieved party may claim for compensation from the producer or the seller of the relevant product in which the defects have caused damage.

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Consumer Protection

According to Law of the People’s Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) which was promulgated on October 31, 1993 and amended on August 27, 2009 and October 25, 2013, all business operators must comply with this law when they produce or sell goods and/or provide services to customers. All business operators must pay high attention to protecting customers’ privacy and must strictly keep confidential any consumer information they obtain during their business operations. Where a business operator has discovered a defect in its goods or services provided which may harm personal safety or property security, it shall forthwith report to the relevant administrative authorities and notify consumers, and adopt measures such as suspension of selling, alert, recall, decontamination, destruction, suspension of manufacturing or services. Where recall measures are adopted, the business operator shall bear the requisite expenses incurred by consumers as a result of recall of goods. Where the goods or services provided by a business operator do not satisfy quality requirements, the consumer may require the business operator to perform replacement or repair obligations, in accordance with the agreement on return of goods between the parties concerned or pursuant to the provisions of the State.

Where there is no relevant provisions by the State and agreement between the parties concerned, the consumer may return the goods within seven days from the date of receipt of the goods; where the criteria for statutory rescission of contract are satisfied after the seven-day period, the consumer may return the goods timely, where the criteria for statutory rescission of contract are not satisfied, the consumer may require the business operator to perform replacement or repair obligations, and the business operator shall bear the requisite transportation expenses under aforesaid situations.

Also, according to the Regulations on the Administrative Provisions on Compulsory Product Certification (Revised in 2022), once the producer or seller of a product included in the catalogue discovers any potential safety problems with the product they manufactured or sold may cause damage to human health and safety, the producer or seller shall, make public the relevant information, take the initiative to adopt remedy measures including recalling the product, and report the case to concern supervision and administration authorities in accordance with relevant provisions.

Regulations in Relation to Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021 and came into effect on September 1, 2021, is the basic law governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and business operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and know their own rights and duties in

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terms of production safety. Employees who fail the education and training programs on production safety may not commence working in their positions. Safety facilities of new building, rebuilding or expanding project (the “construction project”) shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

Regulations in Relation to Environmental Protection

According 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 and latest amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended and came into effect on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

According to the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment of the People’s Republic of China (中華人民共和國生態環境部) on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of motorcycles, auxiliary vehicles and spare parts and accessories of automobiles falls into the classification management scope for fixed source pollution permits.

Regulations in Relation to Labor, Social Insurance and Housing Provident Funds

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended and came into effect in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages shall not be lower than local minimum wages. The employers must establish a system for labor safety and sanitation, strictly comply with national rules and standards, provide education regarding labor

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safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC in October 2010 and last amended and came into effect in December 2018, and the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council in January 1999 and last amended and came into effect on March 24, 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance. Where an employer fails to pay social insurance premiums on time or in full amount, the collection agency of social insurance premiums shall order it to pay or make up the deficit of premiums within a prescribed time limit, and impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; and if it still fails to pay the premiums within the prescribed time limit, the relevant administrative department shall impose a fine of 1-3 times the outstanding amount upon it.

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council in April 1999 and last amended and came into effect on March 24, 2019, an entity shall undergo the formalities for registration of housing provident fund contribution with the housing provident fund management center, and undergo the formalities for opening housing provident fund accounts for its employees. The monthly deposit amount of the housing provident fund deposited by an entity for the employee shall be the employee's monthly average wage of the last year multiplied by the deposit proportion of the entity's housing provident fund. An entity shall timely and fully deposit housing provident fund, and shall not deposit it by exceeding the time limit, or deposit less than it should. Where an entity violates this Regulation by failing to make deposit registration of the housing provident fund or failing to open a housing provident fund account for its employees, it shall be ordered by the housing provident fund management center to make up the procedures within a time limit; if it fails to make up the procedures within the time limit, it shall be given a fine of 10,000 to 50,000 yuan. Where an entity violates this Regulation by failing to deposit the housing provident fund within the time limit or by under-depositing the fund, it shall be ordered by the housing provident fund management center to deposit the fund within a time limit; if it fails to deposit the fund within the time limit, it may apply to the people's court for enforcement.

According to the Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), which was issued by the Supreme People's Court of the PRC (中華人民共和國最高人民法院) and came into effect on September 1, 2025, where an employer and a worker agree or a worker undertakes to an employer that there is no need to pay social insurance premiums, the people's court shall determine that such an agreement or undertaking is void.

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Regulations on Taxes

Enterprise Income tax (“EIT”)

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”) promulgated by the SCNPC on March 16, 2007 and last amended and came into effect on December 29, 2018 and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and became effective on January 20, 2025, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax (“VAT”)

The major PRC laws and regulations governing value-added tax are the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024 and last amended and came into effect on January 1, 2026, the Regulation on the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), which was promulgated on December 19, 2025 by the State Council, and came into effect on January 1, 2026, and the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was issued on December 18, 2008 by the Ministry of Finance of the PRC (中華人民共和國財政部) (the “**MOF**”), and last amended on October 28, 2011 and came into effect on November 1, 2011. According to the aforementioned regulations, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation.

Regulations in Relation to Foreign Exchange

According to the Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on August 5, 2008, and effective from the same date, foreign currency circulation is prohibited within the PRC and foreign currency shall not be used for pricing and settlement, unless otherwise stipulated by laws and regulations. Foreign exchange is categorized into foreign exchange under current accounts and foreign exchange under capital accounts. There are no restrictions on international payments in foreign currency and foreign currency transfers under the current accounts, such as dividend or interest payments. Transactions involving goods, services, income, and current transfers in the balance of payments shall be classified as current account transactions, and their foreign exchange expenditures shall be paid by an institution

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with its self-owned foreign exchange upon valid documents or with the foreign exchange purchased from any financial institution operating the foreign exchange settlement or sale business in accordance with the administrative provisions of the foreign exchange administrative department of the State Council on the payment and purchase of foreign exchange. A domestic institution or individual that makes direct investment or issues or trades negotiable securities or derivative products overseas shall handle the registration formalities at the foreign exchange administrative department of the State Council.

Pursuant to the Notice on Issues Concerning the Administration of Foreign Exchange in Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014 and effective from the same date, a domestic company shall, within 15 working days from the date of the end of its overseas listing and issuance, register the overseas listing with the administration of foreign exchange at the place of its establishment. The proceeds from the overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the relevant content included in the document document and other disclosure documents.

In February 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies 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》), part of which was abolished in December 2019. It stipulates that banks shall, on behalf of the SAFE, directly examine and handle foreign exchange registration under overseas direct investment, and the SAFE and its branches shall exercise indirect supervision over foreign exchange registration and examination of overseas direct investment through banks.

Pursuant to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (Hui Fa [2016] No.16) (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE on June 9, 2016 and partially amended on December 4, 2023, the policy for discretionary settlement of foreign exchange shall apply to the foreign exchange receipts of domestic institutions under the capital account, that is, if foreign exchange receipts under the capital account including foreign exchange capital, external debt and funds recovered from overseas listing could be for discretionary settlement according to relevant policies, settlement can be handled with a bank based on the real operation needs of domestic institutions. The proportion of discretionary settlement of foreign exchange receipts of domestic institutions under the capital account is temporarily 100% at present. However, the SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time. During the course of implementing the discretionary settlement of foreign exchange receipts under the capital account, the domestic institutions can still choose the existing procedures for settlement upon payment for the use of foreign exchange receipts. However, for each foreign exchange settlement for domestic institutions, based on the principle of foreign exchange settlement upon payment, banks shall examine the authenticity and compliance in the use of the funds for prior transaction of foreign exchange settlement. A domestic institution's foreign exchange receipts under the capital account and RMB funds gained from foreign exchange settlement

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could be used as expenses under the current account within its business scope as well as legitimate expenses under the capital account, but shall not be used as the expenses beyond the business scope of the enterprise or the expenses prohibited by national laws and regulations.

According to the Circular on Optimizing Foreign Exchange Administration to Support Foreign-related Business Growth (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, while ensuring funds are used for true businesses and in compliance with regulations and the existing management provisions on use of receipts under the capital account, eligible companies will be allowed to use receipts under the capital account such as foreign exchange capital, external debts and funds raised through overseas listing for domestic payments, without submitting authentication materials to banks beforehand on a transaction-by-transaction basis. The administering banks shall perform ex-post sampling according to relevant requirements.

According to the Notice on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《關於境內企業境外上市資金管理有關問題的通知》) issued by the SAFE and the PBOC on December 24, 2025, and will come into effect on April 1, 2026, the PBOC, the SAFE and their branches shall supervise, administer, and inspect business registrations, account opening and usage, cross-border receipts and payments, foreign exchange settlement and purchase, and other acts related to the overseas listing of domestic enterprises.

Regulations in Relation to Overseas Securities Offering and Listing by Domestic Companies

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) issued by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures for Overseas Listing. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs,

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or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

LAWS AND REGULATIONS IN RELATION TO INTERNATIONAL SANCTIONS

United States

The Office of Foreign Assets Control (“**OFAC**”) is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. “Primary” U.S. sanctions apply to “U.S. persons” or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and “secondary” U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity’s domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies’ foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens (“green card” holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to “block” (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC. OFAC’s comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People’s Republic (LPR) and Donetsk People’s Republic (DPR) regions.

OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S.

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persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the “UNSC”) can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation. There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees. United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an EU member state. EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime-by-regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

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Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. For instance, in October 2022, BIS issued an interim final rule (the “**BIS October 2022 IFR**”) requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is “knowledge” that the item is destined for end use in the development or production of ICs at a fab in China that fabricates ICs meeting certain criteria. On December 2, 2024, BIS issued an interim final rule (the “**BIS December 2024 IFR**”) and a final rule (the “**BIS December 2024 FR**”), which expanded controls in the EAR on advanced computing and semiconductor manufacturing items. The United States has increased export controls restrictions on China through the EAR, administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the “**BIS**”), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the “**Entity List**”). Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U. S.-origin items, or otherwise subject to the foreign direct product rules because of the end-user or end-use, would be subject to the EAR export restrictions because of the U.S.-origin incorporated in or otherwise used in the development of such products. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR including the type of aforementioned foreign produced items generally is prohibited unless the specified license requirements are met.

In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the “**Commerce Control List**”). The Commerce Control List is primarily based on multilateral export control lists, such as the Wassenaar Arrangement’s List of Dual-Use Goods and Technologies and Munitions List, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number (“**ECCN**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading electric micromobility vehicle brand that champions the value of green, low-carbon, and intelligent travel experience. Our Company was established by our Co-founders on December 17, 2018 as a limited liability company under the PRC Company Law with the name “台鈴科技發展有限公司”. On December 10, 2021, our Company was converted into a joint stock company with limited liability, and was renamed as “台鈴科技發展(江蘇)股份有限公司”. Our Company was further renamed as TAILG Technology Co., Ltd. (台鈴科技股份有限公司) on June 17, 2022. For details of biographical background and relevant industry experience of Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai, see “Directors and Senior Management”.

BUSINESS MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2018	In December, our Company was established, and we determined our product positioning with a focus on improving riding range.
2019	In September, we won the “2019 China Science and Technology Innovation Invention Achievement Award”.
2020	In March, we participated in the drafting of the Energy Conservation Certification Criteria for Electric bicycle issued by the China Quality Certification Centre. In October, our electric scooter achieved a Guinness World Record for a single-charge riding range.
2021	In March, with the support of the Chinese Academy of Social Sciences, we jointly released the White Paper on Electric Vehicle Mobility together with the United Nations Environment Programme. In December, our Company was converted into a joint stock company with limited liability.
2022	In August, we won the 2022 Green Sustainable Development Contribution Award.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestones
2023	In October, we received certifications as “Global Pioneer of Long-Range Electric Two-wheeled Vehicles” and “China Pioneer of Long-Range Electric Two-wheeled Bicycle”.
2024	In August, our smart manufacturing base in Vietnam commenced production.
2025	In June, we were selected as one of the “Electric Bicycle Certification Entrusted Enterprises” under the new national standard.

CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of our Company

To set up a centralized platform to manage our business, on December 17, 2018, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB50.0 million. Upon the establishment, the shareholding structure of our Company was as follows:

Name of Shareholder	Amount of Registered Capital	Approximate Shareholding Percentage
	(RMB)	(%)
Mr. SUN Muchu	13,500,000	27.00
Mr. SUN Muqian	13,000,000	26.00
Mr. SUN Muchai	12,000,000	24.00
Mr. YAO Li	9,500,000	19.00
Jiangsu Tailg Vehicle Industry Co., Ltd. (江蘇台鈴 車業科技有限公司) (“Tailg Vehicle”) ⁽¹⁾	2,000,000	4.00
Total	50,000,000	100.00

Note:

- At the time of the establishment of our Company, Tailg Vehicle was owned by HONG Junwei (洪俊維) and SUN Zaipai (孫再派) as nominees for our Co-founders. Such nominee arrangement was established to facilitate administrative convenience, and was ceased upon completion of the share transfers in July 2019. See “— Equity Transfers in July 2019” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers in July 2019

On May 10, 2019, each of Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li entered into a separate share transfer agreement with Tailg Vehicle, pursuant to which Tailg Vehicle agreed to transfer to each of the Co-founders 1% equity interest in our Company, at nil consideration, to terminate the nominee arrangement between it and our Co-founders. Upon completion of such equity transfers, our Company was owned by Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li as to 28%, 27%, 25% and 20%, respectively.

Conversion to a Joint Stock Limited Liability Company

Pursuant to the shareholders’ resolutions dated June 30, 2021, the then existing Shareholders agreed to covert our Company into a joint stock limited liability company. Pursuant to the promoters’ agreement in September 2021, the net asset value of our Company as of July 31, 2021 amounted to RMB100,071,331.74, of which (i) RMB100,000,000 was converted into 100,000,000 Shares of RMB1.00 par value each, and were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB71,331.74 was converted to capital reserve of our Company. Upon the completion of the conversion on December 10, 2021, the registered capital of our Company was RMB100,000,000 divided into 100,000,000 Shares with a nominal value of RMB1.00 each.

Capital Increase in 2021

Pursuant to the Shareholders’ resolution dated November 1, 2021, the registered capital of our Company was increased from RMB100,000,000 to RMB185,000,000. The newly increased registered capital of our Company was subscribed by Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li on a *pro rata* basis in proportion to their existing shareholdings in our Company. Upon completion of such increase, our Company was owned by Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li as to 28%, 27%, 25% and 20%, respectively. The considerations for the subscriptions were fully settled on November 12, 2021.

Capital Increase and Acquisition of Jiangsu Tailg

Pursuant to a shareholders’ resolution dated November 18, 2024, the registered capital of our Company was increased from RMB185,000,000 to RMB194,340,681. The newly increased registered capital of our Company was subscribed by Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li on a *pro rata* basis in proportion to their existing shareholdings in our Company. As consideration for the subscription and as part of the Common Control Restructuring (as defined below) in respect of Jiangsu Tailg, Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li transferred 28%, 27%, 25% and 20% of their respective equity interests in Jiangsu Tailg to our Company. Upon completion of such increase, our Company was owned by Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li as to 28%, 27%, 25% and 20%, respectively, and Jiangsu Tailg became a wholly owned subsidiary of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increases in relation to the Pre-[REDACTED] Share Incentive Plans

Pursuant to the Shareholders’ resolutions in December 2023 and October 2025, for the purpose of implementing the Employee Share Incentive Plan, our then Shareholders approved the issue of Shares to certain employees and Wuxi Chuangrui Investment Management Partnership Enterprise (無錫創睿投資管理合夥企業(有限合夥)) (“**Wuxi Chuangrui**”), according to which, Mr. CHANG Yao (常耀), our executive Director and senior vice president, subscribed for 2,332,088 Shares for a total consideration of RMB2,400,000, Mr. CHEN Yingsheng (陳迎升), our vice president, subscribed for 2,137,747 Shares for a total consideration of RMB2,200,000, Mr. CHANG Jie (常杰), our senior vice president, subscribed for 1,943,407 Shares for a total consideration of RMB2,000,000, and Wuxi Chuangrui, our Share Incentive Platform, subscribed for 4,016,064 Shares for a total consideration of RMB40,000,000. The considerations were fully settled by October 29, 2025.

Upon completion of the above capital increases, the registered capital of our Company was increased from RMB194,340,681 to RMB204,769,987, and the shareholding structure of our Company was as follows:

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Approximate Shareholding Percentage</u> (%)
Mr. SUN Muchu	54,415,391	26.57
Mr. SUN Muqian	52,471,984	25.62
Mr. SUN Muchai	48,585,170	23.73
Mr. YAO Li	38,868,136	18.98
Wuxi Chuangrui	4,016,064	1.96
Mr. CHANG Yao	2,332,088	1.14
Mr. CHEN Yingsheng	2,137,747	1.04
Mr. CHANG Jie	1,943,407	0.95
Total	204,769,987	100.00

Other Shareholding Changes to our Company

Other than the corporate development disclosed above, our Company underwent a series of shareholding changes in connection with the Pre-[REDACTED] Investment and for the purpose of the Common Control Restructuring. For further details, please refer to the paragraphs headed “— Pre-[REDACTED] Investment” and “— Common Control Restructuring” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

The following subsidiaries are of strategic importance to us or have made material contributions to our results of operations during the Track Record Period:

Name of Subsidiary	Place of Establishment	Date of Establishment	Registered capital	Equity percentage held by the Company (%)	Principal Business Activities
Jiangsu Tailg .	PRC	January 10, 2014	RMB80,000,000	100.0	Manufacturing and sales of electric two-wheeled vehicles
Jiangsu Maitaotao . .	PRC	September 13, 2021	RMB10,000,000	100.0	E-commerce sales and promotion of electric two-wheeled vehicles related products
Tailg Sales . .	PRC	September 8, 2022	RMB10,000,000	100.0	Sales of electric two-wheeled vehicles
Lingdong Decoration .	PRC	November 21, 2022	RMB10,000,000	100.0	Store interior design and renovation
Guangdong Tailg	PRC	September 27, 2019	RMB200,000,000	100.0	Sales of electric two-wheeled vehicles
Tianjin Shenling . .	PRC	May 24, 2011	RMB50,000,000	100.0	Manufacturing and sales of electric two-wheeled vehicles
Tianjin Tailg .	PRC	September 11, 2018	RMB40,000,000	100.0	Manufacturing and sales of electric two-wheeled vehicles
Chongqing Tailg	PRC	November 6, 2020	RMB200,000,000	100.0	Manufacturing and sales of electric two-wheeled vehicles
Guangxi Tailg	PRC	April 28, 2023	RMB30,000,000	100.0	Manufacturing and sales of electric two-wheeled vehicles

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COMMON CONTROL ARRANGEMENT

Pursuant to the Common Control Agreement and Historical Control Confirmation Letter, Mr. SUN Muqian, Mr. SUN Muchu, Mr. YAO Li and Mr. SUN Muchai acknowledged and confirmed that as the beneficial equity interests holders of the Company and the Common Controlled Entities, (i) since the establishment of our Company, they have acted in a coordinated manner in voting and decision-making to exercise control over the Company by aligned voting in relation to the Company’s strategic development, production and operation, and material matters, and agreed to continue such coordinated manner in long term; (ii) prior to exercising voting rights at shareholders’ meetings or board meetings, they had been and will consult with each other and vote consistently based on mutually agreed positions; and (iii) such common control arrangement has been continuously maintained historically since the establishment of the Company and each of the Common Controlled Entities and will be maintained on a long-term basis.

COMMON CONTROL RESTRUCTURING

During the historical development of the Group, certain operating entities of the Group were held directly and under the common control of our Co-founders prior to their respective consolidation by our Company. In order to streamline the Group’s corporate structure, consolidate the businesses and assets operated under common control, and facilitate centralized group-level management, operational integration and future development, our Co-founders transferred to our Company the equity interests in the Common Controlled Entities through a series of equity transfers (the “**Common Control Restructuring**”). The Common Control Restructuring was completed on December 30, 2024. The table below sets forth a summary of the Common Control Restructuring in respect of the Common Controlled Entities.

Name of Common Controlled Entity	Primary Business	Date of Equity Transfer Agreement	Consideration	Basis of Determining the Consideration	Transferor
Tianjin Tailg*	Manufacturing and sales of electric two-wheeled vehicles	January 20, 2022	Nil	N/A	Tianjin Shenling
Chongqing Tailg *.	Manufacturing and sales of electric two-wheeled vehicles	December 31, 2021	RMB9,650,000	Taking into account the appraised value set out in the valuation report issued by an independent valuer	Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai
Tailg Technology (Shenzhen) Co., Ltd. (台鈴科技(深圳)有限公司) .	Manufacturing and sales of electric two-wheeled vehicles	April 24, 2023	Nominal consideration	N/A	Mr. HUANG Jingge (黃錦格) ⁽²⁾
Jiangsu Maitaotao *.	E-commerce sales and promotion of electric two-wheeled vehicles related products	March 15, 2023	Nominal consideration	N/A	Mr. LIN Shaotian (林少填) ⁽²⁾

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Name of Common Controlled Entity	Primary Business	Date of Equity Transfer Agreement	Consideration	Basis of Determining the Consideration	Transferor
Guangdong Tailg*	Sales of electric two-wheeled vehicles	May 18, 2023	RMB200,000,000	Taking into account the appraised value set out in the valuation report issued by an independent valuer	Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai
Tianjin Shenling *	Manufacturing and sales of electric two-wheeled vehicles	December 21, 2023	RMB140,000,000	Taking into account the appraised value set out in the valuation report issued by an independent valuer	Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai
Jiangmen Zero Technology Co., Ltd. (江門市零號科技有限公司)	Research and development and design of electric motorcycle	August 1, 2024	Nominal consideration	N/A	Mr. ZHU Fanhui (朱繁輝) ⁽²⁾
Jiangsu Tailg *	Manufacturing and sales of electric two-wheeled vehicles	November 18, 2024	RMB131,797,000	Taking into account the appraised value set out in the valuation report issued by an independent valuer	Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai
Wuxi Tailg Technology Trading Co., Ltd. (無錫市台鈴科技貿易有限公司)	Trading and sales of electric two-wheeled vehicles	February 1, 2023	RMB1,000,000	Taking into account the paid registered capital	Mr. SUN Muchu and Mr. HONG Junwei (洪俊維) ⁽²⁾
Tianjin Ruitai Shengxiang Machinery Co., Ltd. (天津瑞泰盛祥機械有限公司)	Manufacturing-related support services	April 24, 2022	Nil	N/A	Tianjin Shenling
Dongguan Tailg Trading Co., Ltd. (東莞市台鈴貿易有限公司)	Trading and sales of electric two-wheeled vehicles	January 31, 2023	RMB12,515,607	Taking into account the net assets	Mr. YAO Li, and Mr. SUN Muchai

Notes:

- (1) * indicates the major subsidiaries.
- (2) Each of Mr. HUANG Jingge (黃錦格), Mr. LIN Shaotian (林少填), Mr. ZHU Fanhui (朱繁輝) and Mr. HONG Junwei (洪俊維) was holding the equity interests in the relevant Common Controlled Entities as nominees of our Co-founders. The nominee arrangements were established to facilitate administrative convenience, and such nominee arrangement was terminated upon completion of the respective equity transfers.

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MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, save for the Common Control Restructuring disclosed above, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

PRE-[REDACTED] INVESTMENT

On November 28, 2025 and December 23, 2025, the then Shareholders of our Company passed resolutions approving a series of equity transfers and capital increases (collectively, the “Pre-[REDACTED] Investment”).

Pursuant to the Shareholders’ resolutions, each of Mr. SUN Muchu, Mr. SUN Muqian, Mr. SUN Muchai and Mr. YAO Li agreed to transfer certain number of Shares to Anhui Jiaokong Merchants Industrial Investment Fund (Limited Partnership) (安徽交控招商產業投資基金(有限合伙)) (“**Jiaokong Merchants**”), Suzhou Safty Industrial Investment Partnership (Limited Partnership) (蘇州賽福天產業投資合夥企業(有限合伙)) (“**Safty Industrial**”), Wuxi Herun Venture Capital Partnership (Limited Partnership) (無錫和潤創業投資合夥企業(有限合伙)) (“**Herun Venture**”), Mr. LIN Zhuying (林柱英), Wuxi Xishan Yingtai Venture Capital Partnership (Limited Partnership) (無錫市錫山區映台創業投資合夥企業(有限合伙)) (“**Xishan Yingtai**”), Suzhou Shenqi Lina Green Equity Investment Partnership (Limited Partnership) (蘇州申祺利納綠色股權投資合夥企業(有限合伙)) (“**Shenqi Lina**”) and Luwei Cangqiong (Guangzhou) Enterprise Management Partnership (Limited Partnership) (路威蒼穹(廣州)企業管理合夥企業(有限合伙)) (“**Luwei Cangqiong**”). Specifically, (i) Jiaokong Merchants acquired an aggregate of 722,718 Shares for a total consideration of RMB30.0 million; (ii) Safty Industrial acquired an aggregate of 108,409 Shares for a total consideration of RMB4.5 million; (iii) Herun Venture acquired an aggregate of 1,069,622 Shares for a total consideration of RMB44.40 million; (iv) Mr. LIN Zhuying acquired an aggregate of 722,717 Shares for a total consideration of RMB30.0 million; (v) Xishan Yingtai acquired an aggregate of 354,131 Shares for a total consideration of RMB14.70 million; (vi) Shenqi Lina acquired an aggregate of 1,084,076 Shares for a total consideration of RMB45.0 million; and (vii) Luwei Cangqiong acquired an aggregate of 722,718 Shares for a total consideration of RMB30.0 million. The considerations for the above equity transfers were fully settled on January 9, 2026.

Pursuant to the Shareholders’ resolutions, the registered capital of our Company was increased from RMB204,769,987 to RMB215,313,365. The newly increased registered capital of RMB10,543,378 was subscribed by the Pre-[REDACTED] Investors for an aggregate consideration of RMB412.0 million. Specifically, (i) Jiaokong Merchants subscribed for 1,592,655 Shares for a consideration of RMB70.0 million; (ii) Safty Industrial Investment subscribed for 238,898 Shares for a consideration of RMB10.50 million; (iii) Herun Venture Capital subscribed for 2,357,130 Shares for a consideration of RMB103.60 million; (iv) Mr. LIN Zhuying subscribed for 1,592,656 Shares for a consideration of RMB70.0 million; (v) Xishan Yingtai subscribed for 780,401 Shares for a consideration of RMB34.30 million; (vi) Shenqi Lina subscribed for 2,388,983 Shares for a consideration of RMB105.0 million; and (vii) Luwei Cangqiong subscribed for 1,592,656 Shares for a consideration of RMB70.0 million. The considerations for the Share subscriptions were fully settled on January 8, 2026.

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Upon completion of the Pre-[REDACTED] Investment, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Approximate Shareholding Percentage (%)
Mr. SUN Muchu	53,075,809	24.65
Mr. SUN Muqian	51,180,269	23.77
Mr. SUN Muchai	47,388,954	22.01
Mr. YAO Li	37,911,258	17.61
Wuxi Chuangrui	4,016,064	1.87
Shenqi Lina	3,473,059	1.61
Herun Venture	3,426,752	1.59
Mr. CHANG Yao	2,332,088	1.08
Jiaokong Merchants	2,315,373	1.08
Mr. LIN Zhuying	2,315,373	1.08
Luwei Cangqiong	2,315,373	1.08
Mr. CHEN Yingsheng	2,137,747	0.99
Mr. CHANG Jie	1,943,407	0.90
Xishan Yingtai	1,134,532	0.53
Safty Industrial	347,307	0.16
Total	215,313,365	100.00

Principal Terms of the Pre-[REDACTED] Investments

The below table summarizes the principal terms of the Pre-[REDACTED] Investment:

Date of agreement	November and December 2025	
Form of Investment	Subscriptions of new Shares	Equity transfers
Date of last payment of consideration	January 8, 2026	January 9, 2026
Consideration (RMB)	463.40 million	198.60 million
Amount of Shares involved	10,543,378	4,784,391
Approximate cost per Shares (RMB)	43.95	41.51
Post-money valuation of our Company (RMB)	9,463.4 million	

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Discount to the [REDACTED]⁽¹⁾	[REDACTED]%	[REDACTED]%
Lock-Up period	Pursuant to PRC Company Law, Shares issued by our Company prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors) will be subject to a lock-up period of one year from the [REDACTED].	
Basis of consideration	The consideration for the Pre-[REDACTED] Investments was based on arm’s length negotiation between our Company and the Pre-[REDACTED] Investors with reference to the operational and financial performance of the Group.	
Use of proceeds	We used and will use the proceeds received by the Company in respect of the subscription of new Shares for the growth and expansion of our Company’s business and as our general working capital. As of the Latest Practicable Date, approximately 78.25% of the net proceeds from the Pre-[REDACTED] Investments received by the Company in respect of the subscription of new Shares has been utilized for the aforementioned purposes. No proceeds were received by our Company in respect of the equity transfers.	
Strategic benefits of the Pre-[REDACTED] Investors brought to our Company	At the time of the Pre-[REDACTED] Investment, we believed that our Group could benefit from the additional funds provided by the Pre-[REDACTED] Investors as well as their knowledge and experience.	

Notes:

- (1) Assuming the [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED].

Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] investors were granted certain special rights including, but not limited to information rights, inspection rights, pre-emptive rights and anti-dilution rights. All obligations and liabilities of our Company and certain obligations and liabilities of the Controlling Shareholders in respect of such special rights (including redemption and anti-dilution rights) were terminated with effect from the day immediately prior to the submission of our [REDACTED] to the Stock Exchange. Other special rights of the Controlling Shareholders will be terminated with effect from one day prior to the [REDACTED]. Certain obligations borne by the Controlling Shareholders (including redemption and anti-dilution rights) will revive if (i) the Company withdraws or terminates its [REDACTED], (ii) the [REDACTED] is rejected, not approved or the review is terminated, (iii) the [REDACTED] lapses without being refiled, or (iv) the Company fails to complete the [REDACTED] within 12 months after the [REDACTED].

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Information about our Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below. To the best knowledge of our Directors each of our Pre-[REDACTED] Investors and their respective ultimate beneficial owners (as applicable) is an Independent Third Party.

Shenqi Lina

Suzhou Shenqi Lina Green Equity Investment Partnership (Limited Partnership) (蘇州申祺利納綠色股權投資合夥企業(有限合夥)) (“**Shenqi Lina**”) is a limited partnership established under the laws of the PRC, principally engaged in equity investment and venture investment. Shenqi Lina is managed by Shanghai Hengxu Chuangling Private Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司) (“**Hengxu Capital**”) as its general partner. Hengxu capital is owned as to 45.00% by Shanghai Qijia Enterprise Management Consulting Partnership (Limited Partnership) (上海頤嘉企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Qijia**”), 40.00% by SAIC Financial Holding Management Co., Ltd. (上海汽車集團金控管理有限公司) (“**SAIC Financial**”), and 15.00% by Shanghai Shengqi Enterprise Management Consulting Co., Ltd. (上海晟頤企業管理諮詢有限公司). Shanghai Qijia is ultimately controlled by Lu Yongtao (陸永濤). SAIC Financial is a wholly-owned subsidiary of SAIC Motor Corporation Limited (上海汽車集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600104).

The limited partners of Shenqi Lina include Nanjing Junhong Tianyin Equity Investment Partnership (Limited Partnership) (南京隼弘天印股權投資合夥企業(有限合夥)) (“**Junhong Tianyin**”), which holds 36.54% of the partnership interests in Shenqi Lina. Apart from Junhong Tianyin, Shenqi Lina has 18 other limited partners, and no limited partner holds 30% or more of the partnership interests in Shenqi Lina. The general partner of Junhong Tianyin is Nanjing Hengyishang Venture Capital Partnership (Limited Partnership) (南京恒屹尚創業投資合夥企業(有限合夥)), which is controlled by LU Yongtao. The limited partners of Junhong Tianyin include SAIC Financial, which holds 90.26% of the partnership interests therein.

Jiaokong Merchants

Anhui Jiaokong Merchants Industrial Investment Fund (Limited Partnership) (安徽交控招商產業投資基金(有限合夥)) (“**Jiaokong Merchants**”) is a limited partnership established under the laws of the PRC, principally engaged in equity investment. Jiaokong Merchants is managed by Anhui Jiaokong Merchants Private Fund Management Co., Ltd. (安徽交控招商私募基金管理有限公司) (“**Anhui Jiaokong**”) as its general partner. Anhui Jiaokong is owned as to 70.00% by Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司) (“**Merchants Zhiyuan**”). No other shareholder of Anhui Jiaokong holds 30% or more of its equity interests. Merchants Zhiyuan is a wholly-owned subsidiary of China Merchants Securities Co., Ltd. (招商證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600999) and the Stock Exchange (stock code: 06099). The limited partners of Jiaokong Merchants include Anhui Jiaokong Capital Investment Management Co., Ltd. (安徽交控資本投資管理有限公司) (“**Jiaokong Capital**”), which holds 63.06% of the partnership interests. No other limited partner holds 30% or more of the partnership interests. Jiaokong Capital is wholly owned by Anhui Transportation Holding Group Co., Ltd. (安徽省交通控股集團有限公司), which is in turn wholly owned by the 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).

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Luwei Cangqiong

Luwei Cangqiong (Guangzhou) Enterprise Management Partnership (Limited Partnership) (路威蒼穹(廣州)企業管理合夥企業(有限合夥)) (“**Luwei Cangqiong**”) is a limited partnership established under the laws of the PRC, principally engaged in self-funded investment. Luwei Cangqiong is managed by Luwei Kaiteng (Chengdu) Private Fund Management Co., Ltd. (路威凱騰(成都)私募基金管理有限公司) (“**Luwei Kaiteng Chengdu**”) as its general partner. Luwei Kaiteng Chengdu is a wholly-owned subsidiary of L Catterton Asia Advisors.

The limited partner of Luwei Cangqiong is Luwei Kaiteng Opportunity II (Guangzhou) Equity Investment Fund Partnership (Limited Partnership) (路威凱騰機遇貳號(廣州)股權投資基金合夥企業(有限合夥)) (“**Luwei Kaiteng Opportunity II**”), which holds 99.99% of the partnership interests in Luwei Cangqiong.

The general partner of Luwei Kaiteng Opportunity II is Luwei Kaiteng Chengdu. No limited partner of Luwei Kaiteng Opportunity II holds 30% or more of the partnership interests.

Safty Industrial

Suzhou Safty Industrial Investment Partnership (Limited Partnership) (蘇州賽福天產業投資合夥企業(有限合夥)) (“**Safty Industrial**”) is a limited partnership established under the laws of the PRC, principally engaged in investment. Safty Industrial is managed by Suzhou Xuantong Investment Management Co., Ltd. (蘇州玄同投資管理有限公司) (“**Suzhou Xuantong**”) as its general partner. Suzhou Xuantong is owned as to 80.00% by LIN Zhuying (林柱英). The limited partners of Safty Industrial include Suzhou Safty Investment Management Co., Ltd. (蘇州賽福天投資管理有限公司) (“**Safty Investment**”), which holds 60.00% of the partnership interests. No other limited partner holds 30% or more of the partnership interests. Safty Investment is wholly owned by Jiangsu Safty Group Co., Ltd (江蘇賽福天集團股份有限公司) (“**Jiangsu Safty**”), a company listed on the Shanghai Stock Exchange (stock code: 603028).

LIN Zhuying

LIN Zhuying (林柱英) is an individual investor of our Company and an Independent Third Party. He currently serves as a director and the general manager of Jiangsu Safty.

Herun Venture

Wuxi Herun Venture Capital Partnership (Limited Partnership) (“**Herun Venture**”) is a limited partnership established under the laws of the PRC, principally engaged in venture capital investment. Herun Venture is managed by Wuxi Xuantong Venture Capital Co., Ltd. (無錫市玄同創業投資有限公司) (“**Wuxi Xuantong**”) as its general partner. Wuxi Xuantong is owned as to 60.00% by LIN Zhuying (林柱英) and 40.00% by WANG Pengfei (王鵬飛). Herun Venture has 22 individual limited partners, and no limited partner holds 30.00% or more of the partnership interests.

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Xishan Yingtai

Wuxi Xishan Yingtai Venture Capital Partnership (Limited Partnership) (無錫市錫山區映台創業投資合夥企業(有限合夥)) (“**Xishan Yingtai**”) is a limited partnership established under the laws of the PRC, principally engaged in venture capital investment (limited to investments in unlisted enterprises). Xishan Yingtai is managed by Wuxi Yingyue Private Fund Management Co., Ltd. (無錫映月私募基金管理有限公司) (“**Wuxi Yingyue**”) as its general partner. Wuxi Yingyue is wholly owned by Wuxi Xidong New City Investment Holding Co., Ltd. (無錫錫東新城投資控股有限公司), which is in turn wholly owned by the Wuxi Xidong New City Business District Development and Construction Management Center (無錫錫東新城商務區開發建設管理中心) (“**Xidong Management Center**”). The limited partners of Xishan Yingtai include Wuxi Henting Industrial Co., Ltd. (無錫恒廷實業有限公司), which holds 99.80% of the partnership interests and is ultimately controlled by Xidong Management Center.

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was irrevocably settled no less than 120 clear days before the [REDACTED]; and (ii) the special rights granted to the [REDACTED] will be terminated prior to the [REDACTED] (save for the redemption right which was terminated on the day immediately prior to the submission of our listing application to the Stock Exchange as described above). The Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with the guidance in Chapter 4.2 of the Guide (the “**Pre-[REDACTED] Investment Guidance**”).

PRE-[REDACTED] SHARE INCENTIVE PLANS

In recognition of the contributions of our employees, we adopted the Pre-[REDACTED] Share Incentive Plans in December 2023 and October 2025 and issued an aggregate of 10,429,306 Shares to Wuxi Chuangrui, Mr. CHANG Yao (常耀), Mr. CHEN Yingsheng (陳迎升) and Mr. CHANG Jie (常杰).

Wuxi Chuangrui was established in the PRC as the Share Incentive Platform. The general partner of Wuxi Chuangrui is Mr. SUN Muchu, our executive Director, general manager and executive president, holding 25% of the partnership interests therein. As of the Latest Practicable Date, Wuxi Chuangrui had 18 limited partners, including (i) Mr. CHEN Jinsong (陳勁松), an executive Director, (ii) Mr. ZUO Binghua (左兵華), a member of the senior management, and (iii) 16 other current employees.

COMPLIANCE WITH PRC LAWS AND REGULATION

Our PRC Legal Advisor confirmed that all material regulatory approvals in relation to the equity transfers, conversion into joint stock limited company and the capital increases as described in this section were properly and legally completed and all necessary approvals, filings and registrations from the relevant PRC authorities have been obtained and completed.

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[REDACTED]

Immediately upon completion of the conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised), our Company will have [REDACTED] H Shares, among which, the [REDACTED] H Shares, representing approximately [REDACTED]% of our total issued Shares upon [REDACTED], will not be counted towards the [REDACTED] of our Company according to Rule 19A.13A(1) of the Listing Rules, as such H Shares are held by Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu, Mr. SUN Muchai, Mr. CHANG Yao and Wuxi Chuangrui, the core connected persons or their close associate of our Company.

To the best of our Directors’ knowledge, information and belief and having made all reasonable inquiries, save as disclosed above, upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, [REDACTED] H Shares to be held by our Shareholders who are not our core connected persons, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will be counted towards the [REDACTED]. Together with [REDACTED] H Shares to be issued pursuant to the [REDACTED], approximately [REDACTED]% of our total issued Shares (assuming the [REDACTED] is not exercised) will be counted towards the [REDACTED] for the purpose of Rule 19A.13A(1) of the Listing Rules upon [REDACTED].

Assuming that the [REDACTED] is not exercised, based on an [REDACTED] of (i) HK\$[REDACTED] per [REDACTED] (being the minimum [REDACTED] of the indicative [REDACTED]), the [REDACTED] of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED] million; (ii) HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), the [REDACTED] of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED] million; and (iii) HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED] of the indicative [REDACTED]), the [REDACTED] of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED] million. Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value of our Shares at the time of [REDACTED] is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000, H Shares representing at least the higher of (i) the percentage that would result in the expected market value of H Shares held by the public to be HK\$1,500,000,000; and (ii) 15% of our total share capital must be held by the public at the time of [REDACTED]. With respect to the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED], the expected [REDACTED] of our Shares at the time of [REDACTED] would be over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000. Hence, our Company will be able to comply with Rule 19A.13A(1) of the Listing Rules.

[REDACTED]

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (i) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK\$600,000,000.

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Under the applicable PRC Law, all existing Shareholders (including the Pre-[REDACTED] [REDACTED]) are subject to a lock-up period of 12 months following the [REDACTED]. As such, H Shares held by all existing Shareholders upon the [REDACTED] shall not be counted towards the [REDACTED] of the H Shares of the Company at the time of [REDACTED]. Based on the [REDACTED] HK\$[REDACTED] per H Share, being the low-end of the indicative [REDACTED], the Company will satisfy the [REDACTED] requirement under Rule 19A.13C(1) of the Listing Rules.

CAPITALIZATION

The below table is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

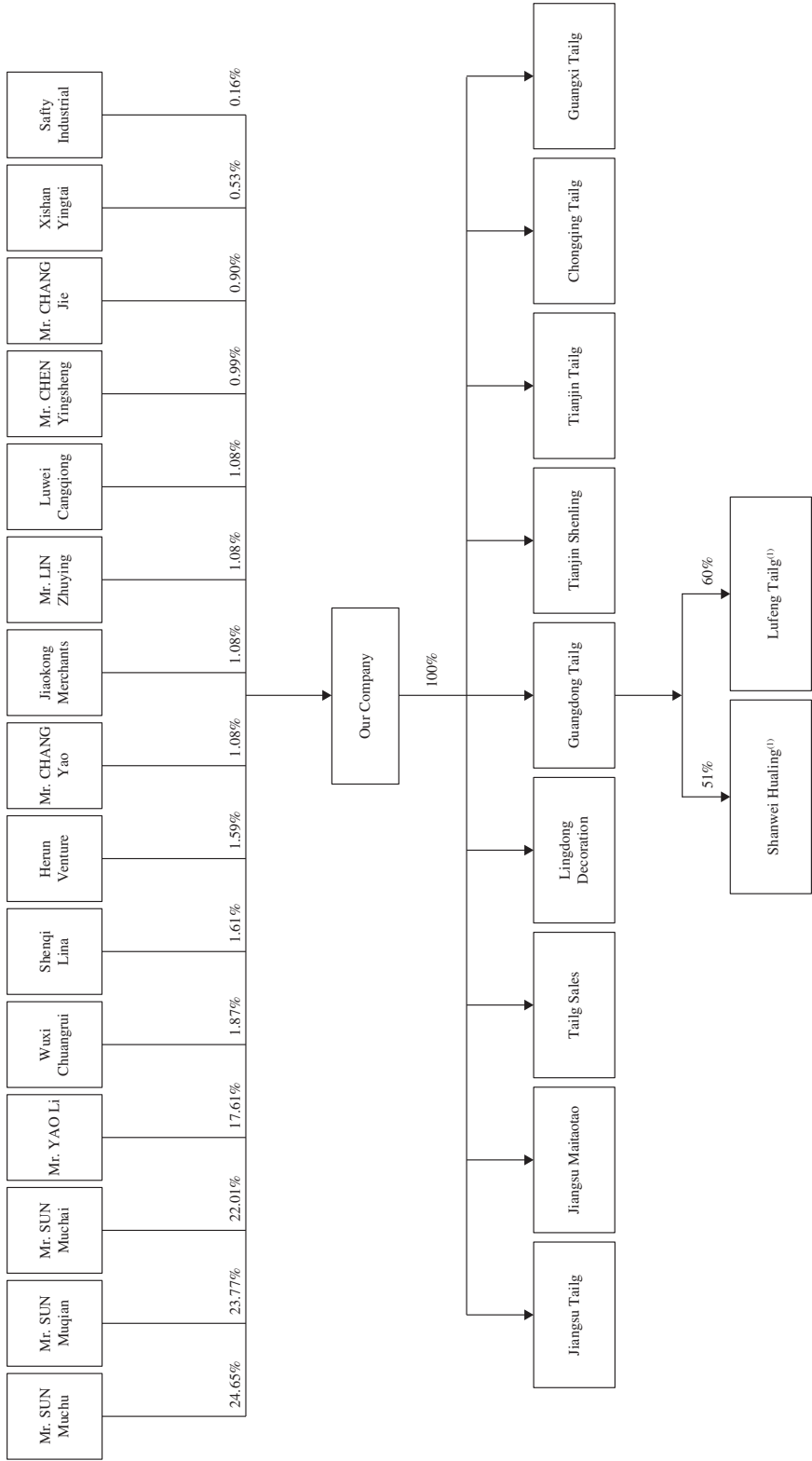
Shareholders	As of the Latest Practicable Date		Immediately upon Completion of the [REDACTED]	
	Number of Unlisted Shares	Shareholding Percentage (%)	Number of H Shares	Approximate Ownership Percentage in Total Issued Share Capital (%)
Mr. SUN Muchu	53,075,809	24.65	[REDACTED]	[REDACTED]
Mr. SUN Muqian	51,180,269	23.77	[REDACTED]	[REDACTED]
Mr. SUN Muchai	47,388,954	22.01	[REDACTED]	[REDACTED]
Mr. YAO Li	37,911,258	17.61	[REDACTED]	[REDACTED]
Wuxi Chuangrui	4,016,064	1.87	[REDACTED]	[REDACTED]
Shenqi Lina	3,473,059	1.61	[REDACTED]	[REDACTED]
Herun Venture	3,426,752	1.59	[REDACTED]	[REDACTED]
Mr. CHANG Yao	2,332,088	1.08	[REDACTED]	[REDACTED]
Jiaokong Merchants . . .	2,315,373	1.08	[REDACTED]	[REDACTED]
Mr. LIN Zhuying	2,315,373	1.08	[REDACTED]	[REDACTED]
Luwei Cangqiong	2,315,373	1.08	[REDACTED]	[REDACTED]
Mr. CHEN Yingsheng . .	2,137,747	0.99	[REDACTED]	[REDACTED]
Mr. CHANG Jie	1,943,407	0.90	[REDACTED]	[REDACTED]
Xishan Yingtai	1,134,532	0.53	[REDACTED]	[REDACTED]
Safty Industrial	347,307	0.16	[REDACTED]	[REDACTED]
Subtotal	215,313,365	100.00	[REDACTED]	[REDACTED]
Other [REDACTED] after the [REDACTED]	—	—	[REDACTED]	[REDACTED]
Total	215,313,365	100.00	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Our Corporate Structure as of the Latest Practicable Date

The following chart sets forth our corporate structure as of the Latest Practicable Date:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

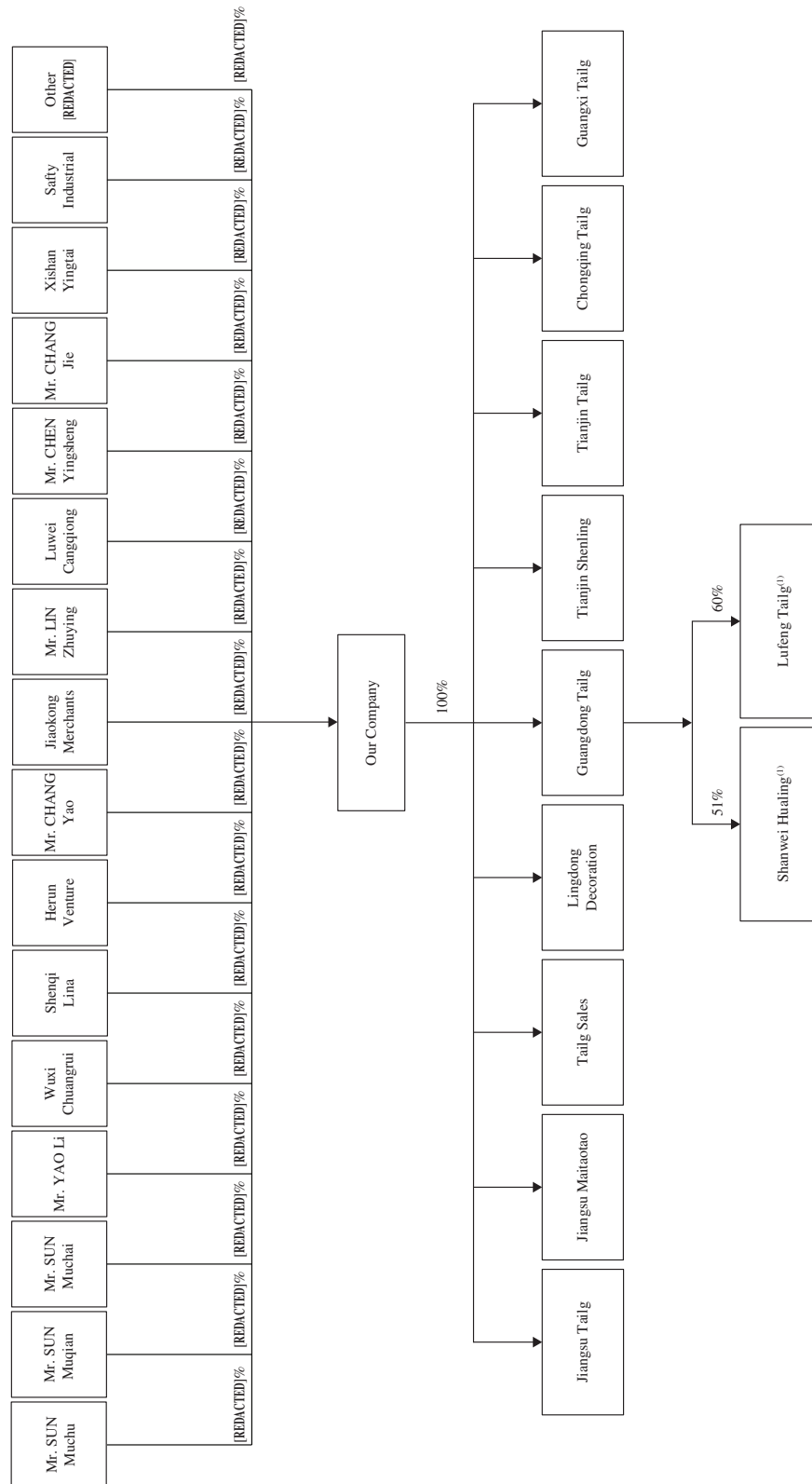
Notes:

- (1) Other shareholders of Lufeng Tailg include Dongguan Huatang Enterprise Management Co., Ltd. (東莞市華堂企業管理有限公司), an Independent Third Party, holding 30% of its equity interest, and Lufeng Municipal Construction Investment Co., Ltd. (陸豐市市政建設投資有限公司), an Independent Third Party, holding 10% of its equity interest.
- Other shareholder of Shanwei Hualing includes Dongguan Huatang Enterprise Management Co., Ltd. (東莞市華堂企業管理有限公司), an Independent Third Party, holding 49% of its equity interest.
- (2) As of the Latest Practicable Date, there were 20 other subsidiaries of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our Corporate Structure Immediately Following Completion of the [REDACTED]

The following chart sets forth our corporate structure immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]):



Notes: For notes (1) to (2), see “— Corporate Structure as of the Latest Practicable Date” in this section.

BUSINESS

OVERVIEW

We are a leading electric micromobility vehicle brand that champions the value of green, low-carbon, and intelligent travel experience. As a pioneer in defining “long-range electric two-wheeled vehicles (長續航電動兩輪車)”, we have been focusing on this strategic market position and established a comprehensive product portfolio covering electric bicycles, electric motorcycles, and electric tricycles. In addition, we also provide batteries as an accessory for sales together with our vehicles. Leveraging years of efforts, we have built up an extensive sales network across Chinese Mainland with strong penetration into different regional markets with various characteristics, while achieving rapid growth in overseas markets.

According to Frost & Sullivan, in terms of revenue in 2024, we ranked third in the global electric micromobility vehicle market, with a market share of approximately 5.2%. In terms of revenue from electric two-wheeled vehicles in 2024, we ranked third in Chinese Mainland, with a market share of approximately 12.7%.

Furthermore, we committed to promoting low-carbon mobility by focusing on continuous investment in R&D to enhance product energy efficiency, while developing advanced software system to optimize our designed vehicle performance to maximum extent. In particular, capitalizing on our Tai-Link intelligent management system, users are able to enjoy convenient vehicle management and trip scheduling, ensuring an exciting driving experience while intrinsically promoting optimized energy consumption and value-added services.

Leveraging our vast and continuously growing user base, and strong technology capabilities that can quickly convert insights derived from consumers’ behavior into well-received product designs and market highlights as proven by our successful track record, we have received industry-wide recognition for our market leading positions. We have been invited to participate in the formulation of multiple national and industry standards, technical regulations and industry white papers in Chinese Mainland, including *the Energy Conservation Certification Rules for Motorcycles and Electric Bicycles* (《摩托車和電動自行車節能認證規則》), *the Technical Specifications for Energy Conservation Certification of Electric Bicycles* (《電動自行車節能認證技術規範》), and the *China Electric Vehicle Energy Saving White Paper* (《中國電動車節能白皮書》).

We have been recognized as the “Pioneer of Global Long-Range Electric Vehicles (全球長續航電動車開創者)” by Frost & Sullivan, and the “Pioneer of China’s Long-Range Electric Two-Wheeled Vehicles (中國長續航電動兩輪車首創者)”. We have also received various honors and awards, including the “National Quality Training Base (國家質量培訓基地)”, the “Industrial Design Red Sail Award – Gold Award (工業設計紅帆獎金獎)”, the “China Science and Technology Innovation Invention Achievement Award (中國科技創新發明成果獎)”, and the “National Advanced Unit for After-sales Service (全國售後服務先進單位)”.

Furthermore, we have established two laboratories in Chinese Mainland that are accredited by the CNAS. We are also the first electric micromobility vehicle enterprise in Chinese Mainland to have been awarded the “Zero-Carbon Factory (零碳工廠)” certification by the CQC.

BUSINESS

Building on our strong brand recognition, extensive sales network, standardized and highly efficient production and management systems, advanced R&D capabilities, industry-leading product quality, as well as prudent development strategy, we recorded consistent performance growth during the Track Record Period. According to Frost & Sullivan, in 2024, as compared to 2023, our revenue growth ranked in the top two among electric micromobility vehicle enterprises in the Chinese Mainland with revenue growth exceeding RMB10.0 billion.

Building on our industry-leading revenue scale, we have sustained our growth momentum. Our revenue increased from RMB11,880.1 million in 2023 to RMB13,600.4 million in 2024, representing a growth rate of 14.5%. In addition, our revenue increased from RMB10,706.6 million for the nine months ended September 30, 2024 to RMB14,840.2 million for the nine months ended September 30, 2025, representing a growth rate of 38.6%. Our profit scale also recorded substantial growth. Our net profit increased from RMB286.5 million in 2023 to RMB472.4 million in 2024, representing a growth rate of 64.9%. Our net profit increased from RMB370.0 million for the nine months ended September 30, 2024 to RMB822.7 million for the nine months ended September 30, 2025, representing a growth rate of 122.4%.

COMPETITIVE STRENGTH

We Are a Leading Enterprise in Electric Micromobility Vehicle Market and a Leading Brand Promoting Green, Low-Carbon and Intelligent Mobility.

We are one of the leading enterprises in electric micromobility vehicle market, with our core product portfolio covering electric bicycles, electric motorcycles, and electric tricycles. We are rising rapidly in overseas markets, developing products tailored to the demands and characteristics of these markets. According to Frost & Sullivan, in terms of revenue in 2024, we ranked third in the global electric micromobility vehicle market, with a market share of approximately 5.2%, and we maintain a leading position across multiple segments of electric micromobility vehicle market in Chinese Mainland. Based on 2024 revenue, we hold a 12.7% share in electric two-wheeled vehicle market of the Chinese Mainland, ranking third in the industry.

We are a leading brand of green, low-carbon and intelligent electric micromobility vehicles in Chinese Mainland. In 2019, we signed a Memorandum of Understanding (“MoU”) with the UNEP and have consistently upheld the philosophy of green low-carbon development and global sustainability. To date, we have built and operate two “Zero-Carbon Factories (零碳工廠)” in Huizhou and Wuxi, China, which have been certified by the CQC. We have also launched green and low-carbon pilot projects in several major Southeast Asian countries, actively promoting sustainable mobility solutions. In collaboration with the UNEP, we are advancing replicable, actionable green and low-carbon solutions globally.

Driven by the electrification of residents’ commuting method, the rising demand for instant delivery, and the continuous growth of urban traffic, the electric micromobility vehicle market is experiencing rapid expansion. We believe our leading position in the electric micromobility vehicle market will enable us to capitalize on the sustained growth across relevant sectors.

BUSINESS

Our Precise Marketing Positioning Leads to Successful Product Series with Reliable Performance Features and Trendy Design to Drive Market Acceptance.

We focus on addressing the core mobility needs of mainstream users and design our products to balance design, performance and functionality.

In addition to the customary transportation attributes of electric vehicles, we incorporate additional elements, such as modern aesthetics, sport-oriented performance characteristics and smart features, allowing our products to address a broad range of user preferences with respect to appearance, performance and usage scenarios. By developing product series tailored to the characteristics of different user groups, we have established a systematic product design and series development capability and have successfully launched multiple product lines, including the Laser Armor Series (火眼機甲系列), the Urban Leisure Series (都市漫騎系列) and the Super Flagship Series (超跑旗艦系列).

Based on extensive user coverage and ongoing user preference analysis, our design process incorporates a variety of contemporary design concepts and aesthetic trends, enabling us to diversify product appearance and avoid excessive reliance on a single design style. Through iterative design development, we aim to ensure that our products remain relevant to changing consumer preferences while maintaining consistency with functional and manufacturing requirements.

Our products are designed to offer a combination of extended riding range, durability and differentiated functional features. Through the application of our battery technologies and continued optimization of motor systems, certain of our products have achieved riding range performance that we believe is competitive within the industry. In addition, our electric motorcycle achieved a Guinness World Record for a single-charge riding range of 656.8 kilometers in 2020, contributing to market recognition of our long-range performance capabilities.

We also design products with differentiated user-friendly functions tailored to specific user segments and use cases. For example, our representative electric motorcycle, Thunderbolt (封神), is equipped with a approximately 20W fast-charging port to support continuous mobile usage. In June 2025, the Urban Leisure Series (都市漫騎系列) introduced the Athens (雅典) electric motorcycle, which were designed to address the preferences of urban female riders and include features such as anti-rollback function and rear-view mirror incorporating a soft-light makeup mirror. Additionally, we launched the START (DC啟程), which features a wide wheel track design intended to enhance seating accessibility and provide increased storage space.

BUSINESS

Extensive and Expanding Sales Network Supported by Digitalized Management and Innovative Marketing Capabilities.

We have established an extensive and gradually expanding sales network that enables us to reach consumers worldwide and supports our strategic transition from product export to brand globalization. Through years of focused execution, we have built a deeply penetrated sales network serving users across multiple regions. During the Track Record Period, we sold our products to many countries and regions worldwide. In parallel, we have continuously expanded and optimized our global sales network to enhance brand recognition. The total number of distributors in the Chinese Mainland increased from 2,657 in 2023 to 3,145 in 2024 and further to 5,597 as of September 30, 2025, while the number of overseas distributors increased from 16 to 71 and further to 412 over the same periods. This well-established sales network provides a solid foundation for both product distribution and long-term brand development.

We place strong emphasis on the standardized and efficient management of our sales network. To further improve channel coordination and operational efficiency, we have independently developed the distribution and retail service system accessible via both mobile application and PC interfaces. This digital platform enables centralized dealer management and business collaboration, supporting procurement, sales, inventory control and comprehensive after-sales service processes, including service personnel management, service structure management, spare parts management and customer information management. By leveraging real-time information analytics, the platform helps distributors and retail outlets monitor operating performance, optimize inventory levels and adjust sales strategies, thereby reducing manual errors and improving overall operational efficiency.

In addition, we actively adopt diversified and innovative marketing and advertising channels aligned with evolving consumer trends. We have established a dedicated team to deepen engagement across major digital platforms and currently operate in-house live streaming studios as well as regional live broadcast locations. We are building a multi-platform content and live commerce ecosystem, utilizing differentiated scheduling to capture high-traffic periods such as nighttime hours. With a strong focus on brand positioning and visual consistency, we provide comprehensive support in branding, packaging and content production to enhance communication effectiveness. We have also launched virtual live-streaming hosts that interact with customers in real time in 2025, conduct product demonstrations and respond to inquiries, further enhancing user engagement, strengthening customer relationships and driving sales growth.

Large-Scale and Strategically Located Production Capacity Supported by Advanced and Highly Automated Manufacturing Systems.

We have established large-scale production capacity supported by strategically located manufacturing bases and advanced automated production processes, enabling us to efficiently serve both domestic and international markets. Our production capacity provides us a solid foundation for meeting growing market demand and supporting our long-term expansion plans.

BUSINESS

Our manufacturing footprint is designed to achieve broad market coverage and rapid supply responsiveness. We currently operate six manufacturing bases in China—located in Wuxi, Huizhou, Tianjin, Chongqing, Guigang and Dongguan, and one overseas manufacturing base in Vietnam. This well-distributed production network allows us to efficiently supply customers across China while extending our reach into Southeast Asia and other overseas markets. Our Vietnam manufacturing base is positioned to respond more quickly to local market demand, reduce logistics and transportation costs, and enhance our competitiveness in international markets. We strategically locate our manufacturing bases according to regional market conditions and local characteristics to improve responsiveness, optimize logistics and transportation costs strengthen supply security.

We continuously optimize our production processes and have deployed highly automated and efficient manufacturing systems. We have established standardized and efficient manufacturing processes, with dedicated inspection standards and quality control procedures at every stage of production, to ensure product quality, consistency and safety. In addition, we have established an intelligent automated finished products warehouse for the storage and dispatch of electric micromobility vehicles. Through the WMS, completed vehicles are automatically stored, selected and transferred to designated areas based on system instructions, enabling fast, accurate and efficient inbound and outbound management of products and parts. This further strengthens our operational efficiency and supply chain capabilities.

BUSINESS

Sustained R&D Investment Driving Technology Leadership, User-Centric Innovation and Product Differentiation.

During the Track Record Period, our R&D activities were supported by sustained and disciplined investment. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses amounted to RMB254.5 million, RMB294.8 million, RMB231.1 million and RMB275.5 million, respectively. As of September 30, 2025, we had established a dedicated R&D team of 607 employees, with R&D functions integrated across the entire product development lifecycle, from project initiation and design to mass production and commercialization. This organizational structure enables us to efficiently translate technological innovation into scalable and market-ready products.

Our R&D efforts are primarily focused on two complementary dimensions: technology-led product innovation and user-driven performance enhancement. On the technology-led side, we continuously invest in product design and vehicle integration capabilities, with a focus on differentiated aesthetics, structural integration and durability. We tailor exterior design and vehicle architecture to suit local user preferences and usage scenarios across different markets, while balancing load-bearing capacity, component integration and long-term durability. These design-driven innovations enable us to lead market trends by delivering products that are visually distinctive, robust and highly integrated, rather than merely responding to existing user demand.

On the user-driven side, we focus on enhancing battery range, energy efficiency, safety and overall riding experience, enabling users to access more efficient, reliable and safer products. We have developed proprietary technologies addressing key user pain points, including low-temperature performance, energy efficiency and operational safety. Our flat-wire motor, featuring optimized slot structure, wiring processes and winding technology, enhances torque output, energy efficiency and service life, thereby supporting improved power performance and extended riding range. In addition, our proprietary electronic control technologies improve vehicle efficiency and responsiveness while reducing system complexity and component costs.

Safety is a core consideration throughout our R&D process. Our electric motorcycle product completed the collision test in the electric micromobility vehicle industry and was awarded a five-star rating by the CQC, establishing a new benchmark for safety testing.

Our strong innovation capabilities are supported by a robust intellectual property portfolio. As of the Latest Practicable Date, we held 1,905 patents in the Chinese Mainland and 53 patents overseas, reflecting our long-term commitment to technological advancement and providing effective protection for our proprietary technologies and product differentiation.

BUSINESS

Led by Our Visionary and Accomplished Founders, We have Attracted and Retained a Strong Team of Professional Talents, Laying a Solid Foundation for Our Sustainable Development.

Our founding team consists of Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚) and Mr. SUN Muchai (孫木釵). They have rich experience in the relevant industry. Despite numerous challenges in the industry, they have sustained steady operations, achieved incremental performance growth, and time and again provided important strategic direction for our industrial layout and business development. Mr. YAO Li, serving as our President, combines a forward-looking global vision with a pragmatic dedication to industrial advancement. Leveraging his acute industry insights and profound understanding, he plays a key role in shaping our global business strategy, overseas market expansion and sustainable development. Mr. SUN Muchu, hailed as a “technology-application president”, possesses profound industry expertise and a pragmatic entrepreneurial spirit. Through the “TAILG Achu (台鈴阿楚)” initiative, he has established a direct communication channel with users, enabling us to strengthen interactions with end consumers and better capture user feedback and evolving needs. Such feedback and demand insights can be efficiently conveyed to our relevant R&D and manufacturing teams, facilitating timely product iteration and optimization, while also enhancing the richness and approachability of the Company’s brand image.

Our management team, with years of deep immersion in the industry, leverages its long-accumulated industry acumen and corporate management expertise to steer us toward steady growth, consistently playing an important role in business strategy formulation, tactical execution, and team development. We have established a modern financial management system guided by strategy and centered on value creation. Through organizational positioning, process frameworks, digital-intelligent platforms, data insights, risk compliance, and talent support, we drive value growth.

We regard the workforce as the cornerstone of long-term development and are committed to fostering employee satisfaction. We consistently uphold our core corporate values, which are to “prioritize users at the core, treat customers as partners, act with honesty and accountability, and pursue excellence”. We provide employees with a comprehensive training system, prioritize their career development and work-life balance, and foster a positive and collaborative working environment that supports teamwork and mutually beneficial cooperation through diverse cultural and sports activities and a robust welfare system.

BUSINESS

STRATEGY

Deepening Channel Cultivation and Accelerating Global Expansion.

We will continue to strengthen our sales channels in Chinese Mainland and accelerate our global footprint, with a view to building a resilient, scalable and user-centric sales network. We will further optimize and expand our nationwide sales network, advancing the digitalization of retail outlets and the standardization of service processes. By deepening our penetration in the markets, while closely monitoring the development of newly established commercial districts and residential communities, we aim to deploy retail outlets in a timely and targeted manner. Through these initiatives, we seek to establish sales channels that are closer to end users, more responsive to market demand, and capable of delivering a consistent customer experience across regions.

We will also invest in enhancing our online marketing and sales campaign, through which, online sales channels may effectively supplement and/or complement our offline distributor network, while ensuring that offline sales and services are supported by technology-backed customer services and communications, thereby further improving the user experience.

In particular, we plan to further optimize layout of retail outlets network, combing outlets possessing different advantages and/or covering different consumer communities to form an integrated platform that can effectively promote our brand reputation. In addition, we will continue to advance our international expansion strategy through localized operations and differentiated product offerings tailored to regional market characteristics and consumer preferences. As of the Latest Practicable Date, we were in the process of developing another manufacturing base in Vietnam. Upon completion, this new manufacturing base, working together with our existing manufacturing base in Vietnam can further enhance our capability of serving overseas markets, while forming a stronger supply chain management foundation.

Building on our enhanced manufacturing capabilities, we will continue to expand our overseas distribution channels and retail outlet network in key international markets. We plan to pursue localized operations and differentiated product strategies tailored to regional regulatory environments, consumer preferences and usage scenarios, while extending our sales network to additional countries and regions. Through these efforts, we aim to strengthen our global presence and increase brand recognition internationally.

BUSINESS

Continuing to Invest in Product Upgrades and New Product Development and Fostering Brand Recognition.

We will continue to invest in product design innovation, performance upgrades, and the development of new product series to address evolving and increasingly diversified customer needs. Through these efforts, we aim to further enhance user satisfaction and market recognition, strengthen our brand influence, and consolidate our leading position in the market.

Our primary focus is on continuous product upgrades and new product innovation to respond to market demand, particularly users’ increasing expectations with respect to aesthetics, performance, and safety, as well as the rapidly evolving preferences of a diverse user base. Leveraging our proprietary Tai-Link intelligent driving platform, we will continue to develop products that combine extended range capabilities with advanced intelligent interaction features.

In addition, we plan to enhancing product development designed to capture needs from consumer groups that we believe enjoy strong growth potential. These include the development of mobility solutions to address the transportation needs of elderly users, the expansion into the high-potential electric-assist bicycle market in overseas market, and the advancement of unmanned delivery vehicles from the development stage toward large-scale commercial deployment. These initiatives are intended to serve as strategic complements to our existing product portfolio and, together, to form a diversified growth trajectory for the future.

As part of our branding strategy, we will carry out more diversified, cross-community marketing initiatives. Through these efforts, we aim to enhance emotional engagement with users and shape a more compelling, contemporary brand image.

BUSINESS

Advancing a Global Green and Low-Carbon Pathway.

We are committed to deepening our global green and low-carbon strategy, embedding sustainability as a core driver of our long-term development and bringing green, low-carbon solutions to global markets. Green and low-carbon principles are embedded in our corporate value. We are building a systematic, global, and technology-driven green and low carbon framework that transforms corporate social responsibility into sustainable competitive advantages. Through initiatives such as full lifecycle carbon management, long-range and energy-efficient technology development, global project deployment, and industry ecosystem collaboration, we aim to accelerate the green and low-carbon transition across the industry.

We plan to extend our environmental friendly manufacturing model across our global production plants, continuously optimizing energy structures, improving operational efficiency, and reducing carbon emissions throughout the manufacturing process. On the product side, we will continue to invest in the R&D of core green and low-carbon technologies, including long-range and high-efficiency solutions, to improve energy efficiency and significantly reduce carbon emissions during the use phase for end users.

In addition, we will expand green mobility pilot projects in more countries and regions, actively participating in local low-carbon transitions and contributing to the global adoption of sustainable transportation solutions. Through these coordinated efforts across production, products, recycling, and global deployment, we seek to drive scalable, long-term value creation while supporting the global transition toward a greener, low-carbon future.

Strengthening Production Capacity with Smart Manufacturing Technology to Support Rapid Business Expansion.

We aim to continuously strengthen our production capabilities to support the rapid expansion and sustainable growth of our business. We plan to further upgrade our domestic manufacturing bases by expanding existing facilities to increase overall production capacity and by continuously constructing new production lines for emerging products, in order to support business expansion and product portfolio diversification.

At the same time, we will continue to promote intelligent manufacturing upgrades across our major domestic production bases, focusing on digitalized production management. These initiatives include the introduction of advanced manufacturing technologies and the development of end-to-end, traceable production monitoring systems to enhance operational efficiency, quality control, and scalability.

We will also continue to build and enhance our overseas manufacturing capabilities to better meet local market demand and establish rapid market response capabilities. We plan to further expand the production capacity and supporting facilities of our manufacturing bases in Vietnam to support the growth of our international business.

BUSINESS

Driving Technological Innovation to Lead Industry Development.

We have a clear and independent R&D roadmap for the flat-wire motor, electronic control technologies and the Tai-Link intelligent management system (Tai-Link智能管理系统). We will continue to leverage our technological innovation capabilities across fast charging technologies, voice-control interaction technologies, and technologies and features promoting safety and riding experience. Meanwhile, we plan to keep optimizing design tools, R&D processes and further standardize components and parts. We will also build a component module database and visualized business workflows to enable collaborative design and process management throughout the R&D cycle, thereby conducting R&D activities with greater efficiency.

Continuously Attracting and Cultivating Industry Experts and Professional Talents.

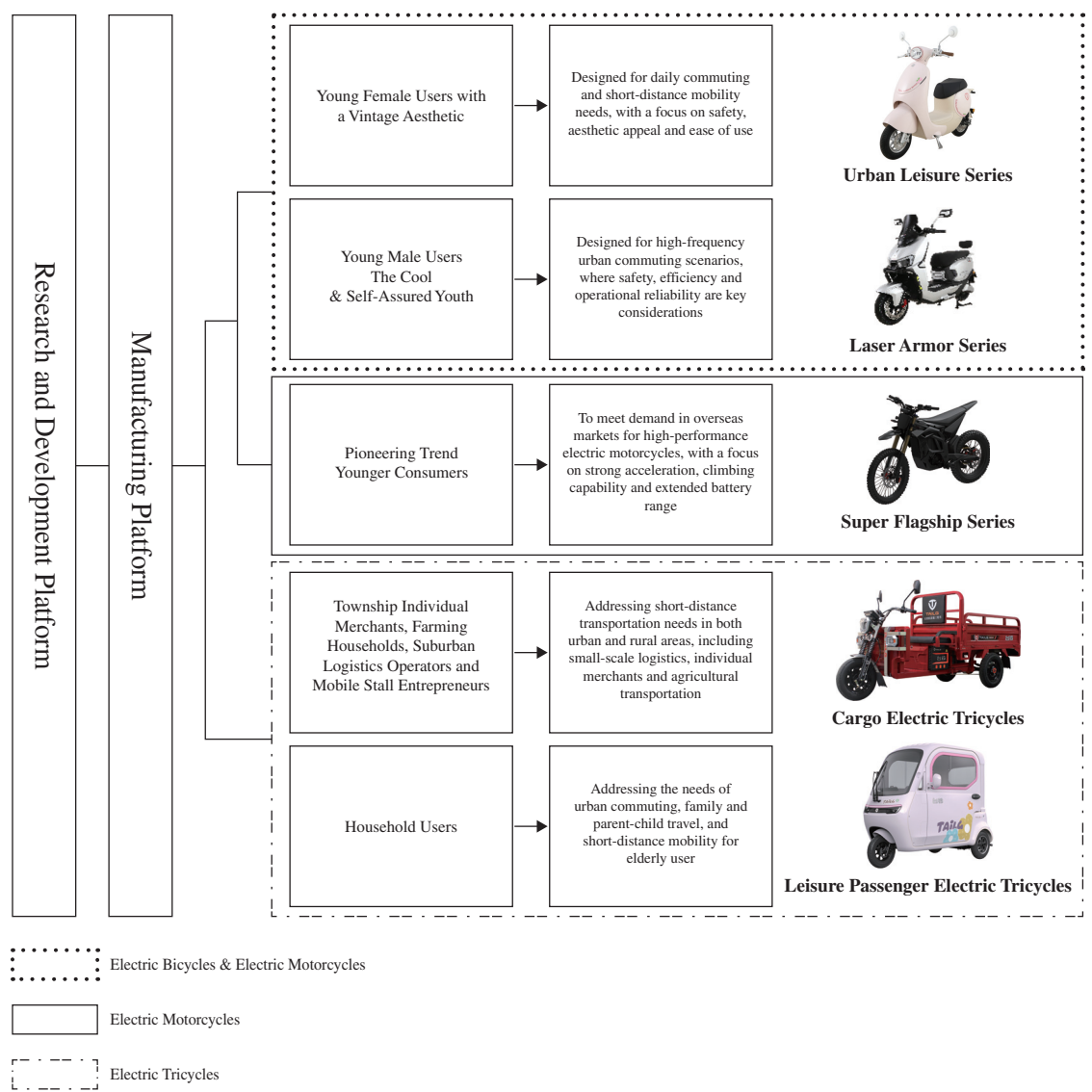
To underpin our long-term development and sustain our innovation vitality, we have formulated and begun implementing a forward-looking talent strategy designed to systematically attract, develop and retain core talents who align with our vision. We will continue to build a highly attractive employer brand, accurately reach professional experts and promising young talents through diverse channels, and recruit R&D professionals in key fields such as battery technology, electronic control systems and intelligent mobility, thereby injecting sustained impetus into our technological breakthroughs and product innovation.

We are committed to fostering a workplace that is open, inclusive, innovation-driven, and value-recognizing. We will continuously refine our incentive system to enable core employees to share in the fruits of our development.

BUSINESS

OUR BUSINESS AND PRODUCTS

During the Track Record Period, we derived revenue primarily from manufacturing and sales of electric bicycles and electric motorcycles. We launched production and commenced sales of electric tricycles in September 2025 to capture growing market demands driven by using scenarios that are distinctively different from those of electric bicycles and electric motorcycles. In addition, during the Track Record Period, we sold batteries to customers as an accessory together with our electric micromobility vehicles, all of which are sourced from qualified third-party suppliers. The product matrix below illustrates our principal products.



BUSINESS

In line with our product development strategy, we have established a comprehensive set of product portfolio with diversified product type and series that may effectively address specific needs and preference of different target demographics. The following table sets forth a breakdown of our revenue by types of products, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(unaudited)		(unaudited)	
Electric bicycles . . .	6,670,386	56.1	7,062,237	51.9	5,634,098	52.6	8,352,549	56.3
Electric motorcycles .	2,874,297	24.2	3,184,449	23.4	2,458,559	23.0	2,912,209	19.6
Electric tricycles . . .	–	–	–	–	–	–	2,897	0.1
Batteries	1,896,274	16.0	2,785,894	20.5	2,165,252	20.2	3,034,082	20.4
Others ⁽¹⁾	439,144	3.7	567,787	4.2	448,716	4.2	538,475	3.6
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

Note:

(1) Primarily including revenue generated from sales of accessories.

The following table sets forth the sales volume and average selling prices per unit (excluding batteries) of our electric micromobility vehicles for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit
	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB
Electric bicycles	5,142	1,297.2	5,542	1,274.3	4,422	1,274.1	5,993	1,393.7
Electric motorcycles . . .	1,957	1,468.7	2,116	1,504.9	1,631	1,507.4	1,837	1,585.3
Electric tricycles	–	–	–	–	–	–	1	3,269.8
Total/Overall	7,099	1,344.5	7,658	1,338.0	6,053	1,337.0	7,831	1,438.9

BUSINESS

Electric Bicycles

Electric bicycles generally retain a bicycle-like appearance, with lighter and more portable features compared with that of electric motorcycles. These models are primarily intended for short-distance urban travel and shared mobility service. By prioritizing safety and practicality, our electric bicycles are widely used for personal commuting as well as shared mobility services, including shared electric bicycle platforms, offering convenient, energy-efficient and accessible transportation solutions for urban users.

As of the Latest Practicable Date, our electric bicycle products primarily comprised two main series, namely the Laser Armor Series (火眼機甲系列) and the Urban Leisure Series (都市漫騎系列), each having diversified models as well. In addition, in recognizing our strong technology capacity and stringent quality control capability, we are engaged by corporate customers, such as shared electric bicycle operators, to provide shared electric bicycle series used in their shared mobility business operations. The table below sets out details of representative product models of our key electric bicycle series.

	Urban Leisure Series ⁽³⁾	Laser Armor Series ⁽³⁾	Shared Electric Bicycle
Picture of representative product			
Representative product	Butterfly EB (蝴蝶EB)	Universe EB (蒼穹 EB)	TX1
Motor power	400W	400W	350W
Maximum speed	25km/h	25km/h	25km/h
Load capacity	≤75KG	≤75KG	≤75KG
Driving range ⁽¹⁾	80km ~ 110km	80km ~ 110km	65km ~ 75km
Suggested retail price (including batteries) .	RMB3,399 ~ 3,599 per unit	RMB4,199 ~ 4,399 per unit	N/A ⁽²⁾

Notes:

- (1) The driving range is subject to various factors, including environmental conditions, temperature variations, wind speed, rider weight and riding speed, and the actual riding range may vary accordingly. The above data is derived from tests conducted under standard testing conditions in our in-house road test laboratory.
- (2) Our shared electric bicycles are primarily sold to corporate customers, including shared electric bicycle operators, and are not offered for retail sale to individual consumers. For details, please see “Business — Our Business and Products.”
- (3) Under these two product series, we offer both electric bicycles and electric motorcycles, with each product type also comprising diversified product models. Featuring similar product design concepts and aesthetic elements, electric bicycles and electric motorcycles of same series are manufactured with different specifications, so that we can properly address applicable regulatory requirements and policy controls in different regional markets.

BUSINESS

Urban Leisure Series (都市漫騎系列) — Butterfly EB (蝴蝶EB)

The Butterfly EB is an electric bicycle model primarily targeting young female users. The model is positioned to meet the daily commuting and short-distance mobility needs, with a focus on safety, aesthetic appeal and ease of use.

The Butterfly EB incorporates a range of safety-oriented features. The model is equipped with a TCS to help reduce the risk of wheel slip under wet or slippery road conditions, as well as a hill descent control (HDC) function that automatically regulates vehicle speed during downhill riding to enhance riding stability on slopes. In addition, the Butterfly EB features front and rear disc braking systems to support stable and responsive braking performance.

From a design perspective, the Butterfly EB adopts a rounded and streamlined body design and incorporates a butterfly-inspired tail lamp design. The overall styling emphasizes a lightweight and fashionable appearance.

The Butterfly EB also supports practical and user-oriented functional features, including an LED high-definition instrument panel and mobile application connectivity with Bluetooth-based keyless vehicle control through the “TAILG” mobile application, enabling users to manage core vehicle functions more efficiently during daily use.

Laser Armor Series (火眼機甲系列) — Universe EB (蒼穹EB)

The Universe EB is an electric bicycle model primarily targeting urban male users. The model is positioned for high-frequency urban commuting scenarios, where safety, efficiency and operational reliability are key considerations.

In terms of safety features, the Universe EB is equipped with front and rear disc braking systems, with a front disc brake designed to reduce braking distance and enhance riding safety. The model adopts a dual-headlamp lighting design with a luminous intensity of approximately 41,000 cd, providing improved visibility and enhanced safety during night-time riding. In addition, the Universe EB is fitted with a TCS in combination with semi-slick vacuum tires, which is designed to reduce the risk of skidding on wet or slippery road surfaces in rainy or snowy conditions, thereby improving riding stability for urban commuting and delivery use.

To support efficient vehicle operation and management, the Universe EB is equipped with real-time positioning and riding trajectory display functions, which are designed to enhance vehicle monitoring and reduce the risk of loss or theft, particularly in delivery scenarios. The model also supports our “TAILG” mobile application connectivity and Bluetooth-based keyless vehicle control, allowing users to operate the vehicle more efficiently and reduce time spent on manual vehicle management. In addition, the Universe EB is equipped with an approximately 20W fast-charging port, enabling rapid charging of mobile devices and supporting the continuous operational needs of users who rely on mobile phones for navigation and communication.

BUSINESS

Shared Electric Bicycle — TX1

Our shared electric bicycles are designed for public short-distance rental use and serves temporary and on-demand urban mobility needs. The selling prices of our shared electric bicycles typically range from RMB3,300 to RMB3,800 per unit. Shared electric bicycles are primarily deployed by shared mobility operators and are characterized by high-frequency usage and standardized operations. As a result, product design in this category emphasizes durability.

The TX1 model is a customized electric bicycle model specifically developed to meet the operational requirements of business shared mobility customers. The model complies with the New National Standard and is designed for deployment by shared mobility operators.

The TX1 model is developed to support high-frequency usage scenarios commonly associated with shared mobility operations. To enhance durability and operational safety, the model incorporates enhanced waterproofing, anti-theft and anti-vandalism features, which help reduce operational losses and maintenance requirements. The frame has undergone durability testing under a 90 kg load for one million cycles, supporting long-term structural stability. In addition, the model features front and rear turn signals and LED headlamp to enhance road visibility and support safe operation. The vehicle body adopts a combination of magnesium alloy and plastic components, balancing durability, lightweight construction and impact resistance to support overall safety performance and service life.

To address specific needs arising from typical operational scenarios of shared electric bicycles, our TX1 model offer diversified functions that corporate customers may choose based on their business needs. For instance, our TX1 model can be configured with various optional technical modules, including, among others, seat occupancy sensing, helmet detection sensing, traffic light recognition and wrong-way riding recognition functionalities.

Electric Motorcycles

Our electric motorcycles are powerful electric two-wheeled vehicles capable of exceeding 50km/h, featuring a covered frame, chassis, and footrest platform. Compared with electric bicycles, they offer faster maximum speeds and stronger mobility performance.

In addition to the Urban Leisure Series (都市漫騎系列) and the Laser Armor Series (火眼機甲系列), which are series shared with our electric bicycle offerings, we also offer the Super Flagship Series (超跑旗艦系列) for our electric motorcycle products. The Super Flagship Series primarily targets overseas markets for high-performance electric motorcycles, with a focus on strong acceleration, climbing capability and extended battery range. The table below sets out details of representative product models of our key electric motorcycle series.

BUSINESS

	Urban Leisure Series	Laser Armor Series	Super Flagship Series
Picture of representative product			
Representative product .	Athens (雅典)	Thunderbolt (封神)	Y33
Motor power	1,200W	1,200W	10,000W
Maximum speed	50km/h	65km/h	125km/h
Load capacity	≤150kg	≤150kg	≤100kg
Driving range ⁽¹⁾	60km ~ 110km	60km ~ 100km	75km ~ 100km
Suggested retail price (including batteries) .	RMB3,699 ~ 3,899 per unit	RMB4,599 ~ 4,899 per unit	US\$5,500 ~ 6,000 ⁽²⁾ per unit

Notes:

- (1) The driving range is subject to various factors, including environmental conditions, temperature variations, wind speed, rider weight and riding speed, and the actual riding range may vary accordingly. The above data is derived from tests conducted under standard testing conditions in our in-house road test laboratory.
- (2) Y33 was primarily sold to overseas market.

Urban Leisure Series (都市漫騎系列) — Athens (雅典)

The Athens is positioned to address daily urban commuting and family-related mobility needs, with a focus on riding comfort, convenience and safety.

The Athens is equipped with a headlamp designed to automatically activate in response to changes in ambient lighting conditions, thereby reducing the need for manual operation and enhancing riding safety. The model also incorporates a side-stand power-off function, which is designed to prevent unintended acceleration caused by accidental throttle activation, particularly when carrying children. In addition, the Athens is equipped with an anti-rollback function, which is designed to prevent the vehicle from rolling backward when stopped on uphill roads or sloped surfaces such as underground parking ramps, thereby enhancing riding stability and safety.

From a design perspective, the Athens adopts a retro-inspired styling combined with pastel color options that are generally preferred by female users featuring rounded and smooth body lines. The Athens is equipped with rear-view mirrors that also incorporate a soft-light makeup mirror function, allowing riders to conveniently attend to personal grooming needs during daily use and enhancing overall user convenience.

BUSINESS

In terms of performance, the Athens offers a cruising range of up to approximately 91.4 kilometers under standard testing conditions, which is designed to support daily commuting and frequent short-distance trips, such as school drop-offs and pick-ups, without the need for frequent recharging.

Laser Armor Series (火眼機甲系列) — Thunderbolt (封神)

The Thunderbolt is primarily positioned as a performance-oriented model, intending to support both leisure off-road riding and urban-to-suburban riding scenarios.

The Thunderbolt incorporates a range of safety-related features, including a dual-headlamp configuration to support visibility during night-time riding, as well as a 360-degree ambient lighting system to improve rider visibility in low-light conditions. The model also integrates a TCS in combination with semi-slick vacuum tires to help reduce the risk of skidding on wet or slippery road surfaces. In addition, the Thunderbolt features an emergency braking warning function with dual-flash brake light alerts, together with combined braking system or anti-lock braking system functionalities to support braking response and stability.

From a design perspective, the Thunderbolt adopts a dual-headlamp configuration and a sharp, angular body profile inspired by a mechanical and rugged aesthetic. The overall styling emphasizes a sporty and robust visual presence.

The Thunderbolt is equipped with a rated motor power of 1,200 W, with certain higher-specification configurations offering a peak power output of up to approximately 3,600 W, supporting riding scenarios with higher power demands and performance-oriented use. The model also features a approximately 20W fast-charging port to support mobile device usage during riding.

Super Flagship Series (超跑旗艦系列) — Y33

The Y33 is a high-power electric off-road motorcycle model developed to address market demands in overseas markets, particularly among younger consumers with an interest in recreational riding and competitive motorsports.

The Y33 delivers a peak power output of 22 kW and a peak wheel torque of approximately 680 N·m, enabling acceleration from 0 to 50 km/h in approximately 1.7 seconds and a maximum speed of up to 125 km/h. These performance characteristics support operation across a wide range of riding conditions, including mountainous and forest terrain as well as professional track environments, meeting the needs of off-road and performance-oriented riders.

The overall vehicle form of the Y33 are inspired by the jumping movement of a cheetah, reflecting a dynamic and performance-oriented design. The model adopts lightweight materials and precision manufacturing processes to balance reduced vehicle weight with structural strength.

BUSINESS

Electric Tricycles

Compared to electric two-wheeled vehicles, electric tricycles are commonly used in application scenarios where higher load capacity and vehicle stability are required.

As of the Latest Practicable Date, we offer two main categories of electric tricycle products, namely cargo electric tricycles and leisure passenger electric tricycles, each designed to address distinctive market demands and utilization scenarios.

- Cargo electric tricycles are designed to offer flexible transportation solutions for freight-related use case needs from individual merchants and logistics service providers in both urban and rural areas. Our cargo electric tricycles feature flexible load capacity, strong durability and wide adaptability to various road conditions.
- Leisure passenger electric tricycles are designed to provide reliable and convenient transportation means for families in urban and rural areas, including urban commuting, family and parent-child travel, and short-distance mobility for elderly family members. These products feature specifications emphasizing safety and riding comfort.

The table below sets out details of representative product models of our key electric tricycle series.

	Cargo Electric Tricycle	Leisure Passenger Electric Tricycle
Picture of representative product		
Representative product	ZN1.5 (1.5米戰牛)	START (DC啟程)
Motor power	1,200W	1,200W
Maximum speed	51km/h	51km/h
Load capacity	≤300kg	≤150kg
Driving range*	29km ~ 50km	77km ~ 81km
Suggested retail price (including batteries)	RMB3,300 ~ 4,300 per unit	RMB6,000 ~ 7,000 per unit

BUSINESS

Note:

- * The driving range is subject to various factors, including environmental conditions, temperature variations, wind speed, rider weight and riding speed, and the actual riding range may vary accordingly. The above data is derived from tests conducted under standard testing conditions in our in-house road test laboratory.

Cargo Electric Tricycle — ZN1.5 (1.5米戰牛)

The target consumers of this product model are township individual merchants, farming households, suburban logistics operators and mobile stall entrepreneurs. It can be used in a wide range of operation scenarios, including transportation of agricultural products and supplies, building materials, parcels as well as mobile stall-related cargo transportation.

The model is equipped with an 1,200 W permanent magnet synchronous motor and an 1,200 W permanent magnet synchronous controller, providing stable power output and efficient energy utilization.

ZN1.5 features a cargo box measuring approximately 1,500 mm × 1,000 mm × 280 mm, constructed with a structure comprising five steel plates with a thickness of six millimeters, supporting reliable load-bearing capability. In terms of durability, the model adopts electrophoretic coating and baking paint processes to enhance rust resistance and corrosion protection.

Leisure Passenger Electric Tricycle — START (DC啟程)

The START is primarily designed to address common family-oriented mobility needs, such as daily short-distance travel, family outings, goods carrying, leisure riding and transporting children.

The START places particular emphasis on safety, stability and riding comfort. To enhance vehicle stability, the model adopts a wide wheel track design, which is designed to improve balance during operation and enhance resistance to rollover during turning. In addition, are applied to key bearing components to provide buffering and vibration absorption, thereby supporting smoother riding performance and improved comfort.

With respect to riding comfort and handling, this structure is designed to withstand both axial and radial loads, maintain structural stability during operation and reduce the risk of deformation or loosening over time, thereby enhancing overall riding comfort and control. In addition, START incorporates an optimized water drainage structure, including enhanced drainage channels and improved rain curtain design, to reduce water ingress during rainy conditions, supporting user experience in wet-weather riding scenarios.

BUSINESS

Batteries

During the Track Record Period, we primarily sold batteries to consumers as a key accessory together with our vehicles, offering them flexible choices based on their diversified needs, which mainly include lead-acid batteries. We source batteries from reputable suppliers in Chinese Mainland and adopt stringent quality control measure for inspection prior to acceptance. For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, revenue generated from batteries amounted to RMB1,896.3 million, RMB2,785.9 million, RMB2,165.3 million, and RMB3,034.1 million, respectively, representing 16.0%, 20.5%, 20.2%, and 20.4% of our total revenue for the same periods, respectively.

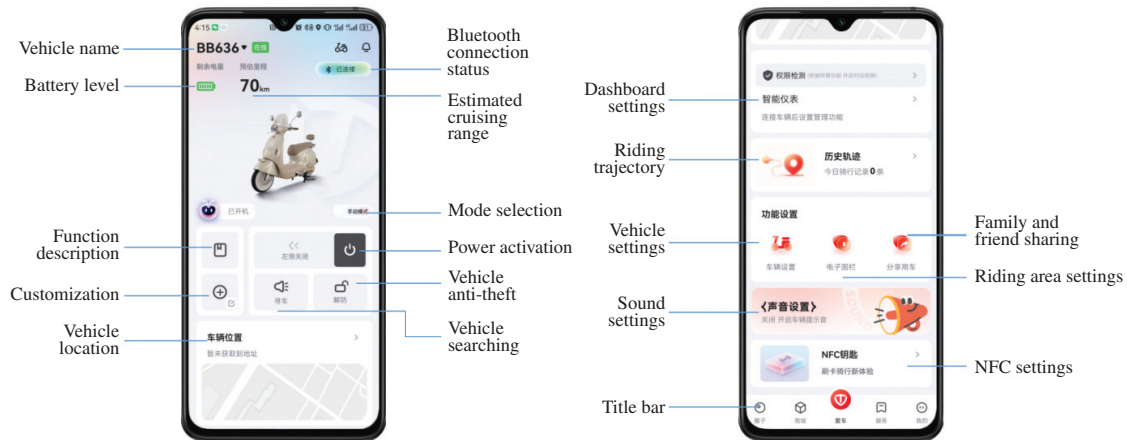
Our Mobile Application and Intelligent Features

We provide intelligent services to users with a focus on our electric micromobility vehicle products. We have developed the “TAILG” mobile application, which serves as an intelligent electric micromobility vehicle management tool. Through the application, users are able to view and track real-time vehicle status, battery data, vehicle location, historical riding routes and vibration-alert notifications.

The “TAILG” mobile application is supported by the Tai-Link intelligent management system, which is independently developed by us. By utilizing anonymized riding-related information and advanced algorithmic models, the Tai-Link intelligent management system is designed to provide comprehensive intelligent riding assistance. In addition, the Tai-Link intelligent management system incorporates various intelligent functions, including NFC unlocking, navigating system, remote vehicle monitoring and diagnostics, intelligent lighting and voice interaction. Through the Tai-Link intelligent management system, we have established an intelligent riding ecosystem that connects users, vehicles and data, enabling enhanced interaction and system-level integration across our products and services. For more details about Tai-Link intelligent management system, please see “— Research and Development — Key R&D Achievements.”

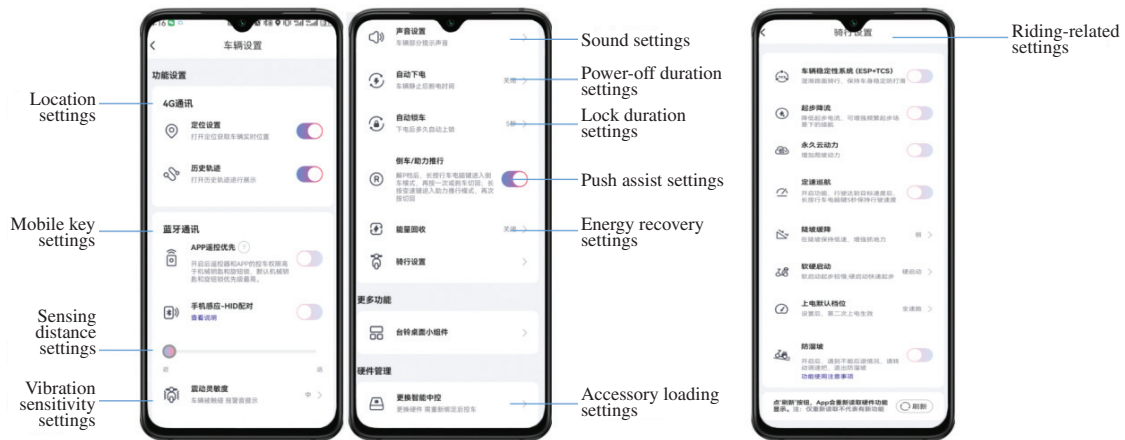
BUSINESS

Set forth below is an overview of the user interface and functional configuration of our “TAILG” mobile application.



- Mobile key functionality.** Our electric micromobility vehicles support multiple vehicle access and control methods, including Bluetooth-based proximity sensing, NFC-based access and control through the mobile application. Such functions may be configured through the user interface of our mobile application, allowing users to operate their vehicles without carrying physical keys.
- Vehicle information display and tracking.** Through our mobile application, users are able to view key vehicle information, including the remaining battery level, estimated cruising range and the real-time location of the vehicle.
- Family and friend sharing.** Our mobile application allows users to remotely configure vehicle access permissions by authorizing designated family members or friends through their mobile phone numbers. Authorized users may operate the vehicle using a digital key, enabling shared use of a single vehicle among multiple users.
- Anti-theft and vehicle security features.** Through our mobile application, users may view information such as vehicle location and riding trajectory and configure functions including vibration alerts. These features are designed to enhance vehicle monitoring and assist users in safeguarding their vehicles.

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Furthermore, consumers can easily modify preset functions through our “TAILG” mobile application interface to personalize their vehicles settings, such as rider route recording, proximity range for mobile key activation and notification sounds, optimizing customized riding experience. In addition, by allowing customers to independently select from our pre-configured functional components designed to enhance overall performance, including cloud-based power management, cruise control, start-up power settings, hill-start assistance and anti-rollback functions, we enable them to easily achieve the optimal balance between energy consumption and power output for different riding scenarios.

RESEARCH AND DEVELOPMENT

We are dedicated to continuous investment in R&D activities to improve energy efficiency, endurance and quality of our products. Focusing on developing proprietary technologies through our in-house team, we prioritize R&D efforts towards improving vehicle performance, quality and product durability, as well as enhancing our design capabilities to capture evolving market preferences, to strengthen our brand value and market presence. We have amassed significant R&D expertise and continue to diligently track market trends to effectively develop new technologies since our incorporation. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses amounted to RMB254.5 million, RMB294.8 million, RMB231.1 million and RMB275.5 million, respectively, representing 2.1%, 2.2%, 2.2% and 1.9% of our revenue for the respective periods.

R&D Team

We consistently regard technological innovation as the core driving force for our sustainable business development. Guided by market demand, our R&D efforts aim to ensure technological foresight while maintaining a rapid response to evolving market trends. As of September 30, 2025, we had a dedicated R&D team comprising 607 employees, and had integrated R&D achievements into every key sector along the product development lifecycle, covering from project initiation to final mass production.

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R&D Process

Our R&D process primarily consists of the following key steps:

- **Customer demand and feasibility assessment.** We collect and assess the proposals for new products after analyzing end user needs, competitive environment and market feedback. Our R&D team then assesses feasibility in terms of product engineering, quality assurance, safety, aesthetics, function, costs and manufacturability. Upon completion of feasibility assessment, such proposals are submitted to our management team for approval.
- **Structural and technical design.** Once approval is received, our R&D team then develop the structural and technical design and sets out the specifications and details of raw materials required to manufacture the product and ensure the best possible user experience. Based on the confirmed design, our R&D team will work with our suppliers to produce prototype vehicles.
- **Trial production and trial sales.** Once a prototype passes testing phase with satisfactory results, we conduct trial production to evaluate safety, performance and reliability of the prototypes and the manufacturing process to enhance production efficiency. Our R&D department then partners with our marketing department to roll out the new products to selected regions for small-scale trial sales to test market acceptance. Our sales and marketing department will closely monitor our sales and customer feedback and assist our R&D team in adjusting the prototype as needed.
- **Mass production.** After receiving positive feedback from trial sales, we pass on the product to our manufacturing facilities for mass production.

BUSINESS

R&D External Collaboration

In addition to leveraging our in-house R&D capabilities, we have also engaged in collaboration with a range of external business partners, to support our R&D activities. Such collaborations cover multiple technical areas relevant to electric micromobility vehicle products, including motors, electronic control systems, fast charging solutions and intelligent technologies. We believe that external collaboration enables us to integrate industry expertise, accelerate technology development and enhance the practical application of new technologies. Set out below are the key terms of collaboration agreements:

Scope of Work	The scope of work generally includes product design, prototype development, testing and national compulsory certifications.
Intellectual Property and Rights Arrangements . .	The ownership of intellectual property in the project deliverables is generally shared between us and the external business partners, while each party retains its respective pre-existing rights. We typically require our external business partners to provide us with relevant innovation information generated during performance and is typically restricted from independently filing registrations or using the project results without our consent. Such arrangements with respect to intellectual property rights would not involve any sharing of any future revenue and profits generated from collaboration between us and external business partners.
Confidentiality and Compliance	The cooperation arrangements are subject to confidentiality, anti-bribery and compliance obligations, aimed at safeguarding proprietary information and ensuring lawful and ethical conduct.

During the Track Record Period, we and our external collaborated business partners dedicated to explore the cutting-edge technologies within the electric micromobility vehicle industry and made great achievements, supporting an extended cycle life, with relatively limited capacity degradation after repeated charge and discharge cycles, to further improve battery durability and economic efficiency.

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Key R&D Achievements

Our R&D activities primarily cover electric bicycles, electric motorcycles, and electric tricycles in both the domestic and overseas markets. As of the Latest Practicable Date, we have submitted applications for 918 certificates, of which 797 certificates have been obtained.

Through relentlessly efforts, we have achieved distinguished R&D breakthroughs across different business lines. The table below sets forth our key R&D achievements.

Technology Achievements	Key Features
Flat-wire motor	Our proprietary flat-wire motor is a major technological breakthrough in electric drive systems for electric two-wheeled vehicles. By innovatively upgrading the slot structure, wiring process and winding technology of the hub motor, we have significantly enhanced the motor’s torque, energy efficiency and durability and rendering stronger power output and extended applicable scenarios.
Electronic control technology	Our electronic control technology integrates advanced algorithms and cloud-based intelligence, enabling our products with extended battery life, rapid responses and higher energy utilization. The system further applies sensorless field-oriented control technology to optimize motor control. By adopting chip-based algorithmic solutions, the system is able to calculate motor phase angles with precision without relying on physical sensors, thereby reducing system complexity and component costs. Such technologies are designed to enhance the reliability, responsiveness and operational stability of the motor system.

BUSINESS

Technology Achievements

Key Features

Tai-Link intelligent
management system

We have independently developed the Tai-Link intelligent management system, an advanced smart mobility platform built upon extensive real-world riding data. Leveraging data-driven algorithms, Tai-Link continuously learns and optimizes users’ behavior to provide a comprehensive intelligent riding assistance experience.

According to Frost & Sullivan, Tai-Link intelligent management system is a leading innovation in the electric micromobility vehicles sector, integrating a suite of intelligent features designed to enhance safety, convenience, comfort and control. The system incorporates functions such as TCS, electronic stability program, NFC unlocking, navigating system voice interaction, intelligent lighting, remote vehicle monitoring and diagnostics, electronic anti-theft systems, and human-machine interface displays.

Through the Tai-Link system, we could provide smart driving experience that connects users, vehicles and data, enabling continuous performance optimization and remote system upgrades. This innovation demonstrates our leading technological capability in vehicle intelligence, further strengthening our position as a pioneer in intelligent, connected electric mobility.

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Key On-going R&D Projects

As of the Latest Practicable Date, our key on-going R&D projects are set out below:

Product/Technology	Key Features	Expected Completed Time
Fast charging technology .	Our fast-charging solutions are designed to support different charging power levels and corresponding battery systems to meet varying user needs and application scenarios.	We currently expect the development of the 45-60 minute fast charging solution to be completed by in the first half of 2026.
Voice control interaction technology	Our voice control interaction technology is designed to support a range of voice-enabled functions, including voice-based vehicle control, such as intelligent question-and-answer functions, voice navigation and voice-activated phone calls.	We currently expect the development and integration of this technology to be completed by in the first half of 2026.
Blind spot detection	Our vision-based blind spot detection system is designed to utilize visual algorithms for the detection and tracking of surrounding objects to avoid unexpected incident. By applying object detection and tracking techniques, the system is capable of identifying and monitoring approaching vehicles, such as cars and motorcycles, as well as pedestrians and other road users in the rear blind spot area, with the aim of supporting more accurate situational awareness and risk assessment.	We currently expect the development of this functionality to be completed by in the first half of 2026.

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Product/Technology	Key Features	Expected Completed Time
Bluetooth-enabled helmet .	Our Bluetooth-enabled helmet is designed to connect with mobile devices via Bluetooth and audio technologies to satisfy the fundamental protection and offer extra functions such as hands-free phone calls and voice navigation.	We currently expect the development of this product to be completed by in the first half of 2026.
Axial flux disc motor technology	This motor technology is characterized by a more compact structure, flexibility in vehicle layout providing much storage space higher efficiency and enhanced power and torque density.	We currently expect the development of this axial flux disc motor technology to be completed by the end of 2026.

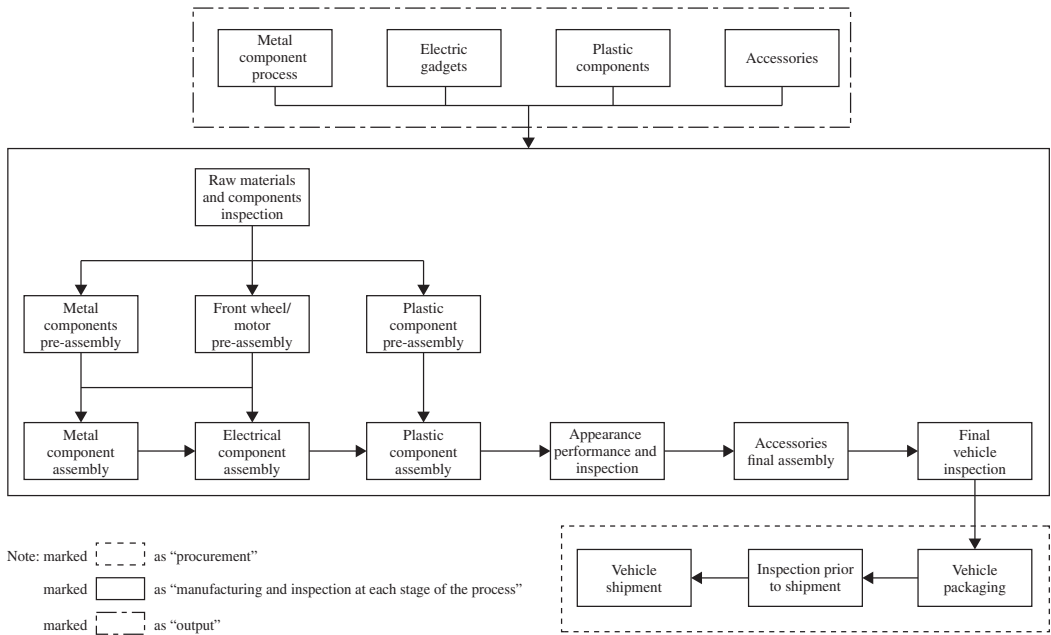
We proactively explore the potential and opportunities in wider application scenarios beyond daily commuting, and possibilities to extend our customer bases to extended age groups to unlock broader market opportunities. In addition, we closely monitor developments in intelligent mobility product solutions and explore opportunities to integrate related functionalities into our products to address diverse mobility needs and enhance user experience.

OUR PRODUCTION

We are committed to developing and enhancing our manufacturing capabilities. In particular, we focus on achieving improvement in cost efficiency by continuously optimizing processes and technologies, while adopting flexible and transparent inventory management policy. In the meantime, we invested in implementing standardized workflow, and technology-backed quality control system, through which, we can achieve mass production capability with premium product consistency.

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Manufacturing Process



Key Production Process

Our manufacturing process follows a standardized workflow supported by established inspection and quality control procedures at each key stage of production.

- **Incoming materials inspection.** Upon receipt of raw materials and components from suppliers, incoming materials are inspected in accordance with established inspection standards and procedures to verify quality and conformity before being released for use in production.
- **Front wheel and motor pre-assembly.** Front wheels and motors are pre-assembled using automated equipment in accordance with standardized operating procedures, including the installation of brake discs and tires, to improve assembly consistency and efficiency.
- **Metal component assembly.** Metal components are assembled in accordance with standardized assembly procedures, with fasteners tightened using calibrated torque tools to ensure compliance with specified torque requirements.
- **Electrical component assembly.** Electrical components are assembled onto the vehicle in accordance with standardized assembly procedures, with wiring harnesses routed and connected in line with applicable wiring process standards.

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- **Plastic component assembly.** Plastic components are assembled onto the vehicle in accordance with standardized assembly procedures.
- **Final vehicle inspection.** Upon completion of vehicle assembly, each vehicle is subject to a comprehensive final inspection conducted by qualified inspectors in accordance with established inspection standards. Such inspection covers, among others, appearance checks, functional testing, vibration testing and simulated road condition testing.

During the Track Record Period, we manage our manufacturing process in a dynamic way, mainly through our own manufacturing equipment and facilities. However, we may outsource certain manufacturing process to third-party manufacturers as needed, which is primarily related to simple and low-value-added process. According to Frost & Sullivan, the arrangement of outsourcing certain manufacturing process is in line with industry practice.

Our Production Equipment

We have invested in a broad range of advanced production equipment across our manufacturing operations, which supports higher levels of automation and contributes to the reliability, operational efficiency and cost-effectiveness of our production processes. We source various production and testing equipment and related components primarily from domestic suppliers, which are subsequently assembled and integrated in-house. In addition, we have internally developed certain production technologies and customized specific equipment to meet our manufacturing needs.

Set forth below are certain key machinery and equipment used in our production process.

Production Facilities	Function
Automated brake disc locking and tire mounting system	The automated brake disc locking and tire mounting system is used in the front wheel and motor pre-assembly process. The system automatically positions the wheel hub, installs and secures the brake disc, and records fastening data for traceability. The wheel hub is then transferred to a tire mounting machine, where tire installation and inflation are completed automatically. This system helps reduce manual operations and improve consistency and efficiency in the pre-assembly process.

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Production Facilities	Function
Electric torque tool for front fork assembly	The electric torque tool is used in the front fork assembly process to ensure accurate fastening. Torque settings are preset based on required specifications, and the tool automatically stops once the target torque is reached. Torque data is displayed in real time, with alerts for incomplete or abnormal fastening. This tool helps ensure consistent fastening quality and provides traceable installation data during front fork assembly.
Automated fastener sorting and packaging machine . . .	The automated fastener sorting and packaging machine is used in the accessory assembly process. Packaging specifications, including fastener types and quantities, are preset based on different vehicle models. The machine automatically counts and sorts fasteners and packages them into sealed bags before transferring them to designated storage containers. This equipment helps reduce manual work and improves accuracy and consistency in fastener packaging.
Intelligent automated finished products warehouse	The intelligent automated finished products warehouse is used for the storage and dispatch of completed vehicles. After passing quality inspection, finished vehicles are placed on pallets and automatically stored in designated locations based on instructions from the WMS. For outbound operations, the system automatically selects and transfers vehicles to the sorting area according to dispatch instructions. This system helps reduce manual handling and improve efficiency and coordination in finished vehicle warehousing and delivery.
Finished vehicle inspection line	The finished vehicle inspection line uses dedicated testing equipment to check key performance indicators of completed vehicles, such as speed, axle load, braking performance, wheel alignment and headlamp brightness. These inspections form part of the final quality control process to ensure vehicles meet applicable specifications before delivery.

BUSINESS

Production Facilities	Function
Finished vehicle vibration testing platform	After assembly, finished vehicles undergo vibration testing on a dedicated platform to check the reliability of electrical connections and the secure installation of fasteners and standard components. This testing forms part of the end-of-line inspection process and helps identify potential issues before delivery.
AGV	The AGV system is used in our outbound materials process to automate internal logistics. After receiving dispatch instructions from the production system, AGV collect materials from designated staging areas and deliver them to assigned workstations along the production lines. After delivery, the AGV return empty containers to designated collection areas. The AGV are equipped with obstacle-avoidance and route-planning functions to improve the efficiency of internal material movement. Overall, the AGV system helps improve the timeliness and coordination of material supply within our manufacturing operations.

We have established a structured equipment maintenance and management system to support stable production operations and equipment reliability. Our equipment management department formulates maintenance plans for production equipment and implements maintenance activities in accordance with scheduled timelines. Routine daily maintenance is carried out by the respective user departments, while periodic maintenance and inspections are performed by qualified personnel under the supervision of equipment engineers.

Equipment maintenance and repair activities are conducted in accordance with standardized procedures, with quality control measures in place to ensure full traceability throughout the maintenance process. Maintenance schedules are determined based on the criticality of the equipment. Core equipment is subject to daily inspections, weekly maintenance and monthly overhauls; key equipment is subject to daily inspections, monthly maintenance and quarterly overhauls; and general equipment is subject to weekly inspections, quarterly maintenance and annual overhauls.

In accordance with our equipment replacement plan, the expected useful life of our major machinery and equipment is approximately ten years. Depreciation of machinery and equipment is calculated using the straight-line method over the estimated useful life after deducting the estimated residual value.

During the Track Record Period and as of the Latest Practicable Date, we did not encounter any major interruptions in the production process due to facility or equipment failures or malfunction, nor did we incur any major accidents.

BUSINESS

Our Manufacturing Bases

Existing Manufacturing Bases

During the Track Record Period, we strategically placed our manufacturing facilities in places with close proximity to relevant clients and convenient logistics infrastructures to ensure fast response to purchase orders and effective integration into their supply chain management system. As of September 30, 2025, we had a total of seven manufacturing bases worldwide, including six manufacturing bases in China and one overseas manufacturing base in Vietnam. The table below sets out details of our manufacturing bases that have commenced commercial operations as of September 30, 2025.

Manufacturing Bases	Location	GFA <i>(in thousands of sq.m.)</i>	Ownership	Descriptions
Wuxi manufacturing base 	Wuxi, Jiangsu, China	218	Owned	This base primarily manufactures electric motorcycles and electric bicycles.
Huizhou manufacturing base 	Huizhou, Guangdong, China	322	Owned	This base primarily manufactures electric motorcycles and electric bicycles.
Tianjin manufacturing base 	Tianjin, China	159	Owned	This base primarily manufactures electric motorcycles, electric bicycles, and electric tricycles.
Chongqing manufacturing base 	Chongqing, China	103	Owned	This base primarily manufactures electric motorcycles and electric bicycles.

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Manufacturing Bases	Location	GFA <i>(in thousands of sq.m.)</i>	Ownership	Descriptions
Guigang manufacturing base 	Guigang, Guangxi, China	44	Leased	This base primarily manufactures electric bicycles.
Dongguan manufacturing base 	Dongguan, Guangdong, China	36	Leased	This base primarily manufactures electric motorcycles and electric bicycles.
Vietnam manufacturing base 	Xingan, Vietnam	27	Leased	This base primarily manufactures electric motorcycles and electric bicycles.

During the Track Record Period, we also engaged overseas third-party manufacturers in Indonesia to manufacture electric bicycles and electric motorcycles for us as a supplement to our manufacturing capacity, allowing us to enjoy quick response to demands from relevant overseas markets for our products in a cost-efficient way. According to relevant agreements, we demand our third-party manufacturers to carry out production strictly in compliance with our quality control measures and overall production schedule. During the Track Record Period, the production volume of vehicles manufactured by this third-party manufacturer was intended to supplement customer demand from overseas markets, which contributed less than 1.0% of our total revenue for the respective periods.

Manufacturing Bases under Expansion

As of the Latest Practicable Date, we are in the process of developing new manufacturing bases and expanding the existing manufacturing bases:

- **Chongqing Base (Phase II).** The Chongqing Base (Phase II) is designed with an additional annual designed production capacity of approximately 2.0 million units. As of the Latest Practicable Date, we expect the construction of this base to be completed in the first half of 2027.

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- **New Guigang Base (Phase I and Phase II).** The New Guigang Base is designed for with a total of planned annual designed production capacity of approximately one million units. As of the Latest Practicable Date, we expect the construction of Phase I of this base with a planned annual designed production capacity of 0.5 million units to be completed in the second half of 2026.
- **Huizhou Tricycle Base (Phase II and Phase III).** The Huizhou Tricycle Base (Phase II and Phase III) is designed with a total of planned annual designed production capacity of approximately 0.8 million units. As of the Latest Practicable Date, we expect the construction of Phase II of this base with a planned annual designed production capacity of 0.3 million units to be completed in the first half of 2026.
- **Tianjin Base (Phase II).** The Tianjin Base is designed with an additional annual designed production capacity of approximately 6.0 million units. As of the Latest Practicable Date, we expect the construction of this base to be completed in the first half of 2026.
- **Overseas — New Vietnam Base.** We plan to develop a new base with close proximity to our existing plants in Vietnam, to address expected strong growth in oversea market demands for our products. The Vietnam Base is designed with a planned annual designed production capacity of approximately 0.9 million units. As of the Latest Practicable Date, we had leased for one land parcel with an aggregated GFA of approximately 100,000 sq.m. in Vietnam, which will be used for construction for this manufacturing base in Vietnam. According to the agreement we entered into with the lessor of our leased property in Vietnam, the leasing arrangement of which is expected to end on December 31, 2026. As of the Latest Practicable Date, we were in the process of evaluating the extension of lease arrangement. We will make decision upon taking a broad range of factors, including construction plan of our new Vietnam Manufacturing Base. For details, please see “— Manufacturing Bases under Expansion” and “— Properties — Leased Properties.” As of the Latest Practicable Date, we expected to complete the construction of New Vietnam Manufacturing Base in the first half 2027.

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Production Capacity

The following table sets forth a summary of our annual production capacity in terms of designed production capacity and utilization rates for our manufacturing bases for the periods indicated.

	Year Ended December 31,						Nine Months Ended September 30,		
	2023			2024			2025		
	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate
	<i>million units</i>		<i>%</i>	<i>million units</i>		<i>%</i>	<i>million units</i>		<i>%</i>
Wuxi manufacturing base	3.1	2.8	91%	3.0	2.7	90%	2.9	2.8	96%
Tianjin manufacturing base	2.2	2.1	93%	2.5	2.3	92%	2.3	2.1	93%
Huizhou manufacturing base	1.5	1.3	84%	1.9	1.8	92%	1.7	1.6	97%
Chongqing manufacturing base ⁽²⁾	0.2	0.2	84%	0.6	0.6	92%	0.8	0.7	93%
Guangxi manufacturing base ⁽³⁾	0.1	0.1	87%	0.2	0.2	92%	0.3	0.3	92%
Dongguan manufacturing base	0.1	0.1	94%	0.1	0.1	97%	0.1	0.1	97%
Vietnam manufacturing base ⁽⁴⁾	–	–	–	0.02	0.01	46%	0.1	0.04	71%

Notes:

- (1) Our production capacity is calculated based on a standardized methodology, which takes into account (i) the output per production line per hour, (ii) average daily production hours (generally eight hours), (iii) average monthly production days (generally 26 days), (iv) the average number of production lines in operation, and (v) the number of production months during the Track Record Period. For a full year, the number of production months is generally calculated based on approximately 11.5 months, while for 2025, the number of production months is calculated based on approximately nine months.
- (2) During 2023 and 2024, the Chongqing manufacturing base and the Guigang manufacturing base adopted a combination of large-scale production lines (with approximately 70 workers per line) and small-scale production lines (with approximately 40 workers per line), depending on actual production demand. As a result, the average output per production line per hour was relatively lower when calculated on a combined basis.
- (3) The Guigang manufacturing base commenced operations in June 2023. Accordingly, its actual production period in 2023 covered approximately seven months, which has been taken into account in the calculation of its production capacity for that year.
- (4) The comparatively lower production capacity and utilization rate at our Vietnam manufacturing base is primarily attributable to that (i) we were at a ramp-up phase of our overseas expansion, under which we prudently manage the pace of investment on production capacity; and (ii) the facility being positioned as a strategic production capacity reserve for future growth in the Southeast Asian market. The current Vietnam manufacturing base is located on a leased property, and we plan to develop a new manufacturing base with close proximity to our existing base in Vietnam, to address expected strong growth in overseas market demands for our products. See “Business — Properties — Leased Properties.”

According to Frost & Sullivan, our utilization rate of production capacity during the Track Record Period was in line with leading competitive peers within the same industry.

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QUALITY CONTROL

We place great emphasis on product quality and safety and have established a comprehensive quality management system that covers every stage from procurement, production to final delivery. Product quality is vital to our brand reputation and consumer confidence, and we believe that stringent quality control enables us to maintain a high level of reliability and customer satisfaction.

We participated in the formulation of and were among the first batch of enterprises certified under the New National Standard issued by the CQC. Our domestic operations have obtained ISO9000 quality management certification and national compulsory certification such as 3C for a series of electric bicycles and electric motorcycles. As of September 30, 2025, we have established two laboratories accredited by the CNAS, which serves as a national-level testing laboratory for product quality inspection and R&D purposes.

Our quality control staff is responsible for formulating and implementing our quality control policies, and conducting inspections of raw materials, production processes and finished products to identify quality defects. These departments work collaboratively to ensure effective quality control throughout the product lifecycle, from R&D to production and after-sales feedback.

Procurement Quality Control

We implement strict supplier admission and ongoing management procedures. Our supplier admission process includes qualification review, on-site assessment of manufacturing processes and management systems, multiple rounds of sample testing, and small-batch trial procurement. Only suppliers that successfully complete such procedures are included in our qualified supplier list, and we maintain and periodically update this list to ensure our consistent quality control standards.

We maintain rigorous inspection procedures for raw materials before the commencement of production. Upon delivery, our quality management personnel conduct detailed inspections on the appearance, specifications and functionality of incoming materials in accordance with internal standards. Random samples are also tested by our in-house laboratory to ensure conformity with technical and safety requirements before being accepted into production. These pre-production controls ensure that all critical components meet our stringent safety and durability standards prior to mass production.

Production Quality Control

During the production process, we strictly implement ISO9000 quality management procedures and conduct multi-stage inspections to ensure consistent product quality. Our production personnel are subject to regular training and certification programs to ensure standardized operating procedures are consistently applied across different production lines and shifts, thereby supporting quality stability during mass production. In addition, we

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implement online quality monitoring and data-driven quality management throughout the production process, with multiple quality gates established to prevent any non-conforming products from proceeding to subsequent production stages.

Our products are subject to comprehensive road and environmental testing under different rated loads, including road endurance, climbing, wading and rainfall simulation tests. Complete testing records are retained to provide traceable quality evidence and to ensure product reliability under extreme operating conditions.

Finished Products Quality Control

We have established strict final inspection procedures to ensure that all finished products comply with national standards, internal specifications and 3C certification requirements before delivery. Our quality control personnel conduct appearance, performance and safety checks on finished vehicles, including electrical system tests, braking performance checks and random on-road evaluations. Each product is required to pass internal acceptance testing and final inspection before being packaged and stored in designated zones within our warehouses.

We invested in implementing advanced equipment and latest technologies to enhance the accuracy and efficiency of our quality inspections. In particular, we have included our product performance tracking and customer’s feedback system into our quality control system, where we may rely on data-driven analytical tools to make timely adjustment to our quality control procedures, as well as R&D efforts. By doing so, we ensure that our products meet the highest quality standards right from the source.

During the Track Record Period, we have not experienced any dispute in relation to our product quality that caused material and adverse impact to our business operations.

Quality Control Measures to Prevent Risks Associated with Fire Accident of Our Vehicles

We pay close attention to prevent risks of fire during the use and parking of our vehicles and have implemented stringent quality control measures from the perspectives of electronic component design, battery quality, and functional management.

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In selecting raw material and components, such as critical circuits, connectors, and plastic parts, we procure those utilizing flame-retardant materials that meet or exceed national standards to delay the spread of fire. In addition, we have installed fuses, circuit breakers, or smart over-current protection devices at key points in the circuitry to ensure our products may cut off power in the event of abnormal current. During the Track Record Period, we have been investing in continuous R&D and implementation of wiring process standards and designs, so that relevant systems may achieve optimized waterproofing, dust resistance, wear resistance, and anti-aging capabilities. Furthermore, we install heat dissipation structures for heating components such as controllers and chargers to prevent heat accumulation, through which high-voltage lines and heating components are effectively isolated from flammable materials, and flame-retardant insulation layers are installed.

In addition, leveraging our technology capabilities, our “TAILG” mobile application can assist consumers to make timely monitoring on component temperature, current, and voltage, where audible and visual alarms are triggered if thresholds are exceeded. We also set automatic self-check function for our vehicles upon initiation, where riding is restricted if potential component faults are detected. Our system platform also promptly alerts users with predictive maintenance alerts and handling suggestions based on data analysis, optimizing troubleshooting and system maintenance to effectively prevent risks.

To effectively mitigate risks associated with batteries, we set stringent quality inspection standards and procedures to ensure only qualified products could be accepted for further sales. We also implement strict qualification reviews, technical assessments, and quality system certifications for battery suppliers. We supervise and conduct random inspections of their production processes to ensure the batteries supplied meet our technical standards and safety requirements.

Furthermore, we have deployed a battery encryption software system, where batteries without our authorization will not be used due to failure to pass encryption verification protocol in our vehicles. In addition, we employ specific battery socket designs to prevent non-standard batteries getting connected to our vehicles. Our battery management system, BMS, is integrated with the vehicle system, which facilitates full lifecycle status tracking and identification of abnormality. In addition, through our “TAILG” mobile application, users can timely monitor status of batteries, including voltage balance, temperature rise rate, and cycle count, where safety warning will be prompted should any abnormal usage or severe performance degradation be detected.

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OUR SALES NETWORK

During the Track Record Period, we sold our products primarily in Chinese Mainland through our network of offline channels, and to a much less extent, in certain other countries and regions. We also distribute our products through online channels on major e-commerce platforms. The following table sets forth the breakdown of our revenue by sales channel for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Offline channels	11,788,202	99.2	13,491,650	99.2	10,617,224	99.2	14,837,789	100.0
Online Channels ⁽¹⁾	91,899	0.8	108,717	0.8	89,401	0.8	2,423	0.0
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

Note:

(1) Primarily including revenue generated from sales of products on e-commerce platforms.

The following table sets forth a breakdown of our revenue by sales models for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales through								
Distributors	11,394,778	95.9	13,146,066	96.7	10,371,808	96.9	14,447,726	97.4
Direct Sales	485,323	4.1	454,301	3.3	334,817	3.1	392,486	2.6
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

Offline Channels

We primarily sell our products through our offline distributor network, which enables us to provide localized sales, delivery and responsive after-sales services to end customers. To a much lesser extent, we also conduct limited direct sales through offline channels. For further details regarding our sales through distributors and direct sales, please see “— Sales through Distributors” and “— Direct Sales.”

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In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from offline channels amounted to RMB11,788.2 million, RMB13,491.7 million, RMB10,617.2 million and RMB14,837.8 million of our revenue for the corresponding periods, accounting for 99.2%, 99.2%, 99.2% and 100.0% of our total revenue of the same periods.

Online Channels

Our online channels supplement our direct reach to end consumers. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from online channels amounted to RMB91.9 million, RMB108.7 million, RMB89.4 million and RMB2.4 million of our revenue for the corresponding periods, accounting for 0.8%, 0.8%, 0.8% and 0.0% of our total revenue of the respective periods.

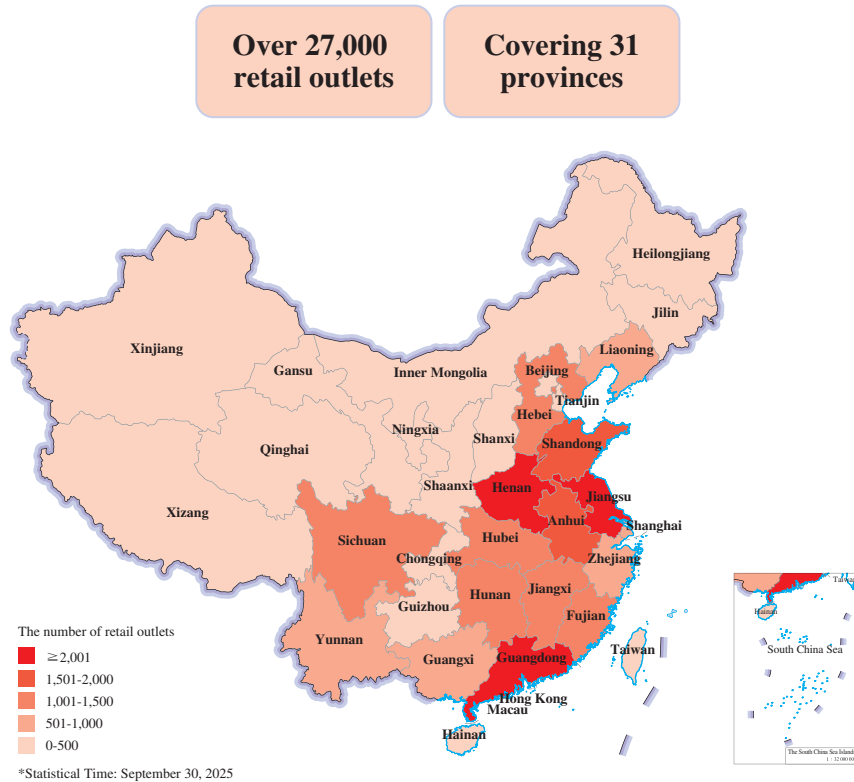
Sales through Distributors

We primarily sell our products through our network of offline distributors to effectively cover the Chinese Mainland market. According to Frost & Sullivan, sales through distributors are the most important distribution channels for electric micromobility vehicles in Chinese Mainland.

As of December 31, 2023, 2024 and September 30, 2025, we engaged a total of 2,673, 3,216 and 6,009 distributors in Chinese Mainland and overseas markets, respectively. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from sales through distributors amounted to RMB11,394.8 million, RMB13,146.1 million, RMB10,371.8 million and RMB14,447.7 million, respectively, accounting for 95.9%, 96.7%, 96.9% and 97.4% of our total revenue of the same periods.

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The following map is an illustration of the geographic coverage and the number of retail outlets in Chinese Mainland as of September 30, 2025:



The following table sets forth a breakdown of our revenue by geographic regions, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland								
Market	11,591,834	97.6	13,281,227	97.7	10,492,748	98.0	14,444,495	97.3
Overseas Market . . .	288,267	2.4	319,140	2.3	213,887	2.0	395,717	2.7
Total	<u>11,880,101</u>	<u>100.0</u>	<u>13,600,367</u>	<u>100.0</u>	<u>10,706,625</u>	<u>100.0</u>	<u>14,840,212</u>	<u>100.0</u>

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We apply a structured and multi-dimensional assessment framework when selecting and reviewing our offline distributors, taking into account regional market characteristics and operational conditions. Our assessment covers a range of qualitative and quantitative factors designed to ensure that our distributors are capable of supporting our brand positioning, sales growth and after-sales service standards. Only applicants that satisfy our assessment requirements are appointed as our contracted offline distributors. Set forth below are certain key criteria considered in our distributor selection and evaluation process:

- **Industry experience and market familiarity.** We assess the distributor’s experience in the relevant industries, as well as its familiarity with local market dynamics and customer preferences.
- **Geographic coverage and market reach.** We consider the distributor’s ability to effectively cover the target regions, including the penetration and quality of its retail network and its access to key commercial areas.
- **Business reputation and credibility.** We evaluate the distributor’s market reputation, credibility, liquidity position and ability to support inventory procurement, retail outlet operations and ongoing business expansion.

During the Track Record Period and up to the Latest Practicable Date, we have maintained good business relationships with our distributors. The following table sets out the number of our distributors and their movements for the periods indicated:

	<u>As of/Year ended December 31,</u>		<u>As of/Nine months ended September 30,</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Distributors in Chinese Mainland			
As of the beginning of the period	2,268	2,657	3,145
Additions of new distributors	625	808	2,674
Terminations of existing distributors . . .	236	320	222
As of the end of the period.	2,657	3,145	5,597
Overseas Distributors			
As of the beginning of the period	7	16	71
Additions of new distributors	13	60	342
Terminations of existing distributors . . .	4	5	1
As of the end of the period	16	71	412

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We maintain an active and ongoing management framework for our distributors and regularly assess their performance, continuously provide assistance and facilitate their store operations. As of December 31, 2023, 2024 and September 30, 2025, we respectively engaged 625, 808 and 2,674 new distributors in Chinese Mainland, which was brought by our continuous efforts and investment in our coverage and penetration into regional markets, as well as 13, 60 and 342 new overseas distributors for the respective periods in line with our overseas expansion. We have terminated distribution relationships with 236, 320 and 222 distributors in Chinese Mainland, in 2023, 2024 and the nine months ended September 30, 2025, respectively, and terminated distribution relationships with four, five and one overseas distributors for respective periods.

The reasons of termination of distribution relationships were primarily attributable to: (i) our channel optimization and consolidation strategy; (ii) unsatisfactory operating or sales performance due to poor management and (iii) other personal reasons.

During the Track Record Period, to the best knowledge of our Directors, we had five distributors, who were either our current employee or were connected persons to us. As of the Latest Practicable Date, none of the aforesaid five distributors was our distributor any more, and to the best knowledge of our Directors, we had no current, nor former employee or any connected persons who was also our distributor. Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, all of our other distributors were Independent Third Party.

Distributor Agreements

We typically enter into written distribution agreements with our distributors. During the Track Record Period, our distributor was typically assigned designated account(s) in our distributor management system, through which orders were processed and recorded from placement to settlement. Set out below are the principal terms of agreements we entered into with our distributors:

Duration	The duration of the distribution agreements is typically one year are renewable subject to our evaluation of, among other things, distributor’s sales performance.
Exclusivity	Our distributors are generally only allowed to sell our products in the designated areas and channels, to avoid channel stuffing or cannibalization among our distributors. Our distributors are prohibited from selling any competitive products sourced from other suppliers in TAILG branded retail outlets.
Payment	We typically deliver products after receiveing full payment from distributors.

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Pricing	We provide our distributors with a suggested retail price for our products. Distributors are generally permitted to make reasonable price adjustments within an appropriate range based on local market conditions.
Minimum purchase requirements . . .	We set annual and monthly minimum purchase requirements for distributors taking into account their size, designated distribution area, their historical sales records and our estimates of local demand. Our minimum purchase requirements do not constitute mandatory purchase obligation for distributors, but mainly serve as reference for us to evaluate the performance of distributors and provide rebates to distributors while offering us the flexibility to adjust our sales arrangement with distributors. Only those distributors who reach the monthly minimum purchase requirement will be eligible to obtain sales rebate. Under certain circumstances, if our distributors fail to meet the monthly minimum targets for three consecutive or accumulated three months, we have the right to terminate their distributorship by discretion. Our distributors typically sell our products to end customers directly or to sub-distributors.
Delivery and acceptance	Delivery is generally deemed completed upon inspection and execution of the relevant delivery note at our warehouses or at the delivery location, as applicable. Acceptance of the products is deemed completed upon execution of the delivery note, and any issues relating to quantity or apparent quality are required to be raised at the time of acceptance.
After-sale services	Distributors are responsible for after-sales services including repairing and replacing products pursuant to product warranties as required by the applicable laws and regulations. We are responsible for providing parts and components to distributors for them to carry out repairs pursuant to product warranties.
Sub-distributorship . .	Our distributors are typically allowed to engage sub-distributors. During the Track Record Period, we did not enter into any agreements or otherwise directly establish relationships with any sub-distributor. Consequently, we have limited control over sub-distributors.
Termination	We are entitled to terminate the distribution agreement if a distributor engages in material breaches, misconduct or non-compliant activities.

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Distributor Management

We have established a comprehensive distributor management framework to oversee the operation of our sales network and support effective channel execution. Our distributor management primarily include the following:

Distributor Selection and Authorization

We apply selection criteria distributors upon taking consideration of various factors such as local market development capability, operational experience, financial resources and sales network coverage.

Territorial Management and Prevention of Cannibalization

We set designated area for each distributor and do not allow our distributors in Chinese Mainland to sell products outside the designated distribution area. Unless otherwise authorized, distributors are not allowed to sell our products on online channels. In addition, to avoid cross-regional sales among our distributors, we attach each vehicle with a scannable retail outlet-specific code and registered in our system prior to delivery. Only vehicles that have completed such registration are enabled for normal use. Vehicles that have not been registered may only be used for test-ride purposes and remain subject to functional restrictions. Full functionality is unlocked only after the vehicle is successfully registered through the scanning of the retail outlet code and binding on our “TAILG” mobile application. Where a vehicle procured through one authorized channel is subsequently registered or activated at a retail outlet outside the designated territory, we will identify such conduct as a cross-regional sale. We monitor compliance through contractual restrictions, operational oversight and system-based controls, and may take corrective or disciplinary actions against distributors in cases of non-compliance.

For our overseas business operation, we may allow our overseas distributors with flexibility on coverage of regions to sell products as our overseas market is still in at ramp-up stage.

Ongoing Performance Assessment

We set monthly sales targets for distributors based on factors such as regional market conditions and development plans and we conduct periodical review on our distributors’ performance to adjust their sales target to avoid channel stuffing. In order to maintain a sustainable relationship with our distributors, we may offer distributors favorable incentive programs to encourage them to take proactive approach to promote sales of our products, primarily including sales rebate and reimbursed decoration costs to distributors.

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We generally offer rebates to distributors, under certain circumstances to motivate distributors, such as when their total purchase quantity exceeds a predetermined quantity in a period or when certain other conditions are met, or when they participate in our periodical marketing and promotion plans. Our sales rebates are utilized upon settlement of future purchases from such distributors.

Specifically, for those distributors who managed to achieve sales target set by us, we will reimburse them incurred decoration expenses from relevant retail outlets. We set different reimbursement amount per square meter for different regional markets, taking into account various factors, including local economic conditions, competitions and our business development strategies in relevant regions.

According to Frost & Sullivan, it is an industry norm for electric micromobility manufacturers to grant favorable incentive program like reimbursement to decoration costs or sales rebates as incentives to their distributors in order to encourage distributors who have achieved good sales performance, or as part of manufacturers’ marketing and sales promotion initiatives.

Product Return

We have not experienced any material product returns during the Track Record Period and up to the Latest Practicable Date. The sales between our distributors and us are buy-out sales and we typically do not allow product returns from our distributors except for quality issue. However, we provide quality assurance in compliance with applicable laws and regulations in local markets. According to Frost & Sullivan, our product return policy is line with industry norm.

Credit Limits

During the Track Record Period, we typically require our distributors to settle payment prior to delivery. However, during the Track Record Period, we may provide credit limits to certain distributors upon application submitted by distributors and approve on a case-by-case scenario. Prior to approval of any credit limits to our distributors, we assess their cooperation history with us and creditability. Our credit limit represents a maximum amount we grant to distributors to purchase products within a validity period. Distributors are required to settle all outstanding amounts upon expiration of the credit limits and we may adjust the credit limit based on distributors’ repayment performance and financial position.

According to Frost & Sullivan, it is not uncommon in the electric micromobility vehicle industry in Chinese Mainland for companies to grant credit limits to their distributors.

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Brand, Retail Outlet and Operational Management

Distributors are required to comply with our brand and operational standards, including retail outlet image, exclusive brand operation, product display and promotional practices. We provide operational guidance, training and inspection support through our sales and field management teams to promote consistent execution across regions.

Anti-Corruption and Anti-Bribery Obligations

We require our distributors and their respective employees, agents and representatives to comply with all applicable anti-corruption and anti-bribery laws and regulations, and to conduct their business activities with integrity and in a lawful and ethical manner. Distributors are prohibited from offering, promising, giving or accepting any form of improper benefits, including bribes, kickbacks or other undue advantages, in connection with their cooperation with us or the promotion and sale of our products.

Distributor Evaluation

We conduct regular performance evaluations of our distributors based on the sales targets agreed with them under the distribution agreements. Our evaluation focuses on the distributor’s sales target achievement rate as well as a range of qualitative and quantitative factors, including business strategy and execution capability, financial strength, growth potential, retail outlets operations, and level of cooperation in marketing and promotional activities.

Distributor Administrative Penalties

PRC administrative agencies, including local branches of the SAMR, conduct periodic inspections of products in the market, including electric micromobility vehicles, and issue administrative penalty decisions with respect to sales of non-conforming products from time to time. Based on publicly available information, we have noticed that a number of our distributors or their sub-distributors were subject to such administrative penalty decisions during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, to the best knowledge of our Directors, our distributors and sub-distributors which were the subject of administrative penalty decisions, and according to the relevant administrative penalty decisions, substantially all of administrative penalty decisions were due to unauthorized alterations of our products by distributors or their sub-distributors.

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Such alterations are strictly prohibited according to our standard distribution agreements and distributor management policy and we do not authorize distributors or sub-distributors to carry out such alterations in any case. We do not provide warranty services for any damages caused by man-made reasons, such as unauthorized alterations.

All administrative penalty decisions related to unauthorized alterations by distributors or sub-distributors were issued to the respective distributors or sub-distributors and we were not subject to any administrative penalties due to these administrative penalty decisions issued to distributors or sub-distributors in relation to unauthorized alterations. In addition, all relevant electric micromobility vehicles had qualified factory inspection reports when delivered to the distributors.

Our Directors further confirm that the ownership and associated legal risks were transferred to the distributors upon the delivery of conforming products. None of our Directors or employees had knowledge of, authorized, acknowledged or consented to the alterations carried out by distributors (or their sub-distributors), and we were not subject to the administrative penalties decisions which were addressed to our distributors (or their sub-distributors) due to their unauthorized alterations.

Taking the aforementioned into account, our PRC Legal Advisor is of the view that the likelihood that we will be found legally liable for aforesaid non-compliance incidents caused by alterations is remote.

To our best knowledge after making all reasonable enquiry, we and our PRC Legal Advisor (based on the public searches conducted by them and the written confirmation by the Company) are not aware of any material complaints, warranty claims, administrative penalties and/or litigations against the Group arising from unauthorized alterations of our products by our distributors or their sub-distributors during the Track Record Period.

However, in practice there could be incidents where we may fail to prove, in administrative, legal or other proceedings that alleged product non-conformity were due to unauthorized alterations or where consumers associate unauthorized alterations with poor product quality.

Our Directors confirm that, to the best of their knowledge, there were no material accidents, complaints, safety issues, warranty claims and/or litigations against the Group arising from unauthorized alterations of our products during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm, as of the Latest Practicable Date, there are no ongoing investigations by any relevant regulatory authorities against our Group in relation to unauthorized alterations by distributors or sub-distributors.

All administrative penalty decisions due to the reasons above other than unauthorized alterations by distributors or sub-distributors were issued to the respective distributors or sub-distributors. Our Directors confirmed that the ownership and associated legal risks were transferred to the distributors upon the delivery of conforming products.

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Enhanced Remedial and Distributor Control Measures

We have been actively engaged in developing and adopting new technologies and designs with respect to various aspects of our products including maximum speed, voltage, the controller, batteries and saddles to make our vehicles less susceptible to alteration. For example, we use overvoltage protection and other anti-tampering designs to prevent manipulation of maximum speed limits through conventional methods such as repeatedly increasing and decreasing voltage. We also lock critical parts such as motors and controllers in covers with irregularly shaped bolts that if opened abruptly without our specially designed tools may cause damage to our vehicles. The battery compartments of our vehicles are also designed to exactly fit our batteries and leave no space for others to use other larger batteries. We have also enhanced our internal policies to systemically manage technical upgrades of our vehicles and require relevant personnel to continuously focus on anti-tampering technologies throughout the lifecycle of our products and R&D process.

In addition, we have implemented periodic training to our distributors and set policies demanding them to strictly follow our standards that prohibiting alteration of our products without our authorization and are obliged to inspect and check if our products conform with their registration when performing after-sales services. Pursuant to our standard distribution agreement, we are entitled to warn, fine or even terminate the distribution agreements with distributors that engage in unauthorized alteration of our vehicles. We also require our sales staff to inspect vehicles during their regular and random site visits to retail outlets of distributors and sub-distributors. We require them to examine a number of aspects of the vehicles and whether such aspects are consistent with the relevant product certificates, including the external appearance of the vehicles and the type and specification of batteries, and whether any additional accessories were installed.

We emphasize on consumer education in terms of rules and regulations of electric micromobility vehicles, their respective features and riding safety. We asked our distributors to remind consumers not to make modifications to products to ensure safety. They will also remind consumers to wear helmets and obey traffic rules. We also post materials through our official social media account that promote safe riding and emphasize the risks of unauthorized alterations. Our product instruction manuals also clearly state that users shall not alter our products themselves and shall be solely responsible for consequences of unauthorized alterations.

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Our Directors are of the view that, the unauthorized alterations of our vehicles by distributors and sub-distributors and the corresponding administrative penalties did not and will not have any material impact on our financial conditions and results of operations.

Direct Sales

While we primarily sell our products through our distributor network, to a much lesser extent, we also conduct direct sales to end consumers. Our direct sales mainly consist of shared electric bicycle and sales of accessories through e-commerce platforms. To extend applicability across broader scenarios, we customize and sell electric bicycles to a number of leading shared mobility service providers, and other corporate and institutional customers.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from direct sales amounted to RMB485.3 million, RMB454.3 million, RMB334.8 million and RMB392.5 million, respectively, accounting for 4.1%, 3.3%, 3.1% and 2.6% of our total revenue for the corresponding periods.

OUR WAREHOUSING AND LOGISTICS

Warehousing and Logistics

During the Track Record Period, we primarily used our self-owned warehousing to satisfy our demand in daily operation, and may from time to time to engage third-party warehousing service providers in accordance with our business operation. Our warehouses are strategically positioned close to locations of our customer, allowing us to shorten lead times and enhances responsiveness. This approach enables us to deliver tailored, efficient service.

From time to time, we may collaborate with third-party logistics service providers to facilitate our delivery of goods. We select logistics service providers primarily based on their qualification, track record, geographic coverage and quotation. We maintain a list of qualified logistics service providers and evaluate their service quality periodically. Our arrangements with third-party logistics service providers allow us to provide efficient delivery services of our products, reduce our capital investment. During the Track Record Period, we did not experience any material disruption in the delivery of our products or suffer any material loss as a result of delays in delivery or poor handling of goods.

Inventory Management

Our inventories are comprised of raw materials, work in progress and finished goods, which is designed to tightly align with customer orders, ensuring efficient material allocation and production scheduling. We generally maintain a sufficient inventory of our principal raw materials based on market conditions and our order quantity, while we also review our inventory levels on a regular basis to minimize the risk of inventory build-up. We have implemented a WMS that covers the entire warehousing process at the production stage, enabling refined management of material storage, allocation and circulation. This system

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enhances inventory transparency, improves logistics efficiency within production facilities and ensures orderly and timely material handling to support stable manufacturing operations. To ensure stable and continuous production, we generally maintain a safety level of inventory which is determined based on historical sales, market demands and sales projections. In 2023, 2024 and the nine months ended September 30, 2025, our inventory turnover days were 14.5 days, 13.8 days and 7.7 days, respectively. For details, please see “Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Inventories.”

BRANDING AND MARKETING

Our sales and marketing team is dedicated to developing marketing strategies and facilitating the marketing activities of our distributors. We strategically utilize multiple branding and marketing vehicles to enhance the visibility and recognition of our brands and to ensure comprehensive consumer exposure.

We also conduct a series of vehicle challenge events to strengthen our technology-forward image and convey a brand ethos of exploration and innovation. These include the “Extreme Cold Challenge,” during which our electric two-wheeled vehicles are tested in sub-zero environments to demonstrate battery performance and system reliability under harsh winter conditions; the “Mars Extreme Challenge,” a long-distance expedition across deserts and complex terrains designed to validate range capability and overall vehicle durability in demanding environments; and the “Hello, Yangtze” challenge, which traces routes along the Yangtze River basin to showcase our long-range technology across diverse terrains and climatic conditions while linking product performance with exploration-themed brand storytelling.

We also partnered with a well-known international fast food enterprise to launch a limited-edition cross-over market campaign, which generated approximately 800 million online views, supporting our goal of elevating the brand’s contemporary and trend-oriented profile.

In addition to offline initiatives, we actively carry out online marketing activities. We have established dedicated in-house teams focused on mainstream digital platforms. Moreover, to strengthen product credibility, we engage KOL to publish usage reviews and product evaluations for scenario-based communications. In 2023, at International Motorcycle and Accessories Exhibition in Milan, Italy, we introduced our new brand, TLG. TLG is tailored to address European consumers’ urban mobility needs and is positioned in the mid- to high-end segment, with product and marketing localization by geography, user habits, and target sub-segments. We also participate in major international trade shows, including the Beijing International Motorcycle Exhibition and Asia bike Jakarta, where we showcase new products, long-range technologies, and our localization strategies. Furthermore, we have established strategic collaborations, including with the United Nations Environment Program (“UNEP”) on electric micromobility initiatives, to further align our brand with environmentally friendly mobility options.

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In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our sales and marketing expenses amounted to RMB564.0 million, RMB686.7 million, RMB492.6 million and RMB669.8 million, respectively, representing 4.7%, 5.0%, 4.6% and 4.5% of our total revenue for the respective periods.

Pricing

We determine our price on a cost-plus basis where we take account of take into account a broad range of factors, including market competition costs of sales and manufacturing capacity. We may regularly check the price trend of our competitive peers within the industry to ensure our competitiveness within the market.

OUR CUSTOMERS

Our customers primarily include our distributors. We typically grant credit limits to our customers, please see “Business — Our Sales Network — Distributor Management — Credit Limits.” In 2023, 2024 and the nine months ended September 30, 2025, our five largest customers in each year and period during the Track Record Period contributed 7.0%, 5.5% and 5.0%, respectively, to our total revenue for the respective periods. Sales to our largest customer in each year and period during the Track Record Period accounted for 2.4%, 1.2% and 1.3% of our total revenue for the respective periods. The following tables set forth the details of our five largest customers during the Track Record Period.

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For the year ended December 31, 2023

No.	Customer	Background	Products purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1 . . .	Customer A ⁽¹⁾	A distributor based in Yunnan	Electric micromobility vehicles and spare parts	279,872	2.4	2019	N/A
2 . . .	Customer B ⁽²⁾	A distributor based in Guangdong	Electric micromobility vehicles and spare parts	155,094	1.3	2019	N/A
3 . . .	Customer C ⁽³⁾	A distributor based in Beijing	Electric micromobility vehicles and spare parts	142,160	1.2	2020	N/A
4 . . .	Customer D ⁽⁴⁾	A distributor based in Guangxi	Electric micromobility vehicles and spare parts	135,926	1.1	2021	N/A
5 . . .	Customer E ⁽⁵⁾	A distributor based in Hainan	Electric micromobility vehicles and spare parts	119,251	1.0	2019	N/A
	Total			<u>832,303</u>	<u>7.0</u>		

Notes:

- (1) The transaction amount with Customer A includes those entity/ies controlled or managed by Customer A.
- (2) The transaction amount with Customer B includes those entity/ies controlled or managed by Customer B.
- (3) The transaction amount with Customer C includes those entity/ies controlled or managed by Customer C.
- (4) The transaction amount with Customer D includes those entity/ies controlled or managed by Customer D.
- (5) The transaction amount with Customer E includes those entity/ies controlled or managed by Customer E.

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For the year ended December 31, 2024

No.	Customer	Background	Products purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1 . . .	Customer D	A distributor based in Guangxi	Electric micromobility vehicles and spare parts	163,553	1.2	2021	N/A
2 . . .	Customer C	A distributor based in Beijing	Electric micromobility vehicles and spare parts	163,093	1.2	2020	N/A
3 . . .	Customer A	A distributor based in Yunnan	Electric micromobility vehicles and spare parts	154,757	1.1	2019	N/A
4 . . .	Customer B	A distributor based in Guangdong	Electric micromobility vehicles and spare parts	153,032	1.1	2019	N/A
5 . . .	Customer E	A distributor based in Hainan	Electric micromobility vehicles and spare parts	124,518	0.9	2019	N/A
	Total			<u>758,953</u>	<u>5.5</u>		

BUSINESS

For the nine months ended September 30, 2025

No.	Customer	Background	Products purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1 . . .	Customer C	A distributor based in Beijing	Electric micromobility vehicles and spare parts	194,802	1.3	2020	N/A
2 . . .	Customer D	A distributor based in Guangxi	Electric micromobility vehicles and spare parts	143,940	1.0	2021	N/A
3 . . .	Customer A	A distributor based in Yunnan	Electric micromobility vehicles and spare parts	142,982	1.0	2019	N/A
4 . . .	Customer F ⁽¹⁾	A distributor based in Anhui	Electric micromobility vehicles and spare parts	131,488	0.9	2021	N/A
5 . . .	Customer E	A distributor based in Hainan	Electric micromobility vehicles and spare parts	125,043	0.8	2019	N/A
	Total			<u>738,255</u>	<u>5.0</u>		

Note:

(1) The transaction amount with Customer F includes those entity/ies controlled or managed by Customer F.

As of the Latest Practicable Date, to the knowledge of our Directors none of our Directors, their close associates or any of our Shareholder who owned or had owned more than 5% of the share capital of our Company, had any interest in our five largest customers in each year and period during the Track Record Period.

To the best knowledge of our Directors, each of our five largest customers in each period during the Track Record Period was an Independent Third Party.

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PROCUREMENT AND OUR SUPPLIERS

Major Suppliers

Our suppliers primarily include suppliers for raw materials such as batteries and motors. In 2023, 2024 and the nine months ended September 30, 2025, our five largest suppliers in each year and period during the Track Record Period contributed 35.4%, 32.7% and 32.2%, respectively, to our total cost of sales for the respective periods. Purchase from our largest supplier in each year during the Track Record Period accounted for 12.4%, 15.2% and 17.1% of our total cost of sales for the respective periods.

The following tables set forth the details of our five largest suppliers during the Track Record Period.

For the year ended December 31, 2023

No.	Supplier	Background	Products provided to us	Purchase amount	% of total cost of sales	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1 . . .	Supplier A ⁽¹⁾	A company based in Dongguan, primarily providing electric two-wheeled vehicles and batteries	electric two-wheeled vehicles and batteries	1,303,095	12.4	2022	90 days
2 . . .	Supplier B ⁽²⁾	A company based in Zhejiang, primarily providing batteries	Batteries	844,630	8.0	2019	30 days
3 . . .	Supplier C ⁽³⁾	A company based in Zhejiang, primarily providing batteries	Batteries	837,809	8.0	2019	30 days
4 . . .	Supplier D ⁽⁴⁾	A company based in Wuxi, primarily providing motors	Motors	430,247	4.1	2019	90 days
5 . . .	Supplier E ⁽⁵⁾	A company headquartered in Shanghai, primarily providing motors	Motors	303,256	2.9	2019	60 days
	Total			<u>3,719,037</u>	<u>35.4</u>		

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Notes:

- (1) In addition, one of our Controlling Shareholders, Mr. SUN Muqian holds more than 30% shares in Supplier A. However, we ceased our cooperation with Supplier A in 2024 and we do not expect to resume our cooperation with Company in the foreseeable future.
- (2) The transaction amount includes entity/ies within the same group or under common control.
- (3) The transaction amount includes entity/ies within the same group or under common control.
- (4) The transaction amount includes entity/ies within the same group or under common control.
- (5) The transaction amount includes entity/ies within the same group or under common control.

For the year ended December 31, 2024

No.	Supplier	Background	Products provided to us	Purchase amount	% of total cost of sales	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1. . .	Supplier B	A company based in Zhejiang, primarily providing batteries	Batteries	1,794,206	15.2	2019	30 days
2. . .	Supplier C	A company based in Zhejiang, primarily providing batteries	Batteries	865,805	7.3	2019	30 days
3. . .	Supplier E	A company headquartered in Shanghai, primarily providing motors	Motors	549,950	4.6	2019	60 days
4. . .	Supplier D	A company based in Wuxi, primarily providing motors	Motors	335,968	2.8	2019	90 days
5. . .	Supplier F ⁽¹⁾	A company based in Wuxi, primarily providing plastic components and frames	Plastic components and frames	327,412	2.8	2019	90 days
	Total			<u>3,873,341</u>	<u>32.7</u>		

Note:

- (1) The transaction amount includes entity/ies within the same group or under common control.

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For the nine months ended September 30, 2025

No.	Supplier	Background	Products provided to us	Purchase amount	% of total cost of sales	Year of commencement of business relationship with us	Credit Terms
				(RMB'000)	%		
1 . . .	Supplier B	A company based in Zhejiang, primarily providing batteries	Batteries	2,165,360	17.1	2019	30 days
2 . . .	Supplier C	A company based in Zhejiang, primarily providing batteries	Batteries	683,562	5.4	2019	30 days
3 . . .	Supplier E	A company headquartered in Shanghai, primarily providing motors	Motors	599,806	4.7	2019	60 days
4 . . .	Supplier D	A company based in Wuxi, primarily providing motors	Motors	320,128	2.5	2019	90 days
5 . . .	Supplier F	A company based in Wuxi, primarily providing plastic components and frames	Plastic components and frames	313,715	2.5	2019	90 days
	Total			<u>4,082,572</u>	<u>32.2</u>		

As of the Latest Practicable Date, save as disclosed above, and to the best knowledge of our Directors, none of our Directors, their respective associates or any of our Shareholders (who owned or had owned more than 5% of our share capital) had any interest in any of our five largest suppliers, and all of our other five largest suppliers in each period were Independent Third Parties.

We believe that our operation is not dependent on any particular supplier. During the Track Record Period, we maintained multiple suppliers to avoid reliance on any of suppliers and we believe there is no significant difficulty to find suitable substitutes for our suppliers if necessary.

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Raw Material Procurement

Our major raw materials primarily include batteries and motors. During the Track Record Period, substantially all of our raw materials were sourced from China. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, raw materials costs amounted to RMB10,067.0 million, RMB11,291.8 million, RMB8,954.6 million and RMB12,046.6 million, respectively, representing 95.6%, 95.4%, 95.5% and 95.0% of our total cost of sales for the respective periods.

We generally enter into legally binding framework agreements with our suppliers, based on which we issue purchase orders for different batch of procurement, where we set price, volume and other conditions. Suppliers typically charge us a fixed purchasing price for their products and grant to us credit terms of 30 days to 90 days. The suppliers are typically responsible for the delivery of products to our designated location specified in each purchase order, and we accept goods upon completion of inspections. The duration of the framework supply agreements typically spans a period of one year. Suppliers typically allow us to return products with defects or other quality issues. Such agreements can be terminated upon mutual consent.

We consider raw material cost movements in our product pricing and, to a certain extent, may pass increases in input costs to customers through timely adjustments in our selling prices. Nevertheless, there is no assurance we can always pass through such increases in full or on a timely basis, and we remain exposed to raw material price fluctuations to the extent of any mismatch.

During the Track Record Period, we did not experience material shortages or quality issues in raw materials supply that materially affected operations.

OUR INFORMATION TECHNOLOGY

We place significant emphasis on the application of information technology in our operations. We have established a comprehensive digital management architecture spanning R&D, manufacturing, supply chain, warehousing, sales and after-sales, thereby improving our management and operational efficiency. Our main information technology systems include the system applications and products in data processing system, business intelligence system, product lifecycle management system, quality management system, and WMS. We plan to strengthen our information technology systems to keep up with the growth of our business. We believe such improved systems will strengthen supply chain management as well as improve our ability to develop products that meet the demands and preferences of our customers.

BUSINESS

LICENSES, PERMITS AND APPROVALS

We are required to maintain various licenses, approvals and permits in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

As of the Latest Practicable Date, based on the advice by our PRC Legal Advisor and legal advisor as to Vietnam laws, our Directors confirmed that we had obtained all licenses, approvals and permits that are material to our business operations in China and Vietnam where we operate our business. As of the Latest Practicable Date, such licenses, approvals and permits business licenses remained in full effect and we have not experienced any difficulties in renewing material licenses, permits or approvals during the Track Record Period and up to the Latest Practicable Date.

INTELLECTUAL PROPERTIES

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. As of the Latest Practicable Date, we had 1,905 patents, 254 trademarks and 11 domain names registered in Chinese Mainland, and 53 patents, 48 trademarks and 173 domain names overseas. For details, please see “Appendix VI — Statutory and General Information” to this document.

We rely on a combination of patents, copyrights, trademark law, trade secret protection and confidentiality agreements with customers, suppliers and employees to protect our intellectual property rights. We have also adopted a comprehensive set of internal rules for intellectual property management. These guidelines set out the obligations of our employees and create a reporting mechanism in connection with the protection of our intellectual property. Our legal department is primarily responsible for overseeing the protection of our intellectual properties. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets.

Our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, to the best knowledge of our Directors, we were not subject to any intellectual property claims which could have a material adverse effect on our business or operations.

Despite our efforts, we may be subject to risks associated with alleged infringement of third parties’ intellectual property rights, or infringement of our intellectual property rights by third parties. For more details, please see “Risk Factors — Risks Relating to Our Business and Industry — Third parties may claim that we have infringed their intellectual property rights, which could lead to disputes, litigation or financial losses.”

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AWARDS AND RECOGNITION

Our leading market position and brand recognition are reflected in the numerous awards we have received. The following table sets forth a selection of the notable awards and recognitions we received in the recent years:

Year of Award	Awards and Recognition	Issuing Authority/Institution
2025	Ona Award — Most Influential Brand of 2025 (奧納獎—2025年度最具影響力品牌)	Organizing Committee of the 8th Social Responsibility Conference (第八屆社會責任大會組委會)
2025	CQC Sustainability Pioneer Award (CQC可持續發展·先鋒獎)	CQC
2025	2025 Top 100 Brand Influence (2025 品牌影響力100強)	The Organizing Committee of the 12th Brand Influence Development Conference and Achievement Release Event (第十二屆品牌影響力發展大會暨成果發佈活動組委會)
2024	Ona Awards — 2024 Responsibility Gold Award (奧納獎—2024年度責任金獎)	Organizing Committee of the 7th Social Responsibility Conference (第七屆社會責任大會組委會)
2024	Five-Star After-Sales Service Certification (五星級售後服務認證)	Beijing Wuzhou Tianyu Certification Center (北京五洲天宇認證中心)
2024	2023 Responsible Brand Award (2023 年度責任品牌獎)	The Organizing Committee of the 14th Public Welfare Festival (第十四屆公益節組委會)

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COMPETITION

Driven by the global “carbon neutrality” agenda, supportive policy frameworks across jurisdictions and rising consumer awareness of environmental sustainability, the electric micromobility vehicle market has experienced robust growth. According to Frost & Sullivan, total manufacturer revenue in the global electric micromobility vehicle sector reached RMB263.2 billion in 2024, representing a compound annual growth rate of approximately 18.3% since 2020, which underscores the sector’s resilience and expansion momentum. It is further estimated that the total market size will increase to RMB505.9 billion by 2029, implying a projected compound annual growth rate of approximately 11.7% over the 2025-2029 forecast period.

As regulatory requirements around safety, environmental protection and energy efficiency have been more and more stringent, market share has increasingly consolidated toward leading companies with scale, technological capabilities and brand strength. According to Frost & Sullivan, in 2024 our revenue was approximately RMB13.6 billion, ranking third globally by revenue and representing a global market share of approximately 5.2%. As of the Latest Practicable Date, we had two national-level CNAS-accredited laboratories, and participated in the drafting of multiple national standards, including the *Energy Efficiency Certification Rules for Motorcycles and Electric Bicycles* (《摩托車和電動自行車節能認證規則》).

EMPLOYEES

As of September 30, 2025, we had 5,877 full-time employees and substantially all of our employees were located in China. The following table sets forth a breakdown of our employees by function as of September 30, 2025:

Function	Number
Sales	2,246
Production	2,229
Management	795
R&D	607
Total	5,877

To streamline human resource management, we established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment, training, internal referrals, incentive mechanisms, and employee care initiatives.

We use various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals. We generally offer employees competitive salaries, performance-based bonuses, and other incentives and continually refine our remuneration and incentive policies through market research. We are committed to making continual efforts to provide an engaging working environment for our employees and also offer employee care initiatives, including meals, accommodation and health check-ups.

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We have established a comprehensive system for employee training and development, including general training covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific training provided by company instructors, external courses, and expert lectures that improve employee knowledge and expertise in certain important areas related to our business.

During the Track Record Period, we have not experienced any significant difficulty in recruiting employees, nor have we experienced any labor shortages during the Track Record Period that materially affected our operations. We believe that we maintain good working relationships with our employees, and we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Fund

During the Track Record Period, we had certain instances where social insurance and housing provident fund contributions were not fully made for all employees or were not calculated based on employees’ actual salaries. This was typically due to (i) short-term timing differences arising from applicable social insurance and housing provident fund declaration and settlement cycles; and (ii) a certain number of our employees are migrant workers are unwilling to participate in the social welfare schemes in cities where they temporarily reside.

As advised by our PRC Legal Advisor, according to *the Chinese Social Insurance Law* (《中華人民共和國社會保險法》), in respect of outstanding social insurance contributions, the relevant authorities in China may demand us to pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the amount of the outstanding contributions.

As advised by our PRC Legal Advisor, according to *the Regulations on Administration of Housing Provident Fund of the PRC* (《住房公積金管理條例》), if we fail to complete housing provident fund contribution registration or fail to establish housing provident fund accounts for our employees, we may be ordered to rectify within a prescribed time limit, and if we fail to do so within the prescribed time limit, we may be subject to an administrative fine ranging from RMB10,000 to RMB50,000. In the event that we fail to pay the housing provident funds in full amount, the housing provident fund administrative center will order us to pay the amount within a prescribed time limit. If we fail to do so upon the expiration of the abovementioned time limit, further application may be made to the PRC courts for compulsory enforcement.

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During the Track Record Period, we did not receive any administrative penalties or court enforcement actions in connection with social insurance or housing provident fund matters, nor did we receive any material complaints from employees regarding such contributions.

Our Directors believe that the above-mentioned would not have a material adverse effect on our business and results of operations, considering that: (i) we had not been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant authorities in China requiring us to pay shortfalls or the penalties with respect to social insurance and housing provident funds; (iii) we were neither aware of any material pending employee complaints nor were involved in any material pending labor disputes with our employees with respect to social insurance and housing provident funds as of the Latest Practicable Date; and (iv) as advised by our PRC Legal Advisor, based on the relevant regulatory policies, the facts stated above, and the confirmations from and interviews with relevant authorities, the likelihood that (a) we would be required by relevant authorities proactively to pay shortfall for social insurance and housing provident fund contributions collectively or (b) being subject to material administrative penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote.

We have taken and will continue to take the following rectification measures to prevent future occurrences of such non-compliances: (i) we have enhanced our human resource management policies on social insurance and housing provident fund contributions to be made in accordance with applicable laws and regulations or in a manner as required by the relevant government authorities, and monitor the status of payments of social insurance premiums and provident funds on a regular basis; and (ii) we will keep abreast of latest developments in PRC Law in relation to social insurance and housing provident funds and consult our PRC legal counsel on a regular basis for advice on relevant regulatory updates on laws and regulations.

DATA PRIVACY AND CYBERSECURITY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, process and transfer of various types of data may come under increased administrative scrutiny. See “Risk Factors – Our information technology systems and intelligence driving system may be vulnerable to failures, cyberattacks or data breaches” in this document.

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In the course of providing our services and products, we may collect and process individual customers’ personal information through e-commerce platforms or personal information of our business partners’ personnel when we engage in business cooperation with them. Our processing of personal information includes the following processing scenarios:

(1) Provision of products and related services through third-party e-commerce platforms to individual customer

We provide products and related services through third-party e-commerce platforms. In the course of providing such products and related services, we may process the personal information of individual customers to the extent necessary for the sale of our products and provision of our services. We do not collect individual customers’ personal information directly but obtains individual customers’ personal information from third-party e-commerce platforms, which obtain individual customers’ consent through their privacy policies. We only process such personal information obtained through e-commerce platforms for the purpose of providing products and related services.

(2) Provision of products and related services through self-operated e-commerce platforms to individual customer

We also provide products and related services through self-operated e-commerce platforms. For instance, individual customers could locate their vehicles and obtain after-sales services through our e-commerce platforms. For the purpose of provision of products and related services, we may collect and process the personal information of individual customers. Before processing such personal information, we will obtain individual customers’ consent through our privacy policies in accordance with applicable laws and regulations.

(3) Processing personal information of our business partners’ personnel in commercial cooperation activities

In addition, when we engage in business cooperation with logistics companies, distributors, suppliers and other business partners, we may process the personal information of our business partners’ personnel in accordance with applicable contractual arrangements. The processing of the above personal information is based on our business partners obtaining consent from their employees.

Our Internal Procedures and Measures

We have established a comprehensive data compliance system that consists of organizational structure and internal policies, including *Cybersecurity and Data Security Management Measures* (《網絡安全和數據安全管理辦法》), *Personal Information Protection Management Policy* (《個人信息保護管理辦法規定》), and *Information Security Incident Response Policy* (《信息安全應急處置管理辦法》). In addition, we provide various data security trainings to our employees to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection. Furthermore, we have

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implemented technical measures to safeguard network and data security, including network and security event monitoring and logging, intrusion prevention systems (IPS) and firewalls, and secure data transmission mechanisms such as token-based access controls.

As advised by our legal advisors as to data compliance, during the Track Record Period, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects. Given that legislation and law enforcement in the PRC on data privacy and security are still evolving, we will closely monitor further regulatory developments and take appropriate measures in a timely manner.

INSURANCE

We maintain insurance coverage that we believe is consistent with industry practice and in compliance with applicable laws and regulations, and which we consider adequate to cover our key assets, facilities and liabilities. Our insurance coverage includes, among others, property-related risks insurance, cargo transportation insurance, employer liability insurance and product liability insurance. We procure insurance policies with coverage types and coverage amounts that we consider appropriate for our business operations and regularly review such insurance arrangements based on our operating experience, changes in our production activities and developments in the industry. During the Track Record Period, we did not make any material insurance claims in relation to our business. For more details, please see “Risk Factors Relating to Our Business and Industry — Our limited insurance coverage may not be sufficient to cover potential losses or liabilities arising from our operations.” in this document.

PROPERTIES

We are headquartered in Wuxi, Jiangsu province, China, and own and lease certain land parcels and buildings in the PRC for our business operations. We also leased one property in Vietnam and one property in Indonesia for our overseas business operation.

Owned Properties

As of the Latest Practicable Date, we owned land use rights for 29 land parcels with an aggregate GFA of 3,957,983.3 sq.m. and 24 properties with a total GFA of 741,725.6 sq.m. in the PRC. These properties are primarily used as our manufacturing facilities, warehouses and logistics facilities, offices, and ancillary premises to support our business operations.

As of the Latest Practicable Date, we had pledged land use rights and properties located in Wuxi, Huizhou and Chongqing as security for bank borrowings of RMB1,013.0 million to facilitate the progress of our construction and business operation. Our Directors are of the view that the pledging of the above properties, whether individually or in aggregate, has not and will not have any material adverse impact on our operations.

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As of the Latest Practicable Date, certain auxiliary structures constructed on our self-owned land have not yet obtained property ownership certificates. These structures are mainly used for ancillary purposes, that were immaterial to our production and used as principal premises for our business operation, to which we will find alternative premises in timely manner if necessary.

Leased Properties

As of the Latest Practicable Date, we leased 26 properties that are material to our business with an aggregate GFA of approximately 157,679.7 sq.m. in the PRC for use as our offices, production facilities, warehouses. We leased one property with an aggregate GFA of approximately 27,000 sq.m. in Vietnam for production use, and the leasing arrangement of which is expected to end on December 31, 2026. As of the Latest Practicable Date, we were in the process of evaluating the extension of lease arrangement. We will make decision upon taking a broad range of factors, including construction plan of our New Vietnam Manufacturing Base. For details, please see “— Our Production — Our Manufacturing Bases — Manufacturing Bases under Expansion” and “— Properties — Leased Properties.” As of the Latest Practicable Date, we had leased one property in Indonesia with an aggregate GFA of approximately 522.0 sq.m. used for business operation and one land parcel with an aggregate GFA of approximately 100,000 sq.m. in Vietnam, which was used for construction for our manufacturing base in Vietnam.

Property Title Defects

As of the Latest Practicable Date, we had four leased properties in absence of valid property title documents. Under which, the usage of land parcels where properties are located may not be available. Therefore, we may face the risks that (i) the lessors of properties located on these land parcels are not able to provide valid property title documents to prove that they have requisite legal qualifications or rights to lease such properties, and (ii) if the usage of properties located on these land parcels are not in line with the usage of the land parcels, which lead to the lease agreements we had entered by us in respect of such properties may be challenged or be determined to be invalid. We may face the risks to be evicted from these properties and find alternative properties in a timely manner.

In addition, we had two lease properties used for manufacturing purpose, of which we did not obtain the approval for environment impact assessment and failed to obtain a pollution discharge permit. Pursuant to the applicable PRC laws and regulations, we may be subject to suspension of manufacturing and rectification and fines issued by the competent authorities.

As advised by our PRC Legal Advisor and taking into account the foregoing circumstances, the risk that we would be unable to continue using such leased properties is relatively low.

Based on the advice of our PRC Legal Advisor and taking into account the nature and usage of the relevant leased properties, our Directors are of the view that these defects have not and will not have a material adverse impact on our operations. Similar properties are readily available in the surrounding areas, with strong substitutability and low relocation costs,

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and we would be able to secure alternative leased properties within a relatively short period of time if necessary. For leased properties used for production purposes, we have maintained long-term lease relationships with the relevant lessors, who have issued confirmations expressing their willingness to continue leasing such properties to us. Accordingly, our Directors consider that such matters will not have a material adverse impact on our normal business operations.

Failure to Complete Lease Registration and Filing

We have not completed the lease registration and filing procedures with the relevant authorities for all leased properties.

Under the Measures for the Administration of Commercial Housing Leasing, parties to a lease contract are required to complete lease registration and filing with the competent local authorities within a prescribed time limit after the execution of the lease contract. Failure to complete such registration and filing may result in an order to rectify within a specified period and, if not rectified, may give rise to administrative penalties.

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, the failure to register lease agreements does not affect their legality, validity or enforceability, and such defects have not affected our actual use of such properties.

Property Valuation

As of September 30, 2025, (i) each of our property interests for non-property activities (as defined under Rule 5.01(2) of the Listing Rules) had a carrying amount less than 15% of our total assets, and (ii) each of our property interests for property activities (as defined under Rule 5.01(2) of the Listing Rules) had a carrying amount below 1% of our total assets, and the total carrying amount of our property interests for property activities also did not exceed 10% of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this 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 our interests in land or buildings.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background of Third-Party Payment Arrangements

We typically require our customers which were the contractual counterparties under the corresponding sales and purchase agreements to pay to us through their own accounts. We would receive payments from our customers through a bank — enterprise direct connection system. If the payment account is matched to the registered distributor accounts recorded in our

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system, the payment would be automatically identified and proceeded, while if the payment account differs from the registered distributor account recorded in our system, the payment would be identified but may be declined or returned. However, during the Track Record Period, certain customers (individually or collectively, the “**Relevant Customers**”) settled payments with us through accounts belonging to parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the “**Third-Party Payment Arrangements**”). The Relevant Customers during the Track Record Period primarily consisted of sole proprietorships and corporate entities, and the vast majority of whom were our distributors. To the best knowledge of our Directors, the designated third-party payors primarily consisted of (i) the operators of the sole proprietorships (“**Category 1**”); (ii) financial institutions that made payments to us pursuant to financing arrangements with the Relevant Customers (“**Category 2**”), and (iii) others in addition to the aforesaid Category 1 and Category 2, such as relatives of the Relevant Customers (“**Category 3**”).

In 2023, 2024 and the nine months ended September 30, 2025, the number of Relevant Customers was 1,147, 1,547 and 3,532, respectively. The aggregate amount they settled under the Third-Party Payment Arrangements was RMB672.8 million, RMB1,520.8 million and RMB1,790.6 million for the respective periods, accounting for 5.7%, 11.2% and 12.1% of total revenue in 2023, 2024 and the nine months ended September 30, 2025, among which, the amount settled from Relevant Customers under Category 3 was RMB218.3 million, RMB212.0 million and RMB214.1 million for the same periods, respectively, accounting for 1.8%, 1.6% and 1.4% of total revenue for the respective periods. No individual Relevant Customer had made a material contribution to our revenue during the Track Record Period.

During the Track Record Period, we implemented internal control measures to monitor and manage the Third-Party Payment Arrangements. We typically required the Relevant Customers and their designated third-party payors to provide us with written letters of undertakings (the “**Undertaking Letters**”) prior to making payments under the Third-Party Payment Arrangements, which generally specified that: (i) the designated third-party payor is allowed to settle payments with us on behalf of the Relevant Customers; and (ii) both the Relevant Customers and the designated third-party payor undertake that any economic disputes arising from the Third-Party Payment Arrangements shall be resolved between the Relevant Customers and the designated third-party payors and shall not concern us.

Based on the above, our Directors believe that the Third-Party Payment Arrangements during the Track Record Period, to the best knowledge of our Directors, have been recorded completely and accurately in our accounting books and records in all material respects.

In January 2026, we implemented a series of policies and guidelines to request Relevant Customers under Category 3 to cease all Third-Party Payment Arrangements, which do not assume any unlimited personal liabilities for the payment obligations of the Relevant Customers, and are not financial institutions who had entered into financing arrangements with the Relevant Customers, which contributed less than 2% of total throughout the Track Record Period.

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During the Track Record Period, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. During the Track Record Period, all Third-Party Payment Arrangements were initiated by Relevant Customers, not by us, and the relevant payments were generally settled via bank payments.

To the best knowledge of our Directors, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Reasons for Third-Party Payment Arrangements

According to Frost & Sullivan, it is a common commercial practice for individual industrial and commercial households, sole proprietorships and companies in the consumer sector in China to settle their payments through third-party payors with their suppliers or customers for convenience and flexibility. Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers utilized Third-Party Payment Arrangements primarily because:

- (i) some Relevant Customers in the form of sole proprietorships sought to minimize the complexity of setting up corporate accounts or the inconvenience of using such corporate accounts to allow for more operational flexibility;
- (ii) certain Relevant Customers may from time to time have financing needs that are met through financing arrangements with authorized financial institutions. Under such arrangements, it is also common for authorized financial institutions to make payments to us directly pursuant to such financing arrangements to ensure that the funds are used solely for the intended purpose in accordance with the agreed financing arrangement, which is in line with common commercial practice for financing arrangement in the consumer sector to ensure the use of funds complies with the terms of the financing arrangements and reduces risks of fund misappropriation, according to Frost & Sullivan; and
- (iii) it is in line with the internal financial management practices of some Relevant Customers to use the accounts of certain affiliated persons or entities such as their legal representatives or actual controllers (and/or their family members for their operation efficiency).

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Legal Consequences of Third-Party Payment Arrangements

As advised by our PRC Legal Advisor, in light of the above, (i) our Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date were not in breach or contravention of mandatory requirements of applicable laws or regulations in China; (ii) based on the relevant agreements, confirmations from third-party payors and Relevant Customers, and supporting documents for our Company under the Third-Party Payment Arrangements, our Company has not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and as such, the risk of our activities under the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is low; (iii) our PRC Legal Advisor is of the view that, although the aforementioned permitted third-party payors are not our customers the risk for us to be found obligated to return such payments is remote; and (iv) based on the credit reference reports issued in relation to our Company and the interview with the relevant tax authorities, no administrative penalties were imposed by tax management authorities for violation of tax laws, regulations and rules due to our Third-Party Payment Arrangements during the Track Record Period and the risk of our Company being subject to administrative penalties in violation of laws and regulations related to tax evasion under the Third-party Settlement Arrangement is remote.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors and based on publicly available information, all of the Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were Independent Third Parties.

Rectification of Third-Party Payment Arrangements and the Implication

To safeguard our interest against risks associated with Third-Party Payment Arrangements, since January 2026, we have significantly enhanced and implemented various internal control measures (collectively, the “**Rectification Measures**”) in order to rectify Third-Party Payment Arrangements. Our efforts to rectify the Third-Party Payment Arrangements include, among other things:

- (i) we initiated the implementation of Third-Party Payment Arrangements rectification measures and informed our employees regarding the enhanced internal control measures, and we have also amended our standard sales and purchase agreements and enhanced our standard Undertaking Letters, so as to clearly specifying the obligations of relevant parties thereof;
- (ii) we typically require our customers to make payments directly to our corporate bank accounts and to ensure consistency between the transaction parties, the flow of funds and the underlying business substance. In particular, the name of the contracting party under the sales and purchase agreements, the invoice recipient and the name of the payer bank account are required to be consistent;
- (iii) to prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we consistently performed verification of payment details against our records to confirm payments are made in accordance with the relevant Third-Party Payment Arrangements and/or the Undertaking Letters. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction;

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- (iv) in order to ensure the Third-party Payment are supported by genuine transactions, for payments received from the designated third-party payors, the distributors are required to submit the payer account and payment information to us after completion of the order and payment. Our staff were allowed to record the fund flows only when the information submitted by the distributors is consistent with the order;
- (v) the list of Whitelist Accounts we have maintained will, going forward, only include accounts of (a) the customers themselves which are the contractual counterparties; (b) financial institutions making payments to us pursuant to financing arrangements entered into with the Relevant Customers, and (c) operators of sole proprietorships who assume unlimited personal liabilities for the payment obligations of the sole proprietorships, and our system will recognize payment when it is made from such Whitelist Account; and
- (vi) where the payment is made from an account that is not included in the Whitelist Accounts, the payment will not be automatically recognized. Our staff of finance department will conduct further manual review and may request for supporting documents to ensure payment is made from an account which belongs to persons described in (iv)(a), (b) or (c) above.

We will continue to implement these measures to ensure that these Rectification Measures are effective and adequate in identifying the sources of funds from the Relevant Customers, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with Third-Party Payment Arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations.

Pursuant to the Rectification Measures, we only allow payments (i) directly from the accounts of the customers, (ii) if not directly from the accounts of the customers, through the authorized financial institutions which make payments to us directly pursuant to the relevant financing arrangements with our customers, or (iii) operators of sole proprietorships who assume unlimited personal liabilities for the payment obligations of the sole proprietorships, as further described above.

As of the Latest Practicable Date, we were in the process of ongoing implementation of the Rectification Measures to all Third-Party Payment Arrangements from Relevant Customers under Category 3. We expect to complete the implementation of all Rectification Measures by our [REDACTED].

Our Directors consider that the rectification of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on our Group, taking into account the relationship with our customers, liquidity, business operation and financial performance, as (i) certain of the Relevant Customers under Category 3 cooperated with our rectification measures; (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us, under which we typically require our Relevant Customers to settle payments before we provide the products; and (iii) we continued to generate positive net cash from our operating activities before and after the rectification of Third-party Payment Arrangement.

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, litigation, arbitration or administrative proceedings, which would, individually or in the aggregate, have a material operational or financial impact on our business and operation as a whole.

Non-Compliance

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we did not have non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business and operation as a whole.

BUSINESS ACTIVITIES IN RELATION TO RELEVANT REGIONS SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, we sold our products to various non-sanctioned customers in the Relevant Regions. As advised by our legal advisors as to International Sanctions after performing the procedures they consider necessary, given that (i) our products did not incorporate more than the de minimis value of U.S.-origin content; and (ii) no U.S. persons were involved in our Group’s business activities with the Relevant Regions, our transactions with the Relevant Regions did not represent a violation of applicable International Sanctions. Further, during the Track Record Period, our Group did not have any business activities in Comprehensively Sanctioned Countries, with Sanctioned Persons, or (i) with, or (ii) directly or indirectly benefitting, or involving the property or interests in property of a Sanctioned Target. Therefore, as advised by our legal advisors as to International Sanctions, our Group’s activities did not represent a violation of applicable International Sanctions and thus the risk is low that our Group’s activities would result in the imposition of sanctions on the Relevant Persons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Amid the deepening global decarbonization agenda and the continued advancement of carbon peaking and carbon neutrality goals, the electric micromobility vehicle industry is entering a pivotal phase of transition toward enhanced regulatory compliance, greener development and greater intelligence. Competition is increasingly shaped not only by products and distribution, but also by enterprises’ capabilities in sustainable development. As one of the leading enterprises in the industry, we have embedded environmental considerations into our development strategy, strengthened product safety and compliance through standards, and advanced public interest initiatives to support local communities.

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In 2025, our President, Mr. Yao Li, attended COP30 and delivered a keynote speech, sharing our perspectives on green mobility with a global audience. In the same year, we received the ESG Model Enterprise Award at the 2025 International Green and Zero Carbon Festival, reflecting recognition of our ESG practices. We are committed to providing customers globally with high-quality electric micromobility vehicle products and innovative mobility solutions. Following the [REDACTED], we will comply with the ESG Reporting Code set out in Appendix C2 to the Rules Governing the [REDACTED] of Securities on The Stock Exchange of Hong Kong Limited and will make ESG disclosures on a comply or explain basis, covering material sustainability matters and our management approaches, with a view to upholding a higher standard of corporate responsibility.

ESG Governance and Management Framework

We recognize that environmental and social matters may have implications for our business operations, strategy and financial performance, and have progressively established and enhanced our ESG governance framework. In connection with major transactions such as mergers and acquisitions, asset acquisitions and long-term supply chain collaborations, the Board incorporates ESG considerations into its core strategic decision-making process. In particular, (i) from an environmental perspective, the Board requires management to assess, as part of the transaction feasibility study, relevant environmental compliance matters, including applicable emission requirements, environmental impact assessment requirements and ecological protection responsibilities; (ii) from a social perspective, the Board focuses on, among other things, the proper placement of employees of the acquisition target and the potential impact of new projects on local economic development and people’s livelihood, and also seeks to ensure compliance relating to product safety and data privacy; and (iii) from a governance perspective, we have established internal policies and procedures, including the Management System for External Investments, to strengthen our decision-making mechanisms, enhance the rigor and reasonableness of decision-making for material matters and safeguard shareholders’ interests.

We have established a three-tier ESG co-governance structure comprising the Strategy and ESG Committee, the ESG Management Working Group and the business and functional departments. The Strategy and ESG Committee is chaired by an independent non-executive Director, with core members including independent non-executive Directors, Directors and relevant senior management, and with heads of business units participating as key members. It is primarily responsible for formulating our ESG strategy, approving annual objectives, allocating resources, reviewing performance and resolving cross-functional issues. The ESG Management Working Group is led by the Group President and comprises heads of key functional departments. It holds regular meetings to monitor progress of ESG initiatives, address implementation-level issues and report to the Strategy and ESG Committee as required. The business and functional departments act as the implementing units for ESG initiatives, with the Board Office serving as the coordinating function, responsible for driving the implementation of ESG-related policies and requirements, supporting cross-functional initiatives and providing timely feedback on issues identified during execution and recommendations for improvement.

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Identification, Assessment and Mitigation of ESG Risks

With the increasing consolidation of the electric two-wheeled vehicle industry, tightening regulatory requirements and heightened awareness of consumer protection, ESG-related risks have become an increasingly important factor affecting enterprises’ sustainable operations. The industry generally faces challenges such as uneven after-sales service coverage, gaps in product quality management, and relatively weak compliance and risk control capabilities. Against this backdrop, we have sought to strengthen our risk prevention and control capabilities through proactive risk identification and a more systematic response framework. Key ESG risk areas and our mitigation measures include:

- (i) ***Consumer protection and after-sales service capability.*** The industry’s uneven after-sales network coverage and inconsistent response efficiency may constrain customer experience and brand reputation. We have established an omni-channel after-sales service system and built a service matrix that enables 24-hour customer access through our service hotline, online services on our official website and our official mobile application, with a view to improving service responsiveness, customer satisfaction and brand loyalty.
- (ii) ***Product quality and recall management.*** Following the implementation of new national standards, product quality thresholds have risen across the industry, and recall-related costs and compliance exposure have increased. We have established a full-lifecycle quality management framework and an enhanced product traceability system, which are designed to facilitate timely identification of affected products and the initiation of standardized corrective and preventive actions, thereby mitigating potential impacts arising from quality incidents.
- (iii) ***Business ethics, anti-corruption and compliance.*** Given the breadth of distributor and supplier networks in the industry, compliance management can be operationally complex, and integrity-related risks remain a common challenge. We have established an end-to-end integrity and anti-corruption management framework, set out codes of conduct applicable to employees, suppliers and distributors, and conduct third-party compliance assessments on external business partners, with a view to strengthening compliance management and promoting a culture of integrity across our operations and value chain.

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Environmental Management

The electric two-wheeled vehicle industry is accelerating its transition from end-of-pipe treatment to end-to-end decarbonization across the value chain, with green manufacturing, energy conservation and carbon footprint management increasingly becoming core arenas of competition. Leveraging a forward-looking deployment approach and technological innovation, we have progressively strengthened our environmental management capabilities. We have received product carbon footprint label certifications for two consecutive years. In addition, the Huizhou base has been recognized as the industry’s first “Zero-Carbon Factory (零碳工廠)” certification by the CQC, and the Wuxi and Huizhou bases have obtained “green factory (綠色工廠)” certifications, contributing to the sector’s transition toward the net-zero era.

We have also taken the lead in implementing the TAILG Intelligent Connected E-two-wheeler Full Lifecycle Carbon Management System and have obtained ISO 14001 environmental management system certification, ISO 50001 energy management system certification and energy-saving certification, reflecting our ongoing efforts to enhance compliance and environmental performance.

Energy and Greenhouse Gas Emissions Management

At present, the substitution of conventional energy with new energy sources and the reduction of energy intensity have become key directions for transformation on the manufacturing side of the electric two-wheeled vehicle industry. Through large-scale deployment of photovoltaic generation and innovations in energy management, we have enhanced our green electricity utilization. We have established a systematic energy management mechanism, under which we conduct at least one energy review each year and prepare a report, set tiered targets and baselines, and continue to improve energy efficiency through, among other measures, phasing out outdated equipment and conducting energy efficiency assessments for facility upgrades and expansion projects. In relation to the application of green energy, we have taken the following measures:

- Our manufacturing bases have commenced operation of photovoltaic power generation systems and, in parallel, initiated the deployment of energy storage facilities to enhance energy utilization efficiency. The self-consumption rate of photovoltaic electricity at our bases has exceeded 50%.
- All projects under construction adopt LED lighting systems and introduce ground-source heat pump systems for heating and cooling, with a view to further improving energy efficiency.

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- The Huizhou base has achieved 100% rooftop photovoltaic coverage. In 2024, the photovoltaic power generation system cumulatively absorbed approximately 3.22 million kWh of green electricity, saving approximately 1,000 tonnes of standard coal per year and reducing carbon dioxide emissions by approximately 2,500 tonnes.
- The Wuxi base adopts a combined model of municipal electricity and photovoltaic power generation. In 2024, photovoltaic generation amounted to approximately 0.72 million kWh, reducing carbon dioxide emissions by approximately 57 tonnes.
- The Tianjin base has installed approximately 11,000 square meters of photovoltaic panels, with an installed capacity of 2 MWp, contributing to a reduction in the manufacturing base’s electricity consumption by approximately 20%.
- The Chongqing base has installed a distributed photovoltaic system with a total investment of RMB24.5 million and a capacity of 7,000 kW. In 2024, cumulative power generation amounted to approximately 7.0 million kWh.
- Upon completion of the photovoltaic power station expansion projects in 2025, we expect annual absorption of photovoltaic green electricity across our manufacturing bases to reach approximately 5.30 million kWh, corresponding to annual savings of approximately 1,600 tonnes of standard coal and a reduction of approximately 4,200 tonnes of carbon dioxide emissions.

We are also advancing the construction of an energy storage power station at our Huizhou base. Upon completion and commencement of operation, we expect the project to further enhance the absorption of green energy within the manufacturing base, and the overall green electricity utilization rate is expected to exceed 70%.

Water Resources Management

During the planning and construction of our sites, we adopt a rainwater and wastewater diversion design and, in parallel, have constructed rainwater collection pools and air-conditioning condensate collection pools. Rainwater and air-conditioning condensate are collected in a standardized manner and reused after treatment, and are primarily applied to non-production purposes such as landscaping irrigation, toilet flushing and site cleaning. We have also installed tiered water metering devices across our production sites to enable real-time monitoring and data traceability of water consumption across different usage scenarios, including office operations, production processes and auxiliary systems. In addition, we maintain water consumption ledgers and conduct periodic trend analyses to identify and rectify abnormal water usage in a timely manner.

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Waste Management

We have established a dedicated recycling management mechanism, conduct recycling awareness initiatives and have entered into the “Used Battery Recycling Agreement” with relevant parties. Such agreement requires suppliers to adopt environmentally compliant methods to handle collected used lead-acid batteries, with a view to preventing adverse environmental impacts and facilitating effective recycling and reuse. With respect to construction waste, retired equipment and hazardous waste generated during our operations, we implement classification, storage and disposal in strict accordance with applicable national and local regulatory requirements. We engage qualified professional service providers by entering into recycling and disposal agreements to support end-to-end compliance management. In particular, for the handling of hazardous waste and solid waste, we have established a real-time data upload mechanism and report relevant information to the competent environmental regulatory authorities to facilitate ongoing supervision, thereby enhancing traceability across the disposal process and mitigating compliance risks.

Climate Change

Against the backdrop of the global transition toward a low-carbon economy, the electric two-wheeled vehicle industry faces both climate-related physical risks and transition risks, while also benefiting from development opportunities arising from green product innovation and supportive policy measures. We have established a climate risk response framework covering the full value chain, with a view to translating climate-related considerations into core competitiveness.

To address potential impacts of extreme weather on our production bases, we enhance disaster prevention and mitigation considerations at the planning and construction stages. Through ongoing monitoring and periodic reviews, we seek to ensure that we continue to meet applicable environmental compliance requirements under extreme weather conditions. We are also advancing the deployment of energy storage facilities to enhance energy self-sufficiency and enable more flexible energy allocation under special climate conditions. In addition, we proactively respond to challenges arising from the global low-carbon transition by advancing the R&D of green products and seeking to align our products with applicable standards and requirements, including the EU Ecodesign Directive and green design product certifications. We have established a carbon emissions accounting ledger and carry out value-chain carbon accounting in accordance with applicable policy requirements, with a view to mitigating supply chain greenhouse gas and carbon intensity risks and avoiding potential increases in export-related costs.

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At the same time, we seek to capture opportunities arising from the low-carbon transition. By leveraging green policy incentives to manage the cost of sustainability-related investments and responding to evolving market demand for low-carbon products and services, we aim to broaden our business opportunities and embed climate-related factors into our long-term competitiveness, while contributing practical experience to the industry’s climate risk management and opportunity identification.

Environmental Performance Metrics

The table below sets out our quantified environmental performance indicators for the Track Record Period.

Indicator	Unit	For the year ended 31 December 2023	For the year ended 31 December 2024	For the nine months ended 30 September 2025
Scope 1 emissions ⁽¹⁾	tCO ₂	616	1,545	1,361
Scope 2 emissions ⁽²⁾	tCO ₂	7,206	15,024	16,589
Scope 1 and 2 emissions ⁽³⁾	tCO ₂	7,822	16,569	17,950
Purchased electricity	kWh	13,429,425	27,998,402	30,915,565
Total natural gas consumption . .	m³	80,859	276,291	331,370
– Wuxi manufacturing base	m ³	4,692	29,930	26,097
– Guigang manufacturing base . . .	m ³	2,464	6,035	6,146
– Tianjin manufacturing base	m ³	21,822	23,943	19,378
– Chongqing manufacturing base . .	m ³	–	20,301	18,680
– Huizhou manufacturing base . . .	m ³	51,881	196,082	261,070
Liquefied gas consumption	t	–	3	4
Gasoline consumption	l	29,938	137,021	103,325
Diesel consumption	l	143,949	244,993	157,539
Total water consumption	m ³	254,787	492,139	439,574

Notes:

- (1) Data for Scope 1 emissions are primarily derived from the direct combustion of natural gas and the combustion of gasoline and diesel by vehicles owned by the Group. Scope 1 emissions are calculated using the commonly used fossil fuel characteristic parameters promulgated by the National Development and Reform Commission of the PRC.
- (2) Data for Scope 2 emissions are primarily derived from purchased electricity consumption. Scope 2 emissions are calculated based on the national average carbon dioxide emission factor for electricity as promulgated by the Ministry of Ecology and Environment of the PRC.
- (3) With the further enhancement of upstream and downstream base data and emission factors, the Group will actively advance the review and assessment of Scope 3 emissions.

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Corporate Social Responsibility

Against the backdrop of the electric two-wheeled vehicle industry’s evolution from a utilitarian product toward one that increasingly carries people’s livelihood-related attributes, the fulfillment of social responsibility has become a core component of corporate brand value and industry influence. We integrate social responsibility into our strategic development and have developed practices across areas including employment protection, compliant operations, community contribution and supply chain collaboration, with a view to achieving coordinated growth in both commercial value and social value. We uphold the principles of fair employment and prohibit discrimination or prejudice in any form. We have established structured employee development programs, supported by annual capability-building plans and a digital learning platform. We have also established a prevention-oriented safety management system and provide appropriate commercial insurance coverage for high-risk positions.

Employment and Labor Standards

A standardized and fair employment system is critical to our ability to attract and retain key talent. We strictly comply with applicable PRC laws and regulations, including the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, and adopt equal employment opportunity as a core recruitment principle, with a zero-tolerance approach to discrimination in any form throughout the recruitment process. Candidate selection is conducted based on role fit and the candidate’s competence, without imposing irrelevant restrictions such as geographic origin, gender or age, and is primarily assessed by reference to the skills, professional background and job competence required for the role.

Development and Training

Against the backdrop of accelerating technological iteration in the industry and evolving talent needs, we have established the “Employee Training Management Policy”, under which training is organized and managed on a tiered basis. Our human resources center is responsible for the overall design of the training system, the formulation of annual training plans, the development of internal and external training resources and the management and control of training delivery processes, while the human resources departments and business needs departments of each unit collaborate on training needs assessment, plan execution and effectiveness feedback. We have also established training evaluation and training records management mechanisms. Training effectiveness is assessed through methods such as questionnaires, examinations and interviews, and training materials, assessment results and other relevant records are systematically archived as a reference for employee performance appraisal. Through continuous enhancement of our training system, we seek to support employees’ capability development and our sustainable growth.

BUSINESS

Remuneration and Benefits

Establishing a fair, reasonable and competitive remuneration and benefits system is critical to attracting and retaining key talent. We strictly comply with the “Remuneration Management Measures” and the “Employee Benefits Management Measures”, and have established a remuneration and benefits framework that balances compliance, fairness and incentives, with a view to safeguarding employees’ lawful rights and interests. Employee remuneration comprises multiple components, including basic salary, position-based salary, confidentiality allowance, performance-based salary, seniority awards, subsidies and allowances, special awards and year-end bonuses. Our benefits system is administered by category, including basic benefits, efficiency benefits and leave benefits. Through comprehensive and multi-layered remuneration and benefits arrangements, we are committed to achieving shared growth for us and our employees.

Occupational Health and Safety

We have established a four-tier safety accountability system, which sets out the occupational health and safety responsibilities of personnel at each level and incorporates safety performance into our appraisal framework, with a view to strengthening accountability across our operations. We provide three-tier safety education to new hires, implement a certification and authorization regime for special operations personnel, and conduct periodic training and emergency drills on topics such as fire safety and electrical safety to enhance employees’ safety awareness and incident response capability. We also carry out regular multi-dimensional safety inspections, covering areas including equipment operation, electrical safety and hazardous materials storage, to identify and remedy potential hazards in a timely manner. We provide employees with labor protection equipment that meets relevant standards and require employees in positions involving occupational hazards to undergo pre-job and periodic health examinations. In addition, we have established a dedicated emergency response team, formulated contingency plans for incidents such as fire, electric shock and heatstroke, and conduct regular drills. We maintain evacuation facilities in accordance with our internal requirements and seek to ensure that fire passages remain unobstructed and that firefighting equipment is in proper condition.

BUSINESS

Anti-Corruption and Anti-Fraud

We regard anti-corruption and anti-fraud as a core foundation of compliant operations. With reference to a series of internal management policies, including the “Management System for the ‘Six Prohibitions’” and the “Whistleblowing Management Measures”, we have established an end-to-end, multi-tier internal control and compliance framework. By clearly defining compliance red lines, we adopt a zero-tolerance approach toward misconduct such as corruption, bribery solicitation and acceptance of bribes, and require that any substantiated breach be dealt with promptly and, where the circumstances are serious, be referred to the judicial authorities. We conduct at least one comprehensive internal control assessment each year, using methods including walkthrough testing and on-site verification, to systematically identify integrity risks in key processes such as procurement, tendering and bidding and expense reimbursement. We have also established a multi-channel whistleblowing platform, including telephone hotlines, email and a WeChat official account, to encourage employees and business partners such as distributors and suppliers to participate in oversight and reporting.

Community Contribution

As a leading enterprise in an industry closely related to people’s livelihood and well-being, we regard community contribution as a core component of our social responsibility.

In the area of education empowerment, we have continued to support the development of education. In 2023, we donated mobility equipment to 16 outstanding freshmen from Wei County, Hebei Province who were admitted to Tsinghua University and Peking University. In 2025, we launched the Sustainable Endurance and Future Development Initiative (愛心續航築夢未來) in Dengfeng, Henan Province, providing targeted support to rural students and contributing to the high-quality development of education in under-served areas, with the relevant practices recognized as representative cases of education-focused public welfare in the industry.

In the area of emergency support, we have proactively assumed social responsibilities. Since 2023, we have delivered emergency supplies, established service stations and provided public welfare repair services in disaster-affected areas, including the Zhuozhou floods, the floods in northern Guangdong, the Pingjiang floods in Hunan Province and the earthquake in Shigatse, Xizang, to support the resumption of production and normal living in affected communities and to demonstrate responsible corporate conduct.

In the area of public welfare leadership, we have focused on the dissemination of positive social values and the needs of special groups. In 2024, we donated mobility equipment to delivery riders who acted bravely and to donors supporting children with leukemia, and provided electric bicycle users with safety hazard inspections and 20 free maintenance services, thereby extending the reach of public welfare services and contributing to innovative public welfare practices in the industry.

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In the area of service enhancement, we regard user services as an important extension of our community contribution initiatives. Our after-sales service system has obtained the NECAS Five-Star After-Sales Service Certification (NECAS全國商品售後服務達標認證五星級) certificate. In April 2025, we upgraded our service ecosystem, established star-rated service stations and launched the Xiangling Service (享鈴服務) digital platform, enabling 24-hour real-time after-sales response and promoting service efficiency improvements through digitalization and intelligent transformation, with a view to setting a benchmark for the upgrading of after-sales services within the industry.

Legal Proceedings and Non-Compliance

We consider the establishment of a standardized operating and compliance framework to be an important foundation for our long-term development and the improvement of the industry ecosystem. In the course of our day-to-day business operations, we may from time to time be subject to various legal disputes and administrative proceedings initiated by different stakeholders. For further details, please see “Risk Factors — Risks Relating to Our Operations — We May Be Involved in Claims, Disputes and Legal Proceedings in Our Ordinary Course of Business.”

Risk Management and Internal Control

We attach great importance to risk management and internal control and have integrated related requirements across our business operations, including financial reporting, information systems, human resources management and investment management, with a view to establishing a systematic and comprehensive control framework.

In relation to financial reporting risk management, we implement a series of accounting policies and procedures, including those relating to financial reporting management, accounting treatment and budget management. Accounting policies are executed through standardized processes and our IT systems. Our finance department reviews and manages relevant accounting records and provides regular training to relevant employees to support the effective implementation of financial management requirements and accounting policies.

In relation to information system risk control, we have established various policies, including those relating to terminal device management and information network security, and have set up an information security committee. We conduct periodic information security training for all employees to strengthen information security awareness and capabilities.

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In relation to internal control development, we have established internal control policies and procedures covering end-to-end processes across functions such as finance, procurement, sales and R&D. We embed internal control requirements into our approval workflows through our OA system and provide ongoing training to new employees on operational procedures to support the effective execution of such policies and procedures.

In relation to human resources management, we have established systematic management mechanisms covering recruitment, training and employee relations, and integrate a compliance culture and standards of ethical conduct into full lifecycle employee management, with a view to maintaining a fair, safe, inclusive and supportive working environment.

In relation to external investment risk management, we have formulated external investment management policies and adopt a three-tier approval model involving the shareholders’ meeting, the Board and the general manager, to support scientific and reasonable investment decision-making, enhance risk prevention across our operations and lay a foundation for our sustainable development.

As of the Latest Practicable Date, our internal control system did not identify any material unresolved issues.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established, and currently maintain, risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business and operations such as information technology, financial reporting, and internal control. Furthermore, we conduct periodic review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency. We are dedicated to upholding the legal compliance of our operations and management, safeguarding assets and ensuring the accuracy and completeness of financial reports and related information. Our commitment extends to enhancing operational efficiency and effectiveness, thereby fostering the achievement of our strategic development goals.

Our Board of Directors is responsible for the establishment and regular updates of our internal control systems, ensuring they remain aligned with our strategic objectives, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments. Our internal audit department jointly with our Board’s Audit Committee regularly assesses and evaluates our internal controls, identifying areas of improvement and ensuring compliance with corporate policies.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board consists of nine Directors, including six executive Directors and three independent non-executive Directors. Our Board serves a term of three years, which is renewable upon re-election and re-appointment and is responsible and has general powers for the management and conduct of our business.

The following table sets forth general information regarding our Directors:

Name	Age	Position(s)	Date of appointment as Director	Date of joining the Group	Role and Responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. SUN Muqian (孫木鉗)	62	Co-founder, executive Director and chairman of the Board	December 17, 2018	December 17, 2018	Primarily responsible for the management of production facilities, corporate culture development, government relations, and corporate social responsibility of our Group	Brother of Mr. SUN Muchu; cousin of Mr. SUN Muchai
Mr. YAO Li (姚立) .	57	Co-founder, executive Director and president	December 10, 2021	December 17, 2018	Primarily responsible for the corporate development strategy, brand management, legal and compliance matters, advanced technology exploration, and ESG-related matters of our Group	None
Mr. SUN Muchu (孫木楚)	55	Co-founder, executive Director, general manager and executive president	December 17, 2018	December 17, 2018	Primarily responsible for the execution and implementation of the Board’s strategies and decisions, and overseeing technology research and development, product quality, and the Group’s overall domestic and overseas marketing	Brother of Mr. SUN Muqian; cousin of Mr. SUN Muchai

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as Director	Date of joining the Group	Role and Responsibilities	Relationship with other Directors and senior management
Mr. SUN Muchai (孫木釵)	49	Co-founder, executive Director and senior vice president	December 17, 2018	December 17, 2018	Primarily responsible for formulating overseas development strategies and business plans, and overseeing the operations and performance of the overseas business of our Group	Cousin of Mr. SUN Muqian and Mr. SUN Muchu, brother-in-law of Mr. CHEN Yingsheng
Mr. CHANG Yao (常耀)	49	Executive Director and senior vice president	September 12, 2021	December 17, 2018	Primarily responsible for the domestic sales and marketing of our Group	None
Mr. CHEN Jinsong (陳勁松)	46	Executive Director and general manager of the manufacturing center	November 18, 2025	December 17, 2018	Primarily responsible for overseeing production and manufacture of our Group	None
Independent non-executive Directors						
Mr. GONG Jun (貢俊)	57	Independent non-executive Director	November 3, 2025	November 3, 2025	Primarily responsible for providing independent advice and judgment to our Board	None
Ms. CHE Xiaoxin (車曉昕)	62	Independent non-executive Director	November 3, 2025	November 3, 2025	Primarily responsible for providing independent advice and judgment to our Board	None
Mr. LIU Gangjian (劉剛健)	58	Independent non-executive Director	November 3, 2025	November 3, 2025	Primarily responsible for providing independent advice and judgment to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. SUN Muqian (孫木鉗), aged 62, is the Co-founder, chairman of the Board and executive Director of our Company. He has served as a Director since the inception of our Company and chairman of the Board since April 7, 2023, and was redesignated as an executive Director on January 29, 2026. Mr. SUN Muqian is primarily responsible for the management of production facilities, corporate culture development, government relations, and corporate social responsibility of our Group. Mr. SUN Muqian also holds positions in several of our major subsidiaries, including: a director of Jiangsu Tailg, a director of Jiangsu Maitaotao, a director of Tailg Sales, a director of Lingdong Decoration, a director of Guangdong Tailg, a director and manager of Tianjin Shenling, a director and manager of Tianjin Tailg, a director of Chongqing Tailg and a director of Guangxi Tailg.

Mr. SUN Muqian’s leadership and long-standing commitment to the electric two-wheeled vehicle industry and social responsibility have been widely recognized, as evidenced by numerous social honors and awards he has received, including but not limited to, serving as the president of the Guangdong Electric Bicycle Business Association (廣東省電動車商會) and being appointed honorary president of the Guangdong Electric Bicycle Business Association (廣東省電動車商會) in 2025; being awarded the Philanthropic Figure of the Year (年度公益人物獎) in the China Philanthropy Festival (中國公益節) for 2017, 2020, 2021 and 2022; receiving the Responsible Business Leader Award (2020年度責任商業領袖) granted by the China Philanthropy Festival (中國公益節) in 2021.

Mr. YAO Li (姚立), aged 57, is the Co-founder, executive Director and president of our Company. He has served as a Director since December 10, 2021, and was redesignated as an executive Director on January 29, 2026. Mr. Yao is primarily responsible for the corporate development strategy, brand management, legal and compliance matters, advanced technology exploration, and ESG-related matters of our Group. Mr. Yao also holds positions in several of our major subsidiaries, including: a supervisor of Tianjin Shenling, a director of Guangdong Tailg and a supervisor of Guangxi Tailg.

Mr. Yao is well regarded for his sustained involvement in the development of the electric two-wheeled vehicle industry, brand building and the promotion of responsible business practices, as reflected by the various social honors and awards he has been granted, including, serving as honorary president of the Shenzhen Electric Bicycle Industry Association (深圳市電動自行車行業協會) in 2015, and serving as president of the Shenzhen Electric Bicycle Industry Promotion Association (深圳市電動自行車產業促進會會長); being awarded the Philanthropic Figure of the Year (年度公益人物獎) in the China Philanthropy Festival (中國公益節) for 2018; receiving the China Brand Outstanding Entrepreneur Award at the 16th Asia Brand Ceremony (第十六屆亞洲品牌盛典) in 2021; the Brand Qiangguo • Top 100 Technology Innovation Entrepreneurs Award (品牌強國 • 百名科技創新企業家) at the 2022 Brand Power Forum (2022品牌強國論壇); and the Most Influential Corporate Leader of the Year Award (年度最具影響力企業領袖人物) at the 12th Brand Influence Development Conference and Results

DIRECTORS AND SENIOR MANAGEMENT

Release Event (2025品牌影響力發展大會第十二屆暨成果發布活動) and the Green Development Influential Figure Award (綠色發展影響力人物) at the Fourth International Green Zero-carbon Festival and ESG Leaders Summit (第四屆國際綠色零碳節暨ESG領袖峰會) in 2025.

Mr. Yao obtained his associate degree in industrial enterprise management at Henan Radio and Television University (河南廣播電視大學) (currently known as Henan Open University (河南開放大學)) in the PRC in July 1990. Mr. Yao completed the senior business management president course at Research Institute of Tsinghua University in Shenzhen (清華大學研究生院) in the PRC in November 2013.

Mr. SUN Muchu (孫木楚), aged 55, is the Co-founder, executive Director, general manager and executive president of our Company. He has served as a Director since the inception of our Company on December 17, 2018, and was redesignated as an executive Director on January 29, 2026. Mr. SUN Muchu is primarily responsible for the execution and implementation of the Board’s strategies and decisions, and overseeing technology research and development, product quality, and the Group’s overall domestic and overseas marketing. Mr. SUN Muchu also serves as a supervisor of Chongqing Tailg.

As a technology-driven executive, Mr. SUN Muchu has accumulated extensive industry experience and demonstrates a pragmatic entrepreneurial approach. He also actively engages with end-customers and has established a direct communication channel with consumers through the “Tailg Achu (台鈴阿楚)” platform, which has contributed to a more approachable and well-rounded brand image of the Group.

Mr. SUN Muchu has been widely recognized for his sustained contributions to technological advancement in the electric two-wheeled vehicle industry and his active engagement in social responsibility initiatives, including serving as a visiting professor at School of Mechanical Engineering School of Hebei University of Technology (河北工業大學機械工程學院) since 2022; serving as the first-term president of the Xishan District Electric Bicycle Foreign Trade Association (錫山區電動車對外貿易協會) in 2022; being awarded the Philanthropic Figure of the Year in the China Philanthropy Festival (中國公益節) for 2019 and 2024; the Low-carbon Leadership Figure of the Year Award (年度低碳引領人物) at the Seventh Social Responsibility Conference (社會責任大會) in 2024; the Technology Innovation Pioneer Award (科技創新先鋒人物) at the Eighth China Private Enterprise Leaders Annual Conference and 2025 Specialised, Sophisticated, Distinctive and Innovative Entrepreneurs’ Technology Innovation Development Conference (第八屆中國民營企業領袖年會暨2025專精特新企業家科技創新發展大會) in 2025; and the Responsibility Figure of the Year Award (年度責任人物) at the Eighth Social Responsibility Conference (第八屆社會責任大會) in 2025.

DIRECTORS AND SENIOR MANAGEMENT

Mr. SUN Muchai (孫木釵), aged 49, is the Co-founder, executive Director and senior vice president of our Company. He has served as a Director since the inception of our Company on December 17, 2018, and was redesignated as an executive Director on January 29, 2026. He is primarily responsible for formulating overseas development strategies and business plans, and overseeing the operations and performance of the overseas business of our Group. Mr. SUN Muchai also holds positions in several of our subsidiaries, including: a general manager of Guangdong Tailg and a general manager of Guangxi Tailg.

Mr. SUN Muchai obtain his associate degree in Chinese education through correspondence study at Shanwei Institute of Technology (汕尾職業技術學院) in the PRC in January 2009.

Mr. CHANG Yao (常耀), aged 49, is an executive Director and senior vice president of our Company. Mr. Chang was appointed as a Director on September 12, 2021 and was redesignated as an executive Director on January 29, 2026. He is primarily responsible for the domestic sales and marketing of our Group.

Mr. Chang has over 20 years of experience in the electric vehicle and motorcycle industry. Prior to joining our Group, from June 2003 to September 2004, he served as a warehouse management officer at Beijing Xinri Electric Vehicle Co., Ltd. (北京新日電動車有限公司) (currently known as Beijing Bojie Yuntong Electric Vehicle Manufacturing Co., Ltd. (北京博傑運通電動車製造有限公司)), a company that principally engaged in the research, development, manufacture and sales of electric vehicles, where he was primarily responsible for warehouse management. From September 2004 to August 2005, he served as a procurement manager at Shanghai Sundiro Motorcycle Co., Ltd. (上海新大洲摩托車有限公司), a subsidiary of Sundiro Holding Co., Ltd. (新大洲控股股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000571), principally engaged in the research, development, manufacture and sales of motorcycles, where he was primarily responsible for procurement related matters. From August 2005 to October 2006, he served as a procurement manager at Wuxi Yadea Motorcycle Technology Co., Ltd. (無錫雅迪電動車技術有限公司), a subsidiary of Yadea Group Holdings Ltd. (雅迪集團控股有限公司), a company listed on the Stock Exchange (stock code: 1585), where he was primarily responsible for procurement related matters.

DIRECTORS AND SENIOR MANAGEMENT

Mr. CHEN Jinsong (陳勁松), aged 46, is an executive Director and general manager of the manufacturing center of our Company. Mr. Chen was elected as our employee representative Director on November 18, 2025 and was redesignated as an executive Director on January 29, 2026. He is primarily responsible for overseeing production and manufacture of our Group.

Mr. Chen has extensive experience in the electric vehicle and motorcycle industry. Prior to joining our Group, from 2009 to 2011, he worked at Jiangsu Xinri E-Vehicle Co., Ltd. (江蘇新日電動車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603787), and principally engaged in the research, development, production and sales of electric vehicles, where he was primarily responsible for the quality inspection of components.

Mr. Chen has been pursuing a master degree in business administration through on-line study at Dominican University of California in the United States.

Independent Non-executive Directors

Mr. GONG Jun (貢俊), aged 57, was appointed as an independent Director on November 3, 2025 with immediate effect, and was redesignated as an independent non-executive Director on January 29, 2026. Mr. Gong is primarily responsible for providing independent advice and judgment to our Board.

Mr. Gong has rich experience in the motor and automotive industry. He served as a director at Zhongshan Broad-ocean Motor Co., Ltd. (中山大洋電機股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002249). Since January 2021, Mr. Gong has served as the chairman of the counsel at Shanghai Partnership of Fuel Cell Vehicles (上海燃料電池汽車商業化促進中心). Since January 2022, he has served as the general manager at Shanghai Smart Vehicle Cooperating Innovation Center Co., Ltd. (上海智能汽車融合創新中心有限公司).

Mr. Gong obtained his bachelor's degree in electrical engineering from Shanghai University of Technology (上海工業大學) (currently known as Shanghai University (上海大學)) in the PRC in July 1990. He obtained his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2002. Mr. Gong obtained the qualification of Senior Engineer (研究員級高級工程師) from the China Electronic Technology Engineers Association in December 2004.

DIRECTORS AND SENIOR MANAGEMENT

Ms. CHE Xiaoxin (車曉昕), aged 62, was appointed as an independent Director on November 3, 2025 with immediate effect, and was redesignated as an independent non-executive Director on January 29, 2026. Ms. Che is responsible for supervising and providing independent judgment to our Board.

Ms. Che has over 30 years of experience in financing and investment banking. From March 1994 and November 1994, she served as an assistant manager and vice manager of the investment banking department at Zhuhai Securities Co., Ltd. (珠海證券有限公司), respectively, a company principally engaged in securities business. From 1998 and 2002, she served as a vice general manager and general manager of the investment banking department at China Merchants Securities Co., Ltd. (招商證券股份有限公司), a company listed on the Stock Exchange (stock code: 6099) and the Shanghai Stock Exchange (stock code: 600999), and principally engaged in securities brokerage, investment banking and asset management, where she was primarily responsible for financial management, financing and listing related services.

From April 2019 to May 2025, Ms. Che served as an independent director at Wisesoft Co., Ltd. (四川川大智勝軟件股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002253). Since December 2023, Ms. Che has served as an independent director at Shenzhen SDG Service Co., Ltd. (深圳市特發服務股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300917). Since January 2024, she served as an independent director at Shenzhen Comix Group Co., Ltd. (深圳齊心集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002301).

Ms. Che obtained her master’s degree in accounting from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in July 1989. Ms. Che obtained the qualification of Senior Accountant (高級會計師) from the Guangdong Provincial Personnel Department (廣東省人事廳, currently known as Guangdong Provincial Human Resources and Social Security Department (廣東省人力資源和社會保障廳)) in April 2008, and the qualification of Certified Public Accountant (註冊會計師) from the Certified Public Accountants Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) in May 1995.

Mr. LIU Gangjian (劉剛健), aged 58, was appointed as an independent Director on November 3, 2025 with immediate effect, and was redesignated as an independent non-executive Director on January 29, 2026. Mr. Liu is responsible for supervising and providing independent judgment to our Board.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu has extensive experience in the insurance and legal industries. From March 2017 to February 2018, Mr. Liu served as a vice president at CMIG International Holding Pte Limited (中民投國際控股有限公司), a company principally engaged in investment management, where he was primarily responsible for legal and insurance related matters. He served as the chief operating officer from March 2018 to April 2019 and later the marketing director from April 2019 to July 2019 at Zhuhai Finance Investment Holdings Group Company Limited (珠海華發投資控股集團有限公司), a company principally engaged in financial investment, where he was primarily responsible for operation, coordination and insurance investment. Since November 2019, he served as a vice president at China Pacific Insurance Co., (H.K.) Ltd. (中國太平洋保險(香港)有限公司), a subsidiary of China Pacific Insurance (Group) Co., Ltd., a company listed on the Stock Exchange (stock code: 2601) and the Shanghai Stock Exchange (stock code: 601601), and principally engaged in general insurance business, where he was primarily responsible for international business and investor relation matters. Since April 2022, he has served as a deputy department general manager at Bank of China Group Insurance Co., Ltd (中銀集團保險有限公司), a company principally engaged in general insurance business, where he is primarily responsible for operation and management.

Mr. Liu obtained his bachelor’s degree in history from Beijing Normal University (北京師範大學) in the PRC in July 1989. He obtained his master’s degree in economic law from China University of Political Science and Law (中國政法大學) in the PRC in July 1992 and his master’s degree in international law from City University, London (倫敦城市大學) (currently known as City, University of London (倫敦大學城市學院)) in the United Kingdom in November 2003. Mr. Liu obtained the Chinese Lawyer’s Qualification (中國律師資格) from the Beijing Municipal Bureau of Justice (北京市司法局) in June 1991 and the qualification of Fellow of the Chartered Insurance Institute (英國特許保險學會會員) from the Chartered Insurance Institute (英國特許保險學會) in July 2006.

DIRECTORS AND SENIOR MANAGEMENT

General Confirmations

Each of our Directors confirms that:

- (1) he/she obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2026, and understood his/her obligations as a director of a [REDACTED];
- (2) save as disclosed in the paragraph headed “Appendix VI — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests” in this document, he/she has no interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date;
- (3) save as disclosed above, he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to and as at the Latest Practicable Date;
- (4) save as disclosed in this document, he/she did not complete his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

- (1) his/her independence after taking into consideration of each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;
- (2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and
- (3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

Save as disclosed in this document, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

- (1) there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and
- (2) there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets forth the information about our senior management:

Name	Age	Position(s)	Date of appointment as senior management	Date of joining the Group	Role and Responsibilities	Relationship with other Directors and other senior management
Mr. YAO Li (姚立)	57	Co-founder, executive Director and president	December 17, 2018	December 17, 2018	Primarily responsible for the corporate development strategy, brand management, legal and compliance matters, advanced technology exploration, and ESG-related matters of our Group	None
Mr. SUN Muchu (孫木楚)	55	Co-founder, executive Director, general manager and executive president	December 17, 2018	December 17, 2018	Primarily responsible for the execution and implementation of the Board’s strategies and decisions, and overseeing technology research and development, product quality, and the Group’s overall domestic and overseas marketing	Brother of Mr. SUN Muqian; Cousin of Mr. SUN Muchai

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Date of joining the Group	Role and Responsibilities	Relationship with other Directors and other senior management
Mr. SUN Muchai (孫木釵)	49	Co-founder, executive Director and senior vice president	December 17, 2018	December 17, 2018	Primarily responsible for formulating overseas development strategies and business plans, and overseeing the operations and performance of the overseas business of our Group	Cousin of Mr. SUN Muqian and Mr. SUN Muchu, brother-in-law of Mr. CHEN Yingsheng
Mr. CHANG Yao (常耀)	49	Executive Director and senior vice president	December 7, 2020	December 17, 2018	Primarily responsible for the domestic sales and marketing of our Group	None
Mr. CHANG Jie (常杰)	46	Senior vice president	April 12, 2024	December 17, 2018	Primarily responsible for overseeing the management and operation of our Group’s new business divisions and establishing the unmanned cargo and logistics vehicles business	None
Mr. CHEN Yingsheng (陳迎升)	45	Vice president	September 30, 2022	December 17, 2018	Primarily responsible for the formulation of overseas business plans and the implementation of overseas development strategies of our Group	Brother in law of Mr. SUN Muchai

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Date of joining the Group	Role and Responsibilities	Relationship with other Directors and other senior management
Mr. CHEN Jinsong (陳勁松)	46	Executive Director and general manager of the manufacturing center	May 12, 2024	December 17, 2018	Primarily responsible for overseeing production and manufacture of our Group	None
Mr. ZUO Binghua (左兵華)	48	Financial director	July 1, 2022	July 1, 2022	Primarily responsible for daily financial management of our Group	None
Mr. DONG Hanyu (董寒雨)	33	Board secretary	May 6, 2024	May 6, 2024	Primarily responsible for [REDACTED] and financial related matters	None

Mr. YAO Li (姚立), aged 57, is the Co-founder, executive Director and president of our Company. For further details, see “— Board of Directors — Executive Directors” in this section.

Mr. SUN Muchu (孫木楚), aged 55, is the Co-founder, executive Director, general manager and executive president of our Company. For further details, see “— Board of Directors — Executive Directors” in this section.

Mr. SUN Muchai (孫木釵), aged 49, is the Co-founder, executive Director and senior vice president of our Company. For further details, see “— Board of Directors — Executive Directors” in this section.

Mr. CHANG Yao (常耀), aged 49, is an executive Director and senior vice president of our Company. For further details, see “— Board of Directors — Executive Directors” in this section.

Mr. CHANG Jie (常杰), aged 46, is a senior vice president of our Company. Mr. Chang was appointed as a senior vice president on April 12, 2024. He is primarily responsible for overseeing the management and operation of our Group’s new business divisions and establishing the unmanned cargo and logistics vehicles business.

Mr. Chang has over 18 years of experience in the electric vehicle industry. From January 2008 to January 2011, he worked at Jiangsu Yadi Technology Development Co., Ltd. Tianjin Branch (江蘇雅迪科技發展有限公司天津分公司). From March 2011 to April 2011, he worked at Tianjin Yadi Weiye Vehicle Industry Co., Ltd. (天津雅迪偉業車業有限公司). From September 2012 to January 2013, Mr. Chang worked at Tianjin Fushida Electric Vehicle Co.,

DIRECTORS AND SENIOR MANAGEMENT

Ltd. (天津富士達電動車有限公司, currently known as Tianjin Fushida Metal Products Co., Ltd. (天津富士達金屬製品有限公司)), a company principally engaged in research, manufacture and sales of electric vehicles, where he was primarily responsible for daily management.

He completed his EMBA course in Cheung Kong Graduate School of Business (長江商學院) in the PRC in October 2024. Mr. Chang obtained the qualification of Senior Engineer (高級工程師) from Tianjin Municipal Human Resources and Social Security Bureau (天津市人力資源和社會保障局) in December 2022.

Mr. CHEN Yingsheng (陳迎升), aged 45, is a vice president of our Company. Mr. Chen was appointed as a vice president on September 30, 2022. He is primarily responsible for the formulation of overseas business plans and the implementation of overseas development strategies of our Group.

Mr. Chen obtained his bachelor’s degree in construction engineering through adult higher education self-learning at Jiangxi Institute of Technology (江西科技學院) in the PRC in June 2017.

Mr. CHEN Jinsong (陳勁松), aged 46, is an executive Director and general manager of the manufacturing center of our Company. For further details, see “— Board of Directors — Executive Directors” in this section.

Mr. ZUO Binghua (左兵華), aged 48, is the financial director of our Company. Mr. Zuo joined our Group on July 1, 2022 and has served as the financial director of our Company since then. He is primarily responsible for daily financial management of our Group.

Mr. Zuo has over 25 years of experience in financial management. From January 1999 to July 2010, Mr. Zuo served as the head of financial department at Shinge Pump Industry Group Co., Ltd. (新界泵業集團股份有限公司) (currently known as Tianshan Aluminum Group Co., Ltd. (天山鋁業集團股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 002532), which was principally engaged in the production and sales of aluminum products and materials, where he was primarily responsible for financial related matters. Mr. Zuo served as a manager of the group finance shared services center from January 2013 to June 2015 of Zhejiang Aima Vehicle Technology Co., Ltd. (浙江愛瑪車業科技有限公司), and he served as a financial manager from March 2016 and the head of the finance department from September 2016, respectively, of Jiangsu Aima Manufacturing & Technology Co., Ltd. (江蘇愛瑪車業科技有限公司), both of which are subsidiaries of Aima Technology Group Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 603529), and are principally engaged in the research, development, manufacture and sales of electric two-wheeled vehicles.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zuo obtained his bachelor’s degree in accounting through on-line course from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 2007. Mr. Zuo obtained the qualification of Intermediate Accountant (中級會計師) from Taizhou Municipal Human Resources and Social Security Bureau (台州市人力資源和社會保障局) in March 2013.

Mr. DONG Hanyu (董寒雨), aged 33, is the Board secretary of our Company. Mr. Dong joined our Group in July 2025, and has been serving as the Board secretary of our Company since October 2025. He is primarily responsible for [REDACTED] and financial related matters.

Mr. Dong has over 10 years of experience in financial management and auditing. From July 2015 to December 2016, he served at the finance department of Sichuan Tieqilishi Industrial Co., Ltd. (四川鐵騎力士實業有限公司), a company principally engaged in livestock breeding and food processing, where he was primarily responsible for financial analysing. From November 2016 to January 2021, Mr. Dong served as a senior auditor at ShineWing Certified Public Accountants (Special General Partnership) Chengdu Branch (信永中和會計師事務所(特殊普通合夥)成都分所), where he was primarily responsible for auditing. From February 2021 to June 2022, he served as a senior auditor at Ernst & Young Hua Ming LLP Chengdu Branch (安永華明會計師事務所(特殊普通合夥)成都分所), where he was primarily responsible for auditing. From December 2022 to April 2024, he served as an audit manager at RSM China (Special General Partnership) Shanghai Branch (容誠會計師事務所(特殊普通合夥)上海分所), where he was primarily responsible for auditing.

Mr. Dong obtained his bachelor’s degree in economics from Sichuan Normal University (四川師範大學) in the PRC in June 2015. Mr. Dong obtained the qualification of Certified Public Accountant (註冊會計師) from The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2024.

General Confirmations

Save as disclosed above, each of our senior management members has confirmed that:

- (1) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date
- (2) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. DONG Hanyu was appointed as one of the joint company secretaries of our Company. For his biography, see “— Senior Management” in this section.

Ms. HO Wing Nga (何詠雅) was appointed as one of our joint company secretaries on January 9, 2026. Ms. Ho has over 25 years of experience in corporate governance services. She currently serves as the MD Governance Services HK of Computershare Hong Kong Investor Services Limited and the joint company secretary and company secretary for various companies listed on the Stock Exchange.

Ms. Ho obtained a master’s degree in corporate governance from the Hong Kong Polytechnic University in December 2006 and became an associate of The Hong Kong Chartered Governance Institute (the “HKCGI”, previously known as the Hong Kong Institute of Chartered Secretaries) in the same month. In March 2015, Ms. Ho became a fellow of both the HKCGI and The Chartered Governance Institute. She is also a holder of the practitioner’s endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

COMPLIANCE ADVISOR

The Company has appointed Lego Corporate Finance Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise the Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and sales or transfers of treasury shares and share repurchases;
- (iii) where we propose to use the [REDACTED] from 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
- (iv) where the Stock Exchange makes an inquiry to the Company in accordance with Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment of the Compliance Advisor will commence on the [REDACTED] and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

BOARD COMMITTEES

Our Company has established Four Board committees in accordance with the relevant PRC laws and regulations, the Memorandum and Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy and ESG 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 D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. CHE Xiaoxin (車曉昕), Mr. LIU Gangjian (劉剛健) and Mr. GONG Jun (貢俊), with Ms. CHE Xiaoxin (車曉昕) serving as the chairperson. Ms. CHE Xiaoxin (車曉昕) has 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, without limitation, the following:

- (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- (ii) examining the financial information of our Company and reviewing financial reports and statements of our Company;
- (iii) examining the financial reporting system and the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- (iv) dealing with other matters that are authorized by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. GONG Jun (貢俊), Ms. CHE Xiaoxin (車曉昕), Mr. SUN Muchu (孫木楚), with Mr. GONG Jun (貢俊) serving as the chairman. The primary duties of the Nomination Committee include, without limitation, the following:

- (i) conducting search and providing our Board with suitable candidates for the Directors, general managers and other senior management members;
- (ii) reviewing the structure, size and composition of our Board (including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, skills, knowledge and length of service) at least annually, assist the board in maintaining a board skills matrix and making recommendations on any proposed changes to our Board to complement our Company’s corporate strategy;
- (iii) researching and developing standards and procedures for the election of our Board members, general managers and other senior management members, and making recommendations to our Board;
- (iv) assessing the independence of our independent non-executive Directors;
- (v) support the Company’s regular evaluation of the Board’s performance; and
- (vi) dealing with other matters that are authorized by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. GONG Jun (貢俊), Ms. CHE Xiaoxin (車曉昕) and Mr. SUN Muchu (孫木楚), with Mr. GONG Jun (貢俊) serving as the chairman. The primary duties of the Remuneration Committee include, without limitation, the following:

- (i) advising our Board on the overall remuneration plan and structure of the Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of our Company;
- (ii) monitoring the implementation of the remuneration system of our Company;
- (iii) making recommendations on the remuneration packages of the Directors and senior management; and

DIRECTORS AND SENIOR MANAGEMENT

- (iv) dealing with other matters that are authorized by our Board.

Strategy and ESG Committee

We have established a Strategy and ESG Committee under the Board. The primary duties of the Strategy and ESG Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company, and to review our sustainable development and ESG strategy and goals, our ESG related reports. The Strategy and ESG Committee comprises three Directors, namely, Mr. GONG Jun (貢俊), Mr. YAO Li (姚立) and Mr. SUN Muchu (孫木楚) with Mr. GONG Jun (貢俊) serving as the chairperson. The primary duties of the Strategy and ESG Committee include, without limitation, the following:

- (i) reviewing and making recommendations to the Board on the Company’s long-term development strategies;
- (ii) reviewing and making recommendations on major investment and financing plans;
- (iii) reviewing and making recommendations on significant capital operations and asset management projects; and
- (iv) reviewing and making recommendations on other material matters that may have a significant impact on the Company’s development.

CORPORATE GOVERNANCE

Board Diversity

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. The Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as motor and automotive industry, accounting, legal and compliance and financing and investment. They obtained degrees in various areas including but not limited to electrical engineering, accounting, legal and business administration. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises one female Director and eight male Directors, ranging from 46 years old to 62 years old.

DIRECTORS AND SENIOR MANAGEMENT

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. Taking into account our existing business model and specific needs as well as the different background of the Directors, the composition of our Board satisfies our board diversity policy.

Upon the [REDACTED], the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, neither he/she or any of his/her close associates has 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.

DIRECTORS AND SENIOR MANAGEMENT

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also employees of our Group, emolument in the form of fees, salaries, allowances, benefits in kind, performance related bonuses, share-based compensation and pension scheme contributions. Our Directors’ remuneration is determined with reference to the relevant Director’s experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or the chairperson of Board committees).

The aggregate amounts of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, share-based compensation and pension scheme contributions) which were paid or payable to our Directors for the two financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 were RMB6.49 million, RMB16.09 million and RMB12.31 million, respectively.

It is estimated that the aggregate amount of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, share-based compensation and pension scheme contributions) payable to our Directors for the financial year ending December 31, 2026 would be approximately RMB26.0 million under arrangements in force as of the date of this document.

For the two financial years ended December 31, 2023 and 2024, and the nine months ended September 30, 2025, there were two, three and three Directors among the five highest paid individuals, respectively. The aggregate amounts of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, share-based compensation and pension scheme contributions) which were paid or payable by our Group to our five highest paid individuals (excluding Directors) for the two financial years ended December 31, 2023 and 2024, and the nine months ended September 30, 2025 were RMB5.74 million, RMB13.36 million and RMB9.89 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived or agreed to waive any emoluments.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on remuneration of Directors during the Track Record Period as well as information on the five highest paid individuals, see notes 9 and 10 to the Accountants’ Report.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. SUN Muqian (孫木鉗), Mr. YAO Li (姚立), Mr. SUN Muchu (孫木楚), directly and through Wuxi Chuangrui as its sole general partner, and Mr. SUN Muchai (孫木釵), were able to exercise an aggregate of 89.91% voting rights in the Company through the Common Control Arrangement and their long-standing and ongoing cooperation in managing our business. Please refer to “History, Development and Corporate Structure — Common Control Arrangement”. Immediately following [REDACTED] of the [REDACTED] (assuming the [REDACTED] Option is not exercised), Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu, directly and through Wuxi Chuangrui, and Mr. SUN Muchai will exercise the voting rights of approximately [REDACTED]% in our Company. Therefore, Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu, Mr. SUN Muchai and Wuxi Chuangrui, will be our Controlling Shareholders prior to and after the [REDACTED].

Please see the section headed “Substantial Shareholders” for details of the shareholding interest of our Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, none of the Controlling Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of nine Directors comprising six executive Directors and three independent non-executive Directors. For details, please see the section headed “Directors and Senior Management.”

Our Directors consider that our Board as a whole and members of the senior management are able to perform their roles in our Group independently and that our Group is capable of managing our business independently from the Controlling Shareholders and their close associates. We consider that the roles of Mr. SUN Muqian, Mr. YAO Li, Mr. SUN Muchu and Mr. SUN Muchai as our Controlling Shareholders will not materially impact their ability to discharge their duties of skill, care and diligence to our Group for the following reasons:

- (a) 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;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;
- (c) 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;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see “— Corporate Governance Measures” in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role independently from our Controlling Shareholder.

Operational Independence

Our Group is operationally independent from the Controlling Shareholders. Our Group holds all material licenses and owns all relevant intellectual properties necessary to carry on our business. Save for certain properties leased from the Controlling Shareholders, we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. As of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that we are financially independent from our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

1. our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or their associates, our Company will comply with the applicable Listing Rules;
2. where a Shareholders’ meeting is to be held for considering proposed transactions in which a Controlling Shareholders or their associates have any material interest, the relevant Controlling Shareholder shall not vote on the resolutions and shall not be counted in the quorum for the voting;
3. our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision making process and provide independent advice to our Shareholders. Our independent non-executive Directors, details of whom are set out in the section headed “Directors and Senior Management” individually and together possess the requisite knowledge and experience to perform their roles. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interest of our minority Shareholders;
4. where the advice from an independent professional, such as that from a financial advisor, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company’s expenses; and
5. we have appointed Lego Corporate Finance Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to 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 our Controlling Shareholders, and to protect minority shareholders’ rights after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED], the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/nature of interest	As of the Latest Practicable Date		Upon completion of the [REDACTED]		
		Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital	Class and Number of Shares	Approximate percentage of shareholding in H Shares	Approximate percentage of shareholding in the total issued share capital ⁽¹⁾
			(%)		(%)	(%)
Mr. SUN Muqian . . .	Beneficial interest	51,180,269	23.77	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. YAO Li	Beneficial interest	37,911,258	17.61	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. SUN Muchu . . .	Beneficial interest	53,075,809	24.65	[REDACTED] H Shares	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	4,016,064	1.87	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. SUN Muchai . . .	Beneficial interest	47,388,954	22.01	[REDACTED] H Shares	[REDACTED]	[REDACTED]

Notes:

- (1) The calculation is based on the total number of H Shares in issue upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) comprising (i) an aggregate of [REDACTED] to be converted from the Unlisted Shares and (ii) [REDACTED] to be issued pursuant to the [REDACTED].
- (2) As of the Latest Practicable Date, Mr. SUN Muchu was the general partner of Wuxi Chuangrui. Therefore, Mr. SUN Muchu is deemed to be interested in the Shares held by Wuxi Chuangrui by virtue of the SFO.

For details of the substantial shareholders who will be, directly or indirectly, 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 member of our Group other than our Company, see “Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests” in Appendix VI to this document.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] Option is not exercised), without taking into account the [REDACTED] that may be taken up under the [REDACTED], have interests 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 or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB215,313,365 comprising 215,313,365 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
H Shares to be converted from Unlisted Shares . .	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
H Shares to be converted from Unlisted Shares . .	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

SHARE CAPITAL

SHARE CLASSES

Upon completion of the [REDACTED] and conversion of [REDACTED] Unlisted Shares into H Shares, our Shares will consist of H Shares only. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of shares under our Articles of Association, and Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may, at their own option, authorize us to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares. After the conversion of Unlisted Shares, such converted Shares may be [REDACTED] on an overseas stock exchange, provided that 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 the filing procedure with the CSRC shall have been completed. The [REDACTED] of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange. In addition, such conversion, [REDACTED] and [REDACTED] shall in all respects comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

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 H Share register. 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 application 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 initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

SHARE CAPITAL

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register 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 in compliance with the Listing Rules, 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 H Share register, such Shares would not be [REDACTED] as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED] DATE

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC, the domestic shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the Unlisted Shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH A GENERAL MEETING IS REQUIRED

For details of circumstances under which a general meeting of our Company is required, see “**Summary of Articles of Association**” in Appendix V to this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information as of and for the years ended December 31, 2023, 2024, and the nine months ended September 30, 2024 and 2025, included in the Accountants’ Report in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRS Accounting Standards. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.

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. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

OVERVIEW

We are a leading electric micromobility vehicle brand that champions the value of green, low-carbon, and intelligent travel experience. As a pioneer in defining “long-range electric two-wheeled vehicles (長續航電動兩輪車)” in Chinese Mainland, we have been focusing on this strategic market position and established a comprehensive product portfolio covering electric bicycles, electric motorcycles and electric tricycles. In addition, we also provide batteries as an accessory for sales together with our vehicles. Leveraging years of efforts, we have built up an extensive sales network across Chinese Mainland with strong penetration into wide local regions, while achieving rapid growth in overseas markets.

According to Frost & Sullivan, in terms of revenue in 2024, we ranked third in the global electric micromobility vehicle market, with a market share of approximately 5.2%. In terms of revenue from electric two-wheeled vehicles in 2024, we ranked third in Chinese Mainland, with a market share of approximately 12.7%.

Furthermore, we are committed to promoting low-carbon mobility by focusing on continuous R&D to enhance product energy efficiency, while developing advanced software system facilitating our vehicles reach designed performance to maximum extent. In particular, capitalizing on our Tai-Link intelligent management system, users are able to enjoy convenient management and adjustment on performance of different components, customize trip and maintenance schedule, as well as review vehicle’s utilization track record, ensuring an exciting driving experience while intrinsically promoting optimized energy consumption and value-added services.

Leveraging our vast and continuously growing user base, and strong technology capabilities that can quickly convert insights derived from consumers’ behavior into well-received product designs and market highlights, as proven by our successful track record, we have received industry-wide recognition for our market leading positions. We have been

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invited to participate in the formulation of multiple national and industry standards, technical regulations and industry white papers in Chinese Mainland, including the *Energy Conservation Certification Rules for Motorcycles and Electric Bicycles* (《摩托車和電動自行車節能認證規則》), the *Technical Specifications for Energy Conservation Certification of Electric Bicycles* (《電動自行車節能認證技術規範》) (GB17761-2024) (the “New National Standard”), and the *China Electric Vehicle Energy Saving White Paper* (《中國電動車節能白皮書》).

In recognition of our premium product design and stringent quality control capabilities, we have received various honors and awards, including the “National Quality Training Base (國家質量培訓基地)”, the “Industrial Design Red Sail Award – Gold Award (工業設計紅帆獎金獎)”, the “China Science and Technology Innovation Invention Achievement Award (中國科技創新發明成果獎)”, and the “National Advanced Unit for After-sales Service (全國售後服務先進單位)”.

Furthermore, we have established two laboratories in Chinese Mainland that are accredited by the China National Accreditation Service for Conformity Assessment (“CNAS”). We are also the first electric micromobility vehicle enterprise in Chinese Mainland to have been awarded the “Zero-Carbon Factory (零碳工廠)” certification by the China Quality Certification Center (“CQC”).

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, including those set out below:

Consumer Demand and Changing Consumer Base

Consumer demand is and will continue to be one of the main drivers of electric micromobility vehicle market, which is increasingly affected by the following non-exhaustive factors in recent years. In addition, the PRC government has implemented a series of measures to support or regulate the rapid development of green mobility as an indispensable component to reduce carbon dioxide emissions and achieve carbon neutrality. The urban population has increased rapidly nationwide, which drives the urban area to quickly expand while the construction of public transportation infrastructure is slower than the urbanization process. Therefore, people resort to more effective and convenient mobility including the electric micromobility, urbanization process and increasing household income drive the prosperity of enormous demand for on-demand last-mile delivery. Electric micromobility vehicles are the most used transportation tools due to its efficiency and flexibility. Consumer demand largely depends on citizens’ lifestyles which are shaped by the pace of urbanization and regulatory support.

The consumer base is prone to change subject to the change of the age structure in Chinese society. The results of our operations are therefore dependent upon our ability to cater to newly emerging customer groups while retaining the existing ones. Both technical upgrade and appearance refinement are vital in any improvement of our existing products or development of new products.

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Pricing Strategy

The pricing of our products is primarily affected by the competitive landscape of the electric two-wheeled vehicle industry in Chinese Mainland. We expect the competition we face in the industry in Chinese Mainland will further intensify. As a result, our ability to maintain or increase the selling price of our products will largely depend on our ability to compete effectively by reacting rapidly to market trends and differentiating our products through strong brand recognition, product innovation, our distributors’ network and our extensive product portfolio. Factors that affect pricing include our advertising and marketing strategies and our ability to differentiate our products from those of our competitors and competitors’ pricing and other strategies. Our pricing guide remains relatively stable, which is updated each month. We also hold distributors’ meetings each year to guide them about the specific pricing strategy.

Cost of Raw Materials

The raw materials in our manufacturing process primarily include batteries and chargers, electronic control systems and plastic components. Cost of raw materials amounted to RMB10,067.0 million, RMB11,291.8 million, RMB8,954.6 million and RMB12,046.6 million, respectively, representing 95.6%, 95.4%, 95.5% and 95.0% of our cost of sales in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our ability to source a steady supply of raw materials at reasonable prices is one of the key factors affecting our operations.

We meet our supply requirements for raw materials by purchasing directly from suppliers at market prices. We believe that we are able to obtain high quality raw materials at reasonable and competitive prices as a result of our long-term relationships with our suppliers.

The costs of finished goods are also influenced by factors such as the location of our production facilities, fluctuations in our seasonal production, availability of alternative suppliers and substitute materials and the production volume at a particular time.

Advertising and Marketing Strategy

We promote our products and improve brand awareness amongst our customers through our continuous efforts and investment on advertising and marketing activities. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our selling and distribution expenses amounted to RMB564.0 million, RMB686.7 million, RMB492.6 million and RMB669.8 million, accounting for 4.7%, 5.0%, 4.6% and 4.5% of our total revenue for the respective periods. Our intensive efforts in advertising and marketing included, but not limited to the following:

- we have also been proactively engaging in marketing activities and increasing our promotional efforts to enhance our brand awareness to attract young consumers;

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- we sponsored a number of variety shows to more effectively reach the young generation and rejuvenate our brand image;
- we actively run our social media accounts on major social media platforms to interact with customers, addressing their questions while promoting our vehicles; and
- we cooperate with internet celebrities to promote our products through live streaming or posting engaging content on social media platforms, to achieve broad exposure to consumers. These internet celebrities typically test ride our vehicles and share their riding experience with their audience and followers.

We also work closely with our distributors to ensure that our brand culture is reflected at the retail level through providing guidance to distributors in brand promotion and efficient retail management. We intend to continue to devote significant resources on promotional efforts and raise our brand profile through multiple advertising channels and platforms. We expect our target consumers will become increasingly brand conscious as the electric vehicles market matures.

Seasonality

Our financial performance and results of operations are subject to seasonal fluctuations. We typically experienced higher sales in March of each year, primarily in connection with distributors’ restocking demands after the Chinese New Year holiday. Sales are also relatively higher in July, August and September of each year which are months that straddle summer holidays and academic year opening seasons when students and parents typically have strong transportation mobility needs. Sales of our products can also fluctuate throughout the year for other reasons, including the timing of new product launches, graduation seasons and the timing of promotional campaigns.

Overseas Business

We continue to expand our footprint in Southeast Asia and Latin America markets. Our robust presence in key international markets provides a significant competitive advantage and acts as a material driver of our overall financial performance. Operations outside of Chinese Mainland allow us to diversify geographic risk and reduce reliance on a single market, contributing to the stability and predictability of our revenue stream. Furthermore, a substantial portion of our international revenue is denominated in currencies such as the U.S. dollar and Vietnamese dong, which would be vulnerable to foreign exchange fluctuation. Our established overseas supply chain and operational efficiency enable us to capture favorable customer demand in these markets. This international diversification enhances our brand equity, allows us to access a broader customer base, and facilitates faster adoption of global industry best practices, all of which are instrumental in sustaining superior growth and profitability.

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Our Ability to Effectively Maintain our Technical Edge

Our results of operations partly depend on our ability to maintain our technical edge, keep up with the technological upgrade of the industry and meet the demands of our anticipated growth. Our research and development expenses were RMB254.5 million, RMB294.8 million, RMB231.1 million and RMB275.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025. With the increasingly fierce competition in the electric micromobility vehicle industry, technological development has been playing an increasingly important role, requiring players in the industry to make extensive technology layouts in various areas such as more efficient battery management systems and more advanced electric motors to realize better performance on safety and power saving, and to establish first-mover advantages. Therefore, our future growth is affected by the breadth and depth of our industry insights, our technology capabilities to further upgrade our products, and our ability to timely adapt to evolving industry trends and preferences of consumers. We have continuously invested in research and development to maintain and promote our technological capabilities. We believe our investments in relevant technologies will solidify our market position and drive our growth in the long run, but will require upfront capital investments and expenditures in the short run, which would affect our operating costs and expenses.

BASIS OF PREPARATION

The historical financial information and unaudited interim financial information have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information and unaudited interim financial information throughout the Track Record Period.

The historical financial information and unaudited interim financial information have been prepared under the historical cost convention, except for certain financial assets at FVTPL, which have been measured at fair value. For more details, please see Notes 2.1 and 2.2 to the Accountant’s Report in Appendix I to this document.

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CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods. Our significant accounting policies, judgments and estimates are set forth in detail in Notes 2.4 and 3 to the Accountant’s Report in Appendix I to this document. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. When reviewing our financial statements, you should consider (i) our selection of critical 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.

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Revenue	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0
Cost of sales	(10,535,320)	88.7	(11,838,632)	87.0	(9,375,453)	87.6	(12,676,732)	85.4
Gross Profit	<u>1,344,781</u>	<u>11.3</u>	<u>1,761,735</u>	<u>13.0</u>	<u>1,331,172</u>	<u>12.4</u>	<u>2,163,480</u>	<u>14.6</u>
Other income and gains .	123,896	1.0	185,619	1.4	120,222	1.1	144,218	1.0
Selling and distribution expenses	(564,047)	4.7	(686,694)	5.0	(492,590)	4.6	(669,837)	4.5
Administrative expenses .	(220,315)	1.9	(305,614)	2.2	(213,990)	2.0	(264,208)	1.8
Research and development expenses	(254,468)	2.1	(294,754)	2.2	(231,075)	2.2	(275,495)	1.9
Other expenses	(9,859)	0.1	(11,350)	0.1	(8,747)	0.1	(17,529)	0.1
Reversal of impairment/(impairment) on financial assets, net	(17,431)	0.1	216	0.0	(661)	0.0	(1,316)	0.0
Finance costs	(41,267)	0.3	(42,454)	0.3	(32,245)	0.3	(19,424)	0.1
Profit Before Tax	<u>361,290</u>	<u>3.0</u>	<u>606,704</u>	<u>4.5</u>	<u>472,086</u>	<u>4.4</u>	<u>1,059,889</u>	<u>7.1</u>
Income tax expenses . .	(74,832)	0.6	(134,324)	1.0	(102,072)	0.9	(237,187)	1.6
Profit for the Year/Period	<u>286,458</u>	<u>2.4</u>	<u>472,380</u>	<u>3.5</u>	<u>370,014</u>	<u>3.5</u>	<u>822,702</u>	<u>5.5</u>

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DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we primarily derived revenue from manufacturing and sales of electric bicycles, electric motorcycles and electric tricycles. In addition, we also provide batteries as an accessory for sales together with our vehicles.

Revenue Breakdown by Types of Products

The following table sets forth a breakdown of our revenue by types of products, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	% (unaudited)	RMB'000 (unaudited)	% (unaudited)
Electric bicycles	6,670,386	56.1	7,062,237	51.9	5,634,098	52.6	8,352,549	56.3
Electric motorcycles . .	2,874,297	24.2	3,184,449	23.4	2,458,559	23.0	2,912,209	19.6
Electric tricycles	—	—	—	—	—	—	2,897	0.1
Batteries	1,896,274	16.0	2,785,894	20.5	2,165,252	20.2	3,034,082	20.4
Others ⁽¹⁾	439,144	3.7	567,787	4.2	448,716	4.2	538,475	3.6
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

Note:

(1) Primarily including revenue generated from sales of accessories.

The following table sets forth the sales volume and average selling prices per unit of our products for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit	Sales volume	Average selling price per unit
	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB	Unit'000	RMB
Electric bicycles	5,142	1,297.2	5,542	1,274.3	4,422	1,274.1	5,993	1,393.7
Electric motorcycles . . .	1,957	1,468.7	2,116	1,504.9	1,631	1,507.4	1,837	1,585.3
Electric tricycles	—	—	—	—	—	—	1	3,269.8
Total/Overall	7,099	1,344.5	7,658	1,338.0	6,053	1,337.0	7,831	1,438.9

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Our revenue experienced an increasing trend during the Track Record Period, amounting to RMB11,880.1 million, RMB13,600.4 million, RMB10,706.6 million and RMB14,840.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025. The increase was primarily due to the steady revenue generated from the sales of electric bicycles and motorcycles, which contributed more than 70% of our total revenue throughout the Track Record Period.

Our sale volume of products, including electric bicycles, electric motorcycles, experienced an increasing trend during the Track Record Period, amounting to 7.1 million units, 7.7 million units, 6.1 million units and 7.8 million units in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase was mainly contributed by the continuous increase in the sales volume of electric bicycles and electric motorcycles stipulated by customer demand throughout the Track Record Period.

Revenue from Electric Bicycles

Our revenue from electric bicycles experienced an increasing trend during the Track Record Period, amounting to RMB6,670.4 million, RMB7,062.2 million, RMB5,634.1 million and RMB8,352.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase in revenue from electric bicycles was primarily due to the continuous increase in sales volume of electric bicycles along with the increasing average selling price per unit except for a slight decrease from 2023 to 2024 due to economies of scale.

The total sales volume of electric bicycles amounted to 5.1 million units, 5.5 million units, 4.4 million units and 6.0 million units in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase in sales volume of electric bicycles was primarily because of (i) the rising customer demand brought by technological upgrades, enhanced product competitiveness and the brand recognition; and (ii) on the other hand, a series of government subsidies issued to further stimulate customer demand for electric bicycles.

Revenue from Electric Motorcycles

Our revenue from electric motorcycles experienced an increasing trend during the Track Record Period, amounting to RMB2,874.3 million, RMB3,184.4 million, RMB2,458.6 million and RMB2,912.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase in revenue from electric motorcycles was primarily due to the increase in sales volume and the increase in average selling price per unit brought by optimization of product portfolio as we gradually launched more product lines with higher selling price.

The total sales volume of electric motorcycles amounted to 2.0 million units, 2.1 million units, 1.6 million units and 1.8 million units in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase in sales volume of electric motorcycles was primarily driven by enhanced product competitiveness resulting from optimization of product portfolio and technological upgrades, as well as shifts in consumer preferences.

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Revenue from Electric Tricycles

We commenced sales of electric tricycles since September 2025 and recorded revenue of RMB2.9 million with sales volume of approximately one thousand units in the nine months ended September 30, 2025.

Revenue from Batteries

Our revenue from batteries experienced a significant increase during the Track Record Period, amounting to RMB1,896.3 million, RMB2,785.9 million, RMB2,165.3 million and RMB3,034.1 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, which was in line with growth of electric bicycles and electric motorcycles for the same period.

Revenue from Others

Revenue from others experienced an increasing trend during the Track Record Period, amounting to RMB439.1 million, RMB567.8 million, RMB448.7 million and RMB538.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, as we gradually expanded our product portfolio.

Revenue Breakdown by Sales Channels

We sell our products through our offline and online channels. The following table sets forth a breakdown of our revenue by sales channels, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Offline channels . . .	11,788,202	99.2	13,491,650	99.2	10,617,224	99.2	14,837,789	100.0
Online channels ⁽¹⁾ . .	91,899	0.8	108,717	0.8	89,401	0.8	2,423	0.0
Total	<u>11,880,101</u>	<u>100.0</u>	<u>13,600,367</u>	<u>100.0</u>	<u>10,706,625</u>	<u>100.0</u>	<u>14,840,212</u>	<u>100.0</u>

Note:

(1) Primarily including revenue generated from sales of products on e-commerce platforms.

Revenue from offline channels increased from RMB11,788.2 million in 2023 to RMB13,491.7 million in 2024, and increased from RMB10,617.2 million in the nine months ended September 30, 2024 to RMB14,837.8 million for the same period in 2025, which was in line with our expansion in sales network.

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Revenue from online channels increased from RMB91.9 million in 2023 to RMB108.7 million in 2024, as we expanded our sales on e-commerce platforms. Revenue from online channels decreased from RMB89.4 million in the nine months ended September 30, 2024 to RMB2.4 million for the same period in 2025 as we gradually shifted our business focus toward offline store coverage.

Revenue Breakdown by Sales Models

During the Track Record Period, we primarily sold our products through our distributors. The following table sets forth a breakdown of our revenue by sales models, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales through								
Distributors	11,394,778	95.9	13,146,066	96.7	10,371,808	96.9	14,447,726	97.4
Direct Sales	485,323	4.1	454,301	3.3	334,817	3.1	392,486	2.6
Total	<u>11,880,101</u>	<u>100.0</u>	<u>13,600,367</u>	<u>100.0</u>	<u>10,706,625</u>	<u>100.0</u>	<u>14,840,212</u>	<u>100.0</u>

Revenue from Sales through Distributors

During the Track Record Period, most of our revenue was derived from sales through distributors, amounting to RMB11,394.8 million, RMB13,146.1 million, RMB10,371.8 million and RMB14,447.7 million in 2023, 2024, and the nine months ended September 30, 2024 and 2025, respectively, contributing more than 95.0% of total revenue for the same periods throughout the Track Record Period.

Revenue from Direct Sales

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from direct sales amounted to RMB485.3 million, RMB454.3 million, RMB334.8 million and RMB392.5 million, respectively, accounting for 4.1%, 3.3%, 3.1% and 2.6% of our total revenue for the corresponding periods.

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Revenue Breakdown by Geographic Region

The following table sets forth a breakdown of our revenue by geographic regions, both in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland								
Market	11,591,834	97.6	13,281,227	97.7	10,492,748	98.0	14,444,495	97.3
Overseas Market . . .	288,267	2.4	319,140	2.3	213,887	2.0	395,717	2.7
Total	11,880,101	100.0	13,600,367	100.0	10,706,625	100.0	14,840,212	100.0

During the Track Record Period, we primarily generated our revenue in the Chinese Mainland market. Revenue from Chinese Mainland market amounted to RMB11,591.8 million, RMB13,281.2 million, RMB10,492.7 million and RMB14,444.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our revenue from overseas market amounted to RMB288.3 million, RMB319.1 million, RMB213.9 million and RMB395.7 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Cost of Sales

Our cost of sales primarily consisted of raw materials, direct labor and manufacturing overhead. During the Track Record Period, our cost of sales increased in line with our revenue growth. Our raw materials costs constituted the largest component of our total cost of sales throughout the Track Record Period, contributing more than 95.0% of total cost of sales for the respective periods. The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of total cost of sales, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Raw material costs . . .	10,066,952	95.6	11,291,776	95.4	8,954,648	95.5	12,046,628	95.0
Direct labor	204,642	1.9	275,835	2.3	208,182	2.2	296,168	2.4
Manufacturing overhead	263,726	2.5	271,021	2.3	212,623	2.3	333,936	2.6
Total	10,535,320	100.0	11,838,632	100.0	9,375,453	100.0	12,676,732	100.0

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Gross Profit

Our gross profit represents the excess of revenue over costs of sales. Gross profit margin represents gross profit as a percentage of revenue. The following table sets forth a breakdown of our gross profit and gross profit margins of our products by type of products for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Gross profit		Gross profit		Gross profit		Gross profit	
	Gross profit margin		Gross profit margin		Gross profit margin		Gross profit margin	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)		(Unaudited)	
Electric bicycles	883,976	13.3	1,111,813	15.7	862,115	15.3	1,476,999	17.7
Electric motorcycles . .	382,206	13.3	516,359	16.2	379,059	15.4	526,484	18.1
Electric tricycles	–	0.0	–	0.0	–	0.0	(8)	(0.3)
Batteries	30,855	1.6	43,381	1.6	27,767	1.3	31,017	1.0
Others ⁽¹⁾	47,744	10.9	90,182	15.9	62,231	13.9	128,988	24.0
Total	<u>1,344,781</u>	<u>11.3</u>	<u>1,761,735</u>	<u>13.0</u>	<u>1,331,172</u>	<u>12.4</u>	<u>2,163,480</u>	<u>14.6</u>

Note:

(1) Primarily including revenue generated from sales of accessories.

During the Track Record Period, our gross profit and gross profit margin of electric bicycles experienced an increasing trend. We record gross profit of RMB884.0 million, RMB1,111.8 million, RMB862.1 million and RMB1,477.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, with a gross profit of 13.3%, 15.7%, 15.3% and 17.7% for the respective periods. The increase was primarily because we continuously optimized our cost structure.

During the Track Record Period, our gross profit and gross profit margin of electric motorcycles experienced an increasing trend. We record gross profit of RMB382.2 million, RMB516.4 million, RMB379.1 million and RMB526.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, with a gross profit of 13.3%, 16.2%, 15.4% and 18.1% for the respective periods. The increase was primarily because we continuously optimized our cost structure while achieving a steadily increasing average selling price.

We commenced our sales of electric tricycles in September 2025 and recorded gross loss of RMB8 thousand with a gross loss margin of 0.3% in the nine months ended September 30, 2025.

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During the Track Record Period, our gross profit of batteries experienced an increasing trend with relatively stable gross profit margin, amounting to RMB30.9 million, RMB43.4 million, RMB27.8 million and RMB31.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, with a gross profit margin of less than 2.0% throughout the Track Record Period.

During the Track Record Period, our gross profit of others experienced an overall increasing trend, amounting to RMB47.7 million, RMB90.2 million, RMB62.2 million and RMB129.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, with a fluctuation of gross profit margin of 10.9%, 15.9%, 13.9% and 24.0% for the respective periods, which was primarily due to the broad price range of products sold under others.

Other Income and Gains

Our other income and gains primarily consisted of bank interest income, investment income on financial assets at FVTPL, rental income and government grants. The following table sets forth a breakdown of our other income and gains for the periods indicated:

	Year Ended December 31,		Nine Months Ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Other income				
Bank interest income	84,700	98,072	70,540	63,742
Investment income on				
financial assets at FVTPL	16,940	29,985	17,143	32,730
Government grants ⁽¹⁾				
– Asset related	1,159	1,186	869	1,446
– Income related	5,672	25,530	15,070	21,342
Compensation income ⁽²⁾	67	2,977	501	2,524
Rental income	9,564	15,214	10,548	9,292
Total other income	118,102	172,964	114,671	131,076
Gains				
Foreign exchange gains, net	2,682	4,532	28	–
Fair value gains on financial				
assets at FVTPL	1,821	3,889	4,987	10,915
Others	1,291	4,234	536	2,227
Total gains	5,794	12,655	5,551	13,142
Total	123,896	185,619	120,222	144,218

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Notes:

- (1) The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government subsidies, to credit our Group’s support and contribution for the development of local economies. During the Track Record Period, there were no unfulfilled conditions or contingencies relating to these government grants.
- (2) The compensation income represents compensations received from third parties in relation to the settlement of legal claims.

Our other income and gains increased from RMB123.9 million in 2023 to RMB185.6 million in 2024. Our other income and gains increased from RMB120.2 million in the nine months ended September 30, 2024 to RMB144.2 million for the same period in 2025.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consisted of staff costs, marketing expenses, travel expenses, depreciation of property, plant and equipment and others expenses. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Staff costs	250,863	44.5	371,229	54.0	263,432	53.5	390,615	58.3
Marketing expenses	216,934	38.5	185,659	27.0	137,369	27.9	167,429	25.0
Travel expenses	75,181	13.3	104,334	15.2	73,812	15.0	84,708	12.6
Depreciation of property, plant and equipment	3,918	0.7	5,185	0.8	3,957	0.8	8,498	1.3
Other expenses ⁽¹⁾	17,151	3.0	20,287	3.0	14,020	2.8	18,587	2.8
Total	564,047	100.0	686,694	100.0	492,590	100.0	669,837	100.0

Note:

- (1) Primarily including miscellaneous expenses.

Our selling and distribution expenses experienced an overall increasing trend during the Track Record Period, amounting to RMB564.0 million, RMB686.7 million, RMB492.6 million and RMB669.8 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Such increases were primarily due to (i) the expansion of our sales and marketing team and pay rises, and (ii) the increased marketing expenses as we proactively and continuously expanded our marketing activities such as engagement of celebrity endorsement.

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Administrative Expenses

Our administrative expenses primarily consisted of staff costs, professional service fees, tax and surcharges and other expenses. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	% (Unaudited)	RMB'000 (Unaudited)	% (Unaudited)
Staff costs	93,171	42.3	154,432	50.5	110,036	51.5	145,172	55.0
Professional service fees	40,818	18.5	56,721	18.6	35,621	16.6	38,198	14.5
Tax and surcharges . .	22,279	10.1	30,640	10.0	20,489	9.6	28,218	10.7
Depreciation of property, plant and equipment	15,702	7.1	31,128	10.2	25,891	12.1	25,400	9.6
Office-related expenses	10,257	4.7	8,610	2.8	4,970	2.3	7,706	2.9
Other expenses ⁽¹⁾ . . .	38,088	17.3	24,083	7.9	16,983	8.0	19,514	7.3
Total	220,315	100.0	305,614	100.0	213,990	100.0	264,208	100.0

Note:

(1) Primarily including miscellaneous expenses.

Our administrative expenses experienced an overall increasing trend during the Track Record Period, amounting to RMB220.3 million, RMB305.6 million, RMB214.0 million and RMB264.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Such increases were primarily due to the increase in headcount and pay rises in line with our business expansion.

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Research and development Expenses

Our research and development expenses comprise costs incurred in research and development activities, including design costs, staff costs, material costs, service fees, depreciation of property, plant and equipment and other expenses. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Design costs	105,774	41.6	92,164	31.3	74,608	32.3	94,015	34.1
Staff costs	53,509	21.0	87,069	29.5	67,961	29.4	80,666	29.3
Service fees	31,727	12.5	66,739	22.6	50,976	22.1	60,350	21.9
Material costs	47,799	18.8	30,329	10.3	21,856	9.5	21,206	7.7
Depreciation of property, plant and equipment	7,155	2.8	8,558	2.9	7,530	3.3	9,079	3.3
Other expenses ⁽¹⁾ . . .	8,504	3.3	9,895	3.4	8,144	3.4	10,179	3.7
Total	<u>254,468</u>	<u>100.0</u>	<u>294,754</u>	<u>100.0</u>	<u>231,075</u>	<u>100.0</u>	<u>275,495</u>	<u>100.0</u>

Note:

(1) Primarily including miscellaneous expenses.

Our research and development expenses decreased from RMB254.5 million in 2023 to RMB294.8 million in 2024, primarily due to an increase in staff costs resulting from increase in headcount and pay rise for R&D personnel, which was partially offset by the design costs paid for R&D activities. Our research and development expenses increased from RMB231.1 million in the nine months ended September 30, 2024 to RMB275.5 million in the nine months ended September 30, 2025, primarily due to an increase in design costs paid for R&D activities.

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Other Expenses

Our other expenses primarily consisted of loss on disposal of property, plant and equipment, depreciation expense of investment properties and others. The following table sets forth a breakdown of our other expenses and losses for the periods indicated:

	Year Ended December 31,		Nine Months Ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	814	3,548	3,197	7,696
Foreign exchange losses, net .	—	—	—	4,403
Depreciation expense of investment properties	1,633	1,862	1,397	2,447
Others ⁽¹⁾	7,412	5,940	4,153	2,983
Total	9,859	11,350	8,747	17,529

Note:

(1) Primarily including expenses incurred for disputes or claims made by third parties against us.

During the Track Record Period, we experienced an increasing trend in other expenses, which is mainly attributed to the increase in depreciation expense of investment properties and others primarily including expenses incurred for disputers or claims made by third parties against us. Our other expenses amounted to RMB9.9 million, RMB11.4 million, RMB8.7 million and RMB17.5 million in 2023, 2024, and the nine months end September 30, 2024 and 2025.

Reversal of Impairment/(Impairment) on Financial Assets, Net

Our net impairment on financial assets primarily represents loss allowances for expected credit losses (“ECLs”) on trade and bill receivables and other financial assets.

We recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that our Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

FINANCIAL INFORMATION

In 2023, and the nine months end September 30, 2024 and 2025, our net impairment losses on financial assets amounted to RMB17.4 million, RMB0.7 million and RMB1.3 million, respectively, primarily because we provided favorable credit policy to our overseas customers to facilitate our overseas expansion. We recognized net reversal of impairment on financial assets amounted to RMB0.2 million in 2024 as optimized our payment collection process for long-term trade receivables and improved our management to reduce ECL.

Finance Costs

Our finance costs primarily consisted of interest on bank borrowings and interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year Ended December 31,		Nine Months Ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Interest on bank borrowings .	39,965	39,219	29,992	17,411
Interest on lease liabilities . .	1,302	3,235	2,253	2,013
Total	41,267	42,454	32,245	19,424

In 2023, 2024, and the nine months ended September 30, 2024 and 2025, our finance costs amounted to RMB41.3 million, RMB42.5 million, RMB32.2 million and RMB19.4 million, respectively. The fluctuations of our finance costs were mainly due to the changes of interest on bank borrowings.

Income Tax Expenses

Current Income Tax

Our Group is subject to income tax on an individual entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operated.

Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on January 1, 2008, except for certain subsidiaries of our Group in Chinese Mainland which are granted tax concession and are taxed at preferential tax rates.

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TAILG Chongqing has obtained the qualification as an Encouraged Industrial Enterprise based in the western region of Chinese Mainland, with a validity period of ten years from 2021 to 2030, and is entitled to a preferential tax rate of 15% during the Track Record Period.

TAILG Guangxi has qualified under the local tax preferential policies applicable to ethnic autonomous regions, with a validity period of five years from 2023 to 2027, and is entitled to a preferential tax rate of 15% during the Track Record Period.

TAILG Shenzhen, Jiangmen Linhaul Technology Co., Ltd., Chaopao Songshan Lake (Dongguan) Technology Co., Ltd., Wuxi TAILG Tech, Shanghai TAILG Sales, Wuxi Lingtao E-commerce Co., Ltd., Rubu Robot (Jiangsu) Co., Ltd., Shaanxi TAILG Sales, Chongqing TAILG Tricycle, Wuhan TAILG Sales, and Lufeng TAILG were recognised as micro and small enterprises (“MSEs”) and were entitled to a 20% preferential income tax rate on their taxable profits during the Track Record Period.

The State Taxation Administration of the PRC (“STA”) announced in March 2021 that manufacturing enterprises engaging in R&D activities would be entitled to claim 200% of their research and development expenses as an additional tax deduction since January 1, 2021. The STA further announced in March 2023 that eligible enterprises would be entitled to claim 200% of their research and development expenses as an additional tax deduction since January 1, 2023. The Group has made its best estimate for the additional tax deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the Track Record Period.

Vietnam

Our subsidiary incorporated in the Vietnam is subject to income tax at a rate of 20% on the estimated assessable profits.

Indonesia

Our subsidiary incorporated in the Indonesia is subject to income tax at a rate of 22% on the estimated assessable profits.

Profit for the Year/Period

As a result of the forgoing, in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, we recorded profit for the year/period of RMB286.5 million, RMB472.4 million, RMB370.0 million and RMB822.7 million, respectively.

FINANCIAL INFORMATION

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Revenue

Our revenue increased from RMB10,706.6 million in the nine months ended September 30, 2024 to RMB14,840.2 million in the nine months ended September 30, 2025, primarily due to the increase in sales of electric bicycles and electric motorcycles.

Revenue from Electric Bicycles

Revenue from electric bicycles increased significantly from RMB5,634.1 million in the nine months ended September 30, 2024 to RMB8,352.5 million in the nine months ended September 30, 2025, primarily due to (i) the increase in sales volume from 4.4 million units in the nine months ended September 30, 2024 to 6.0 million units in the same period in 2025, which was driven by (a) the rising customer demand brought by technological upgrades, enhanced product competitiveness and the brand recognition; (b) the issuance of a series of government subsidies such as nationwide “trade-in” policies in 2025 to further stimulate customer demand for electric bicycles and (c) the implementation of applicable laws and regulations on electric bicycles to encourage the replacement cycles and consumption upgrades among end consumers; and (ii) the increase in average selling price of RMB1,274.1 per unit in the nine months ended September 30, 2024 to RMB1,393.7 per unit in the same period in 2025.

Revenue from Electric Motorcycles

Revenue from sales of electric motorcycles increased from RMB2,458.6 million in the nine months ended September 30, 2024 to RMB2,912.2 million in the nine months ended September 30, 2025, primarily due to (i) the increase in sales volume from 1.6 million units in the nine months ended September 30, 2024 to 1.8 million units in the same period in 2025, which was mainly driven by enhanced product competitiveness resulting from optimization of product portfolio and technological upgrades, as well as shifts in consumer preferences and (ii) the increase in average selling price of RMB1,507.4 per unit in the nine months ended September 30, 2024 to RMB1,585.3 per unit in the same period in 2025.

Revenue from Electric Tricycles

We commenced sales of electric tricycles since September 2025 and record revenue of RMB2.9 million with sales volume of approximately one thousand units in the nine months ended September 30, 2025.

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Revenue from Batteries

Revenue from sales of batteries increased from RMB2,165.3 million in the nine months ended September 30, 2024 to RMB3,034.1 million in the nine months ended September 30, 2025, which was in line with the growth of electric bicycles and electric motorcycles for the same period.

Revenue from Others

Revenue from sales of others increased from RMB448.7 million in the nine months ended September 30, 2024 to RMB538.5 million in the nine months ended September 30, 2025, primarily because we continuously expanded our product portfolio under others.

Cost of sales

Our cost of sales increased from RMB9,375.5 million in the nine months ended September 30, 2024 to RMB12,676.7 million in the nine months ended September 30, 2025. The increase was primarily attributable to an increase in raw materials costs, which was in line with our revenue growth.

Gross Profit

Our gross profit increased from RMB1,331.2 million in the nine months ended September 30, 2024 to RMB2,163.5 million in the nine months ended September 30, 2025, with a gross profit margin of 12.4% and 14.6% for the respective periods, which was primarily due to our continuous efforts in management on cost structure through a series of measures and the increase in average selling price.

Our gross profit of electric bicycles increased from RMB862.1 million in the nine months ended September 30, 2024 to RMB1,477.0 million in the nine months ended September 30, 2025, with a gross profit margin of 15.3% and 17.7% for the respective periods, which was primarily due to our continuous efforts in optimizing our cost structure while achieving a steadily increasing average selling price.

Our gross profit of electric motorcycles increased from RMB379.1 million in the nine months ended September 30, 2024 to RMB526.5 million in the nine months ended September 30, 2025, with a gross profit margin of 15.4% and 18.1% for the respective periods, which was primarily due to our continuous efforts in optimizing our cost structure while achieving a steadily increasing average selling price.

We commenced our sales of electric tricycles in September 2025 and recorded gross loss of approximately RMB8 thousand with a gross loss margin of 0.3% in the nine months ended September 30, 2025.

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Our gross profit of batteries increased from RMB27.8 million in the nine months ended September 30, 2024 to RMB31.0 million in the nine months ended September 30, 2025, with a gross profit margin of less than 2.0% throughout the Track Record Period.

Our gross profit of others increased from RMB62.2 million in the nine months ended September 30, 2024 to RMB129.0 million in the nine months ended September 30, 2025, with a gross profit margin of 13.9% and 24.0% for the respective periods, which was primarily due to the broad price range of products sold under others.

Other Income and Gains

Our other income and gains increased from RMB120.2 million in the nine months ended September 30, 2024 to RMB144.2 million in the nine months ended September 30, 2025, primarily due to (i) an increase in investment income on financial assets at FVTPL of RMB15.6 million and (ii) an increase in fair value gains on financial assets at FVTPL of RMB5.9 million.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB492.6 million in the nine months ended September 30, 2024 to RMB669.8 million in the nine months ended September 30, 2025, primarily due to an increase in staff costs of RMB127.2 million due to our increasing recruitment of sales personnel to enhance our marketing function to facilitate our business expansion and pay rise.

Administrative Expenses

Our administrative expenses slightly increased from RMB214.0 million in the nine months ended September 30, 2024 to RMB264.2 million for the same period in 2025, primarily due to (i) an increase in staff costs of RMB35.1 million, as a result of recruitment of management personnel to support our business expansion and (ii) an increase in professional service fee for engagement of services for making overall development strategies.

Research and development Expenses

Our research and development expenses increased from RMB231.1 million in the nine months ended September 30, 2024 to RMB275.5 million for the same period in 2025, which was primarily due to (i) an increase in design costs used to expand our product series, (ii) an increase in staff costs for recruitment of R&D staff and pay rises, and (iii) an increase in material costs used for sample testing.

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Other Expenses

Our other expenses increased significantly from RMB8.7 million in the nine months ended September 30, 2024 to RMB17.5 million for the same period in 2025, primarily due to (i) an increase in loss on disposal of property, plant and equipment of our production plants and (ii) an increase in net foreign exchange losses resulting from fluctuation of foreign currency.

Reversal of Impairment/(Impairment) on Financial Assets, Net

We recognized net impairment on financial assets of RMB0.7 million in the nine months ended September 30, 2024 and RMB1.3 million in the nine months ended September 30, 2025, primarily attributable to the increase in the gross carrying amount of overseas trade receivables. As overseas customers generally have longer settlement cycles, the total amount of impairment recognized for trade receivables increased accordingly.

Finance Costs

Our finance costs decreased from RMB32.2 million in the nine months ended September 30, 2024 to RMB19.4 million for the same period in 2025, primarily due to a decrease in interest on bank borrowings of RMB12.4 million as a result of our strategic decision by adjusting our banking facilities and credit.

Income Tax Expense

Our income tax expenses increased from RMB102.1 million in the nine months ended September 30, 2024 to RMB237.2 million for the same period in 2025, respectively, primarily due to an significant increase in current income tax as a result of the continuous improvement in our profitability, driven by growing market demand and enhanced competitive positioning.

Profit for the Period

As a result of the foregoing, our profit for the period increased from RMB370.0 million in the nine months ended September 30, 2024 to RMB822.7 million for the same period in 2025.

FINANCIAL INFORMATION

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased from RMB11,880.1 million in 2023 to RMB13,600.4 million in 2024, primarily due to the increase on sales of electric bicycles and electric motorcycles.

Revenue from Electric Bicycles

Revenue from sales of electric bicycles increased from RMB6,670.4 million in 2023 to RMB7,062.2 million in 2024, primarily driven by the increase on sales volume of electric bicycles from 5.1 million units in 2023 to 5.5 million units in 2024 brought by the rising demand from end consumers, and our continuous penetration in cities across China.

Revenue from Electric Motorcycles

Revenue from electric motorcycles increased from RMB2,874.3 million in 2023 to RMB3,184.4 million in 2024, primarily due to (i) an increase in sales volume from 2.0 million units in 2023 to 2.1 million units in 2024 and (ii) an increase in average selling price from RMB1,468.7 per unit in 2023 to RMB1,504.9 per unit in 2024 as we gradually extended our product portfolio with relatively higher selling price.

Revenue from Electric Tricycles

We did not record any revenue from electric tricycles in 2023 and 2024.

Revenue from Batteries

Revenue from sales of batteries increased from RMB1,896.3 million in 2023 to RMB2,785.9 million in 2024, which was in line with our sales volume of electric bicycles and electric motorcycles for the same period.

Revenue from Others

Revenue from sales of others increased from RMB439.1 million in 2023 to RMB567.8 million in 2024, as we gradually expanded our product portfolio.

Cost of Sales

Our cost of sales increased from RMB10,535.3 million in 2023 to RMB11,838.6 million in 2024, which was primarily attributable to an increase in raw materials costs of RMB1,224.8 million. Such increase was in line with our revenue growth.

FINANCIAL INFORMATION

Gross Profit

Our gross profit increased from RMB1,344.8 million in 2023 to RMB1,761.7 million in 2024. Our gross profit margin increased from 11.3% in 2023 to 13.0% in 2024, primarily because we continuously optimized our cost structure while achieving a steadily increasing average selling price.

Our gross profit of electric bicycles increased from RMB884.0 million in 2023 to RMB1,111.8 million in 2024. Our gross profit margin increased from 13.3% in 2023 to 15.7% in 2024, primarily because we continuously optimized our cost structure while achieving a steadily increasing average selling price.

Our gross profit of electric motorcycles increased from RMB382.2 million in 2023 to RMB516.4 million in 2024. Our gross profit margin increased from 13.3% in 2023 to 16.2% in 2024, primarily because we continuously optimized our cost structure while achieving a steadily increasing average selling price.

Our gross profit of batteries increased from RMB30.9 million in 2023 to RMB43.4 million in 2024, with a gross profit margin of less than 2.0% throughout the Track Record Period.

Our gross profit of others increased from RMB47.7 million in 2023 to RMB90.2 million in 2024. Our gross profit margin increased from 10.9% in 2023 to 15.9% in 2024, primarily due to the broad price range of products sold under others.

Other Income and Gains

Our other income and gains increased from RMB123.9 million in 2023 to RMB185.6 million in 2024, mainly due to (i) an increase in investment income on financial assets at FVTPL of RMB13.0 million, (ii) an increase of government grants of RMB19.9 million and (iii) an increase in rental income of RMB5.7 million.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB564.0 million in 2023 to RMB686.7 million in 2024, primarily due to (i) an increase in staff costs resulting from the expansion of our sales and marketing team and pay rises, and (ii) an increase in travel expenses resulting from increasing marketing activities.

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Administrative Expenses

Our administrative expenses increased from RMB220.3 million in 2023 to RMB305.6 million in 2024, primarily due to (i) an increase in staff costs resulting from an increased headcount of management personnel and pay rises to facilitate our business expansion and (ii) an increase in professional service fees incurred for engagement of services for the development of overall business strategies.

Research and development Expenses

Our research and development expenses increased from RMB254.5 million in 2023 to RMB294.8 million in 2024, primarily due to (i) an increase in staff costs resulting from increased headcount of R&D staff and pay rises and (ii) an increase in service fees paid for testing services and industry compulsory certification such as 3C.

Other Expenses

Our other expense increased from RMB9.9 million in 2023 to RMB11.4 million in 2024, primarily due to an increase in loss on disposal of property, plant and equipment.

Reversal of Impairment/(Impairment) on Financial Assets, Net

We recognized net impairment on financial assets of RMB17.4 million in 2023, primarily attributable to the increase in impairment for trade receivables from overseas customers as we provided favorable credit policies to our overseas customers to facilitate our overseas expansion. In 2023, we evaluated the credit quality on certain of our overseas customers, to whom we recognized with relatively higher risks for bad debt. We recognized net reversal of impairment on financial assets of RMB0.2 million in 2024, primarily due to the improvement on payment collection management.

Finance Costs

Our finance costs remained relatively stable at RMB41.3 million in 2023 and RMB42.5 million in 2024.

Income Tax Expenses

Our income tax expenses increased from RMB74.8 million in 2023 to RMB134.3 million in 2024, respectively, primarily due to the continuous improvement in our profitability, driven by growing market demand and enhanced competitive positioning.

Profit for the Year

As a result of the foregoing, our profit for the year increased from RMB286.5 million in 2023 to RMB472.4 million in 2024.

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LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth a summary of our cash flows for the year/period indicated:

	For the year ended December 31,		For the nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Net cash generated from				
operating activities	800,375	1,289,787	2,649,087	4,562,340
Net cash used in investing				
activities	(604,647)	(790,198)	(2,088,390)	(4,355,095)
Net cash generated				
from/(used in) financing				
activities	213,838	(348,963)	(47,366)	(99,762)
Net increase in cash and				
cash equivalents	409,566	150,626	513,331	107,483
Cash and cash equivalents at				
beginning of the				
year/period	671,269	1,079,697	1,079,697	1,229,191
Effect of foreign exchange				
rate changes, net	(1,138)	(1,132)	(795)	2,566
Cash and cash equivalents				
at end of the year/period .	1,079,697	1,229,191	1,592,233	1,339,240

Net Cash Generated From Operating Activities

In the nine months ended September 30, 2025, we recorded net cash generated from operating activities of RMB4,562.3 million, as compared to RMB2,649.1 million in the nine months ended September 30, 2024. The increase in profit before tax, together with favorable changes in working capital, mainly driven by a significant increase in trade and bills payables and an increase in contract liabilities, partially offset by an increase in pledged deposits and trade and bills receivables. Operating cash flows were further adjusted for non-cash items, including depreciation and amortization expenses.

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In 2024, we recorded net cash generated from operating activities of RMB1,289.8 million, compared to RMB800.4 million in 2023. This was primarily attributable to profit before tax of RMB606.7 million in 2024, as adjusted for non-cash items including depreciation and amortization expenses and share-based payment expenses. Operating cash flows were further supported by an increase in trade and bills payables and a decrease in inventories. These were partially offset by an increase in pledged deposits and prepayments and other receivables, as well as income tax paid during the year.

In 2023, we recorded net cash generated from operating activities amounted to RMB800.4 million. This was mainly attributable to profit before tax of RMB361.3 million, adjusted for non-cash items including depreciation and amortization expenses. Operating cash inflows were further supported by an increase in trade and bills payables and an increase in contract liabilities, partially offset by increases in pledged deposits, inventories and prepayments and other receivables, as well as income tax paid during the year.

Net Cash Flows Used in Investing Activities

In the nine months ended September 30, 2025, we recorded net cash used in investing activities of RMB4,355.1 million, as compared to RMB2,088.4 million in the nine months ended September 30, 2024. This was primarily attributable to purchases of property, plant and equipment, purchases of intangible assets, placement of time deposits with original maturity of more than three months, purchases of financial assets at FVTPL, and payment of land use rights. These cash outflows were partially offset by redemption of financial assets at FVTPL, maturity of time deposits, proceeds from disposal of property, plant and equipment, and receipt of government grants related to property, plant and equipment and land use rights.

In 2024, we recorded net cash used in investing activities of RMB790.2 million, compared to RMB604.6 million in 2023. The net cash outflow in 2024 was primarily attributable to purchases of property, plant and equipment, purchases of intangible assets, placement of time deposits with original maturity of more than three months and placement of time deposits maturing beyond one year, purchases of financial assets at FVTPL, and cash outflow arising from the acquisition of a subsidiary. These cash outflows were partially offset by redemption of financial assets at FVTPL, maturity of time deposits, proceeds from disposal of property, plant and equipment, and receipt of government grants related to property, plant and equipment and land use rights.

In 2023, we recorded net cash used in investing activities of RMB604.6 million. This was primarily attributable to purchases of property, plant and equipment, purchases of land use rights, placement of time deposits with original maturity of more than three months and beyond one year, and purchases of financial assets at FVTPL. These were partially offset by redemption of financial assets at FVTPL, maturity of time deposits, proceeds from disposal of property, plant and equipment, and receipt of government grants.

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Net Cash Flows Generated from/(used in) Financing Activities

In the nine months ended September 30, 2025, net cash used in financing activities amounted to RMB99.8 million primarily due to (i) repayment of interest-bearing bank borrowings of RMB206.8 million; (ii) interest paid on bank borrowings of RMB17.4 million; and (iii) lease-related payments of RMB30.2 million, partially offset by proceeds from new interest-bearing bank borrowings of RMB145.0 million, proceeds from issuance of shares of RMB6.6 million, and capital contribution from non-controlling interests of RMB4.0 million, after deducting payment of [REDACTED] of RMB[REDACTED] million.

In 2024, we recorded net cash used in financing activities of RMB349.0 million, mainly due to (i) repayment of interest-bearing bank borrowings of RMB556.6 million; (ii) interest paid on bank borrowings of RMB39.2 million; and (iii) lease-related payments of RMB28.7 million, partially offset by proceeds from new interest-bearing bank borrowings of RMB275.6 million.

In 2023, we recorded net cash generated from financing activities of RMB213.8 million, primarily attributable to (i) repayment of interest-bearing bank borrowings of RMB249.7 million; (ii) interest paid on bank borrowings of RMB40.0 million; (iii) principal and interest payments on leases of RMB16.7 million; (iv) consideration paid for business combination under common control, net of RMB362.2 million, partially offset by proceeds from new interest-bearing bank borrowings of RMB557.2 million.

WORKING CAPITAL

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

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current assets				
Inventories	477,007	429,363	298,025	368,873
Trade and bills receivables	165,768	169,775	275,052	241,775
Prepayments, other receivables and other assets	252,261	145,675	157,317	189,548
Income tax recoverable .	2,975	23,381	36,589	35,636
Financial assets at FVTPL	299,653	665,203	4,563,765	2,509,274
Pledged deposits and restricted cash	2,985,003	4,248,692	3,888,430	5,637,146
Time deposits	50,142	43,534	10,136	10,186
Cash and bank balances .	1,079,697	1,229,191	1,339,240	709,604
Total current assets . . .	5,312,506	6,954,814	10,568,554	9,702,042

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	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current liabilities				
Trade and bills				
payables	6,310,199	8,252,183	10,828,009	10,050,771
Other payables and				
accruals	370,409	538,473	894,968	795,832
Contract liabilities	290,341	294,691	508,102	457,780
Interest-bearing bank				
borrowings	376,577	211,414	249,607	219,607
Lease liabilities	17,382	29,595	25,079	22,669
Deferred income	1,159	1,489	1,763	1,763
Income tax payable	9,545	66,968	107,521	70,996
Provision	18,859	—	—	—
Total current				
liabilities	7,394,471	9,394,813	12,615,049	11,619,418
Net current liabilities . .	(2,081,965)	(2,439,999)	(2,046,495)	(1,917,376)

Our net current liabilities increased from RMB2,082.0 million as of December 31, 2023 to RMB2,440.0 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB1,942.0 million to our suppliers for raw materials and (ii) an increase in other payables and accruals of RMB168.1 million, which were partially offset by (i) an increase in pledged deposits of RMB1,263.7 million and (ii) an increase in financial assets at FVTPL of RMB365.6 million.

Our net current liabilities decreased from RMB2,440.0 million as of December 31, 2024 to RMB2,046.5 million as of September 30, 2025, primarily due to (i) an increase in financial assets at FVTPL of RMB3,898.6 million for purchase of wealth management products, (ii) an increase in trade and bills receivables of RMB105.3 million and (iii) an increase in cash and bank balances of RMB110.0 million, which were partially offset by (i) an increase in trade and bills payables of RMB2,575.8 million, (ii) an increase in other payables and accruals of RMB356.5 million and (iii) an increase in contract liabilities of RMB213.4 million in line with business expansion.

Our net current liabilities decreased from RMB2,046.5 million as of September 30, 2025 to RMB1,917.4 million as of November 30, 2025, primarily due to (i) an increase in pledged deposits of RMB1,748.7 million, (ii) a decrease in trade and bills payables of RMB777.2 million, partially offset by a decrease in financial assets at FVTPL of RMB2,054.5 million.

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Working Capital Statement

Taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources presently available to us, including our cash and cash equivalents, cash flows from operating activities and our available banking facilities, our Directors are of the opinion that we have sufficient working capital to meet our present requirements for at least the next 12 months from the date of this document.

Our Directors confirm that there were no material defaults in payment of trade and non-trade payables and borrowings, and/or breaches of financial covenants during the Track Record Period and up to the date of this document.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment consist of buildings, machinery and equipment, motor vehicles, office equipment and others, construction in progress and leasehold improvements. Our property, plant and equipment increased from RMB1,287.4 million as of December 31, 2023 to RMB1,522.8 million as of December 31, 2024, and further increased to RMB1,962.8 million as of September 30, 2025, primarily due to the expansion of our manufacturing bases and equipment and facilities.

Investment Properties

Our investment properties consist of buildings and land use rights in Chinese Mainland, which were leased to third parties under operating leases. We recorded investment properties of RMB43.1 million, RMB63.9 million and RMB61.2 million as of December 31, 2023 and 2024 and September 30, 2025, respectively.

Rights-of-use Assets

The right-of-use assets mainly related to our land use right and buildings. Our right-of-use assets amounted to RMB331.0 million, RMB563.4 million and RMB551.5 million as of December 31, 2023, 2024 and September 30, 2025. We have lease contracts for various items of land use right and buildings. Lump sum payments were made upfront to acquire the land-use right in China with lease terms of 50 years, and no ongoing payments will be made. Leases of buildings generally have lease terms between two to five years.

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Intangible Assets

Our intangible assets increased from RMB4.1 million as of December 31, 2023 to RMB12.5 million as of December 31, 2024, and further to RMB18.2 million as of September 30, 2025, mainly attributable to our Group’s significant investment in its corporate digitalization and IT infrastructure, which includes management system software.

Prepayments, Other Receivables and Other Assets

The following table sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(unaudited)</i>
Current			
Value-added tax recoverable	116,532	92,839	56,317
Prepayments	125,048	32,334	36,285
Deposits and other receivables	10,798	20,765	64,590
Deferred [REDACTED]	—	—	825
	252,378	145,938	158,017
Impairment allowances	(117)	(263)	(700)
Total	252,261	145,675	157,317
Non-current			
Deposits	3,160	4,671	1,889
Prepayment for property, plant and equipment and land use rights	183,672	5,032	5,557
Reimbursed decoration costs to distributors	401,395	502,894	595,141
Others	3,897	1,299	3,899
Total	592,124	513,896	606,486

Our current prepayments, other receivables and other assets decreased from RMB252.3 million as of December 31, 2023 to RMB145.7 million as of December 31, 2024, primarily due to decrease in prepayments for suppliers of raw materials. Our current repayments, other receivables and other assets slightly increased from RMB145.7 million as of December 31, 2024 to RMB157.3 million as of September 30, 2025, primarily due to an increase in deposits and other receivables to suppliers.

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Our non-current prepayments, other receivables and other assets decreased from RMB592.1 million as of December 31, 2023 to RMB513.9 million as of December 31, 2024, primarily due to a decrease in prepayment for property, plant and equipment and land use rights. Our non-current prepayments, other receivables and other assets increased from RMB513.9 million as of December 31, 2024 to RMB606.5 million as of September 30, 2025, primarily due to an increase in reimbursed decoration costs to distributors in line with business expansion.

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)

Prepayment for property, plant and equipment and land use rights

– Less than 1 year	183,672	5,032	5,557

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)

Prepayments for raw materials

– Less than 1 year	110,374	17,765	17,219

Pledged Deposits and Restricted Cash

Our pledged deposits are typically pledged to secure the issuance of acceptance bills to suppliers. The following table sets forth the breakdown of our pledged bank deposits as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)

Pledged deposits and restricted cash

– current	2,985,003	4,248,692	3,888,430
– non-current	812,094	1,166,191	1,076,903
Total	<u>3,797,097</u>	<u>5,414,883</u>	<u>4,965,333</u>

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Our pledged deposits and restricted cash increased from RMB3,797.1 million as of December 31, 2023 to RMB5,414.9 million as of December 31, 2024, and further decreased to RMB4,965.3 million as of September 30, 2025, mainly due to the steady increase in our production and sales volume, leading to a corresponding rise in the total volume of acceptance bills issued.

Time Deposits

Our current and non-current time deposits, decreased from RMB211.0 million as of December 31, 2023 to RMB195.7 million as of December 31, 2024, and further decreased to RMB174.8 million as of September 30, 2025, mainly attributable to the maturity of bank deposits.

Inventories

Our inventories primarily consisted of finished goods, raw materials and work in progress. The following table sets forth the breakdown of our inventories as of the date indicated:

	As of December 31,		As of
	2023	2024	September 30,
	RMB'000	RMB'000	2025
			RMB'000
			(unaudited)
Finished goods	410,236	359,535	216,185
Raw materials	66,335	69,828	78,151
Work in progress	436	—	3,689
Total	477,007	429,363	298,025

Our inventories decreased from RMB477.0 million as of December 31, 2023 to RMB429.4 million as of December 31, 2024, and further to RMB298.0 million as of September 30, 2025, primarily due to our continuous improvement on our inventory management aiming at reaching optimal inventory level, and the accelerated consumption of inventories in peak seasons.

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The following table sets forth a summary of our inventories turnover days for the periods indicated:

	Year Ended December 31,		Nine months Ended September 30,
	2023	2024	2025
Inventories turnover days*	<u>14.5</u>	<u>13.8</u>	<u>7.7</u>

Note:

- * Inventories turnover days were calculated based on the arithmetic mean of opening and closing balance of inventories for the relevant year/period, divided by our cost of sales for the same year/period and multiplied by (i) 360 days for 2023 and 2024, and (ii) 270 days in the nine months ended September 30, 2025.

Our inventories turnover days were 14.5 days, 13.8 days and 7.7 days in 2023, 2024 and the nine months ended September 30, 2025, respectively, which was in line with the inventory turnover days of the industry.

The table below sets forth an ageing analysis for our inventories:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	<u>477,007</u>	<u>429,363</u>	<u>298,025</u>

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Trade and Bills Receivables

The following table sets forth the breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Trade receivables	191,473	215,290	319,862
Impairment	(45,789)	(45,515)	(46,312)
Trade receivables, net	145,684	169,775	273,550
Bills receivables	20,084	—	1,502
Total	165,768	169,775	275,052

Our trade and bills receivables primarily represent the balances due from certain customers. We typically requires payment in advance for our customers, and may grant credit limit to certain of our customers on case-by-case basis.

Our trade and bills receivables increased from RMB165.8 million as of December 31, 2023 to RMB169.8 million as of December 31, to RMB275.1 million as of September 30, 2025, primarily due to an increase in trade receivables and bills receivables in line with business growth.

The following table sets forth an aging analysis of the trade receivables, based on the invoice date and net of provisions, as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Within 1 years	141,407	162,242	264,586
1 to 2 years	4,277	6,242	3,118
2 to 3 years	—	1,291	5,846
Total	145,684	169,775	273,550

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The following table sets forth a summary of our trade receivables turnover days for the periods indicated:

	Year Ended December 31,		Nine Months Ended September 30,
	2023	2024	2025
Trade receivables turnover days*	<u>3.4</u>	<u>4.2</u>	<u>4.0</u>

Note:

- * Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables less allowance for impairment for the relevant year/period, divided by the revenue for the same year/period and multiplied by (i) 360 days for 2023 and 2024, and (ii) 270 days for the nine months ended September 30, 2025.

Our trade receivables turnover days were 3.4 days, 4.2 days and 4.0 days in 2023 and 2024, and the nine months ended September 30, 2025, respectively, which was in line with the trade receivable turnover days of the industry.

We have set up credit control policies and procedures to minimize our credit risk and maintain control over our outstanding receivables. Our senior management regularly reviews our overdue balances, and we actively follow up with customers with trade receivables. We believe that we have made sufficient bad debt provision for our trade receivables during the Track Record Period.

As of November 30, 2025, RMB176.8 million, or 55.3%, of our trade and bills receivables as of September 30, 2025 had been settled subsequently.

Financial Assets at FVTPL

Our financial assets at fair value through profit or loss consist of structured deposits, at quoted price. Our financial assets at FVTPL amounted to RMB299.7 million, RMB665.2 million and to RMB4,563.8 million as of December 31, 2023 and 2024, and September 30, 2025. The financial assets measured at FVTPL are structured deposits issued by commercial banks in the PRC, denominated in RMB, with expected yield rates ranging from 1.45% to 2.58% per annum.

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Cash and Bank Balances

Our cash and bank balances increased from RMB1,079.7 million as of December 31, 2023 to RMB1,229.2 million as of December 31, 2024, and further increased to RMB1,339.2 million as of September 30, 2025. The changes primarily reflect fluctuations in our operating cash flows, the allocation of funds to other investment products, and our financing activities. For more details, please see Note 22 to the Accountants’ Report in Appendix I to this document.

Trade and Bills Payables

Our trade and bills payables primarily consisted of trade payables and bills payable. The following table sets forth the breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Trade payables	2,744,790	2,765,982	4,988,711
Bills payable	3,565,409	5,486,201	5,839,298
Total	<u>6,310,199</u>	<u>8,252,183</u>	<u>10,828,009</u>

Our trade payables increased from RMB2,744.8 million as of December 31, 2023 to RMB2,766.0 million as of December 31, 2024, and further increased to RMB4,988.7 million as of September 30, 2025, mainly attributable to the expansion of business scale.

Our bills payable increased from RMB3,565.4 million as of December 31, 2023 to RMB5,486.2 million as of December 31, 2024, and further increased to RMB5,839.3 million as of September 30, 2025, mainly attributable to the expansion of procurement volume, where the proportion of settlements made by bills increased.

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The following table sets forth an aging analysis of trade payables, based on the invoice date, as of the dates indicated:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	2,744,271	2,765,452	4,987,060
1 to 2 years	519	11	1,121
2 to 3 years	–	519	11
Over 3 years	–	–	519
Total	<u>2,744,790</u>	<u>2,765,982</u>	<u>4,988,711</u>
	Year Ended December 31,		Nine Months Ended September 30,
	2023	2024	2025
Trade payables turnover days*	74.0	83.8	82.6

Note:

- * Trade payables turnover days were calculated based on the average of opening and closing balance of trade payables for the relevant year/period, divided by the cost of sales for the same year/period and multiplied by (i) 360 days for 2023 and 2024, and (ii) 270 days in the nine months ended September 30, 2025.

Our trade payables turnover days were 74.0 days, 83.8 days and 82.6 days in 2023 and 2024, and the nine months ended September 30, 2025, respectively, which was in line with credit terms granted to us and in line with the trade payables turnover days of the industry.

As of November 30, 2025, RMB3,423.1 million, or 68.6%, of our trade payables as of September 30, 2025 had been settled subsequently.

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Other Payables and Accruals

Our other payables and accruals primarily consisted of other accrued expenses, customer deposits, payroll payables and equipment and construction payables. The table below sets forth the breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current			
Other accrued expenses ⁽¹⁾	37,899	78,687	206,345
Customer deposits	134,117	235,737	321,290
Payroll payables	107,049	140,020	175,839
Equipment and construction payables . .	54,568	38,839	91,844
Other tax payables	19,350	25,700	71,334
Others	17,426	19,490	27,524
Accrued [REDACTED]	—	—	792
Total	370,409	538,473	894,968
Non-current			
Equipment and construction payables ⁽²⁾	5,900	5,900	10,370

Notes:

- (1) Other accrued expenses mainly represent accrued design fees, promotional expenses, 3C fees, and other items related to normal business operation.
- (2) The balances are related to equipment and construction and are not expected to be settled within the next 12 months according to the terms of the agreement.

Our current other payables and accruals increased from RMB370.4 million as of December 31, 2023 to RMB538.5 million as of December 31, 2024, and further increased to RMB895.0 million as of September 30, 2025, mainly attributable to (i) an increase in the amounts of customer deposits collected; (ii) an increase in payroll payables to rising number of employees.

Our non-current other payables and accruals remained unchanged at RMB5.9 million as of December 31, 2023 and 2024, and further increased to RMB10.4 million as of September 30, 2025, mainly attributable to the progress of our manufacturing bases under construction and equipment and facilities to be in place for these manufacturing bases.

FINANCIAL INFORMATION

Contract Liabilities

The table below sets forth the breakdown of our contract liabilities as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Contract liabilities			
– sales rebate	219,040	227,306	302,439
– advances received on sales of goods	71,301	67,385	205,663
Total	<u>290,341</u>	<u>294,691</u>	<u>508,102</u>

Our contract liabilities include sales rebate and advances received on sales of goods. Our contract liabilities increased from RMB290.3 million as of December 31, 2023 to RMB294.7 million as of December 31, 2024. Our contract liabilities increased from RMB294.7 million as of December 31, 2024 to RMB508.1 million as of September 30, 2025, mainly due to a sharp increase in sales rebate and advances from customers on sales of goods during the peak season.

As of November 30, 2025, RMB160.1 million, or 73.9%, of our contract liabilities as of September 30, 2025 had been recognized as revenue subsequently.

Interest-Bearing Bank Borrowings

Our current interest-bearing bank borrowings decreased from RMB376.6 million as of December 31, 2023 to RMB211.4 million as of December 31, 2024, primarily because we repaid partial bank borrowings. Our current interest-bearing bank borrowings increased from RMB211.4 million as of December 31, 2024 to RMB249.6 million as of September 30, 2025, to facilitate our business expansion.

Our non-current interest-bearing bank borrowings decreased from RMB623.8 million as of December 31, 2023 to RMB508.0 million as of December 31, 2024, and further decreased to RMB408.0 million as of September 30, 2025, primarily because we paid off partial bank borrowings.

As of November 30, 2025, we had unutilized committed banking facilities of RMB788.8 million.

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Lease Liabilities

The following table sets forth a summary of our lease liabilities as of the dates indicated:

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current	17,382	29,595	25,079	22,669
Non-current	30,682	36,846	35,089	31,666
Total	48,064	66,441	60,168	54,335

During the Track Record Period, we entered into leases with third parties primarily for our warehouses and plants. Our current and non-current lease liabilities amounted to RMB48.1 million, RMB66.4 million, RMB60.2 million and RMB54.3 million as of December 31, 2023 and 2024, September 30, 2023 and November 30, 2025, respectively. Our current lease liabilities increased from RMB17.4 million as of December 31, 2023 to RMB29.6 million as of December 31, 2024, primarily due to newly-rented warehouses and plants. Our current lease liabilities decreased from RMB29.6 million as of December 31, 2024 to RMB25.1 million as of September 30, 2025, mainly due to rental payment.

Our non-current lease liabilities increased from RMB30.7 million as of December 31, 2023 to RMB36.8 million as of December 31, 2024, primarily due to newly-rented warehouses and plants. Our non-current lease liabilities remained relatively stable at RMB36.8 million and RMB35.1 million as of December 31, 2024 and September 30, 2025, respectively.

Deferred Income

Our current and non-current deferred income represented the government grants received from the local governments. Our current deferred income amounted to RMB1.2 million, RMB1.5 million and RMB1.8 million as of December 31, 2024 and 2025 and September 30, 2025, respectively. Our non-current deferred income experienced a significant increase during the Track Record Period, amounting to RMB28.1 million, RMB42.8 million and RMB85.1 million as of December 31, 2024 and 2025 and September 30, 2025, respectively. Such increases were primarily due to the increase in land subsidies granted by the local governments to our subsidiaries.

Provision

We recognized a provision of RMB18.9 million in 2023 for a litigation case in anticipation of remedies to counterpart. One of our subsidiaries entered into an agreement with Wanda Dian Smart Technology (Kunshan) Co., Ltd. (“**Wanda Dian**”) in 2023 and we

FINANCIAL INFORMATION

subsequently canceled the order set in the agreement. Wanda Dian filed a suit against us on the basis of breach of contractual obligations. The case was heard and adjudicated by the relevant court, which was settled in 2024.

INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current				
Interest-bearing bank				
borrowings	376,577	211,414	249,607	219,607
Lease liabilities	17,382	29,595	25,079	22,669
Non-current				
Interest-bearing bank				
borrowings	623,814	507,964	408,011	538,011
Lease liabilities	30,682	36,846	35,089	31,666
Total	<u>1,048,455</u>	<u>785,819</u>	<u>717,786</u>	<u>811,953</u>

Interest-bearing Bank Borrowings

For details of interest-bearing bank borrowings during the Track Record Period, please see “— Working Capital — Interest-bearing Bank Borrowings.”

Our current interest-bearing bank borrowings decreased from RMB249.6 million as of September 30, 2025 to RMB219.6 million as of November 30, 2025. Our non-current interest-bearing bank borrowings increased from RMB408.0 million as of September 30, 2025 to RMB538.0 million as of November 30, 2025.

Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that there has not been any material default on our part in the payment of such bank borrowings, or breaches of covenants during the Track Record Period and up to the date of this document.

Lease Liabilities

For details of lease liabilities during the Track Record Period, please see “— Working Capital — Lease Liabilities.”

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Our current lease liabilities decreased from RMB25.1 million as of September 30, 2025 to RMB22.7 million as of November 30, 2025. Our non-current lease liabilities decreased RMB35.1 million as of September 30, 2025 to RMB31.7 million November 30, 2025.

No Other Outstanding Indebtedness

Save as disclosed above as of December 31, 2023, 2024, September 30 and November 30, 2025, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of November 30, 2025, being our indebtedness statement date. Our Directors confirm that there has not been any material change in our indebtedness since November 30, 2025, being the latest practicable date for the purpose of the indebtedness statement, and up to the Latest Practicable Date.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details, please see Note 35 to the Accountant’s Report in Appendix I to this document. During the Track Record Period, substantially all of our balances with related parties were trade in nature. The balances with related parties that were non-trade in nature had been settled as of the Latest Practicable Date. Our Directors believe that these transactions were conducted in the ordinary and usual course of business, and did not distort our results of operations or make our historical results unreflective of our future performance.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

Capital Expenditures

Our capital expenditures are primarily used for property, plant and equipment, intangible assets and land use rights. Our capital expenditures (being purchases of property, plant and equipment, intangible assets and land use rights as reflected in our consolidated cash statements) amounted to RMB528.6 million, RMB432.7 million, RMB235.8 million and RMB568.3 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025 respectively.

We plan to fund these capital expenditures with cash generated from operations, bank borrowings, and the net [REDACTED] from the [REDACTED]. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, operating results, and financial condition.

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Capital Commitments

We had capital commitments of RMB111.9 million, RMB474.2 million and RMB233.3 million as of December 31, 2023 and 2024 and September 30, 2025, respectively, which was primarily in relation to construction in progress and acquisition of equipment and facilities.

CONTINGENT LIABILITIES

As of December 31, 2024, 2025 and September 30, 2025, we did not have any contingent liabilities.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates indicated:

	As of/Year Ended December 31,		As of/Nine Months Ended September 30,
	2023	2024	2025
Return on equity ⁽¹⁾ (%)	61.2	69.4	61.1
Return on assets ⁽²⁾ (%)	3.6	4.8	6.3
Current ratio ⁽³⁾ (times)	0.7	0.7	0.8
Quick ratio ⁽⁴⁾ (times)	0.7	0.7	0.8
Gearing ratio ⁽⁵⁾ (%)	239.4	85.1	40.6

Notes:

- (1) Return on equity equals profit for the year/period divided by the average balance of total equity at the beginning and the end of that year/period and multiplied by 100%.
- (2) Return on assets equals profit for the year/period divided by the average balance of total assets at the beginning and the end of that year/period and multiplied by 100%.
- (3) Current ratio equals current assets divided by current liabilities as of the same date.
- (4) Quick ratio equals current assets less inventories and divided by current liabilities as of the same date.
- (5) Gearing ratio equals total debt, comprising borrowings and lease liabilities, divided by total equity as of the same date and multiplied by 100%.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. For more details, please see Note 38 to the Accountants’ Report in Appendix I to this document.

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DIVIDEND

No dividend was declared or paid by the Company during the Track Record Period.

Pursuant to our Articles of Association, our Board may propose to declare dividends by cash and/or by stock in the future after taking into account our profitability, capital needs and plans on shareholder returns. We may declare cash dividends provided that, among others, our distributable profits of the relevant fiscal year and our accumulated distributable profits are positive, and that we do not have significant investment plans or cash expenditures as defined in our Articles of Association. Our Board shall also propose customized cash dividend policies based on the industry characteristic, business model, the development stage of our businesses, profitability and capital expenditure plans upon meeting conditions per required PRC laws. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED].

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] million (HK\$[REDACTED]) (including [REDACTED] commission), at the [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of our indicative [REDACTED] for the [REDACTED]), and assuming the [REDACTED] Option is not exercised, among which (i) [REDACTED]-related expenses, including [REDACTED] and other expenses are approximately RMB[REDACTED] (HK\$[REDACTED]) and (ii) non-[REDACTED]-related expenses are approximately RMB[REDACTED] (HK\$[REDACTED]), comprising (a) fees and expenses of legal advisors and accountants of approximately RMB[REDACTED] (HK\$[REDACTED]) and (b) other fees and expenses of approximately RMB[REDACTED] (HK\$[REDACTED]). As of September 30, 2025, we incurred a total of RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED], among which RMB[REDACTED] (HK\$[REDACTED]) were recognized in our statement of profit or loss, and RMB[REDACTED] (HK\$[REDACTED]) were capitalized.

We estimate that additional [REDACTED] of approximately RMB[REDACTED] (HK\$[REDACTED]) (including [REDACTED] of approximately RMB [REDACTED] (HK\$[REDACTED])), assuming the [REDACTED] Option is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of our indicative [REDACTED] for the [REDACTED])) will be incurred by our Company, approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be charged to our statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be capitalized. Our [REDACTED] as a percentage of gross [REDACTED] is [REDACTED]%, assuming an [REDACTED] of

FINANCIAL INFORMATION

HK\$[REDACTED] per Share (being the [REDACTED] of our indicative [REDACTED] for the [REDACTED]) and that the [REDACTED] Option is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we had distributable reserves of RMB1,562.8 million.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support for us. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

UNAUDITED [REDACTED] FINANCIAL INFORMATION

For more details, please see “Appendix II — Unaudited [REDACTED] Financial Information” to this document.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or [REDACTED], indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since September 30, 2025, being the end of the Track Record Period, and there is no event since September 30, 2025, which would materially affect the information shown in the Accountant’s Report, the contents of which are set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, there were no circumstances which, had they been required to comply with Rules 13.13 to 13.19 of the Listing Rules, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For more details about our future plans, please see “Business — Strategy.”

[REDACTED]

We estimate the net [REDACTED] from the [REDACTED] which we will receive, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of [REDACTED] stated in the document), will be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), after deduction of [REDACTED] fees, commissions and estimated expenses payable by us in relation to the [REDACTED], and assuming the [REDACTED] Option is not excised.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes and in the approximate amounts set forth below:

- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for strengthening our production capabilities, mainly involving the construction and expansion of our manufacturing bases and the purchase and installation of related equipment and facilities. In particular:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the construction and expansion of our manufacturing bases, among which:
 - approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the construction of the Vietnam Base for the production of electric two-wheeled vehicles. We expect the construction of this base to be completed by the first half of 2027, with an annual production capacity of approximately 0.9 million units;
 - approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the construction of the Huizhou Tricycle Base (Phase III) for the production of electric tricycles. We expect the construction of this base to be completed by the second half of 2027, with an annual production capacity of approximately 0.5 million units;
 - approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the construction of the Chongqing Base (Phase II) for the production of electric two-wheeled vehicles. We expect the construction of this base to be completed by the first half of 2027, with an annual production capacity of approximately 2.0 million units;
 - approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the construction of the Guigang Base (Phase II) for the production of electric two-wheeled vehicles. We expect the construction of this base to be completed by the end of 2027, with an annual production capacity of approximately 0.5 million units of; and

FUTURE PLANS AND [REDACTED]

- (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the purchase and installation of manufacturing equipment and facilities for capacity expansion at our manufacturing bases. In particular, we plan to procure and install equipment for our Vietnam Base, the Huizhou Tricycle Base (Phase III), the Chongqing Base (Phase II) and the Guigang Base (Phase II). Such equipment and facilities will mainly comprise production line equipment, including finished goods inbound and outbound handling systems, frame hanging lines, electrophoretic coating lines and final assembly lines.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for the enhancement of our [sales and distribution network]. In particular:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the expanding our sales network. Among which, (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expanding the retail outlets of our existing distributors. Over the next five years, we plan to utilize this portion of the [REDACTED] to open more than [REDACTED] new retail outlets operated by our existing distributors; and (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expanding new distributors and retail outlets. Over the next five years, we plan to utilize this portion of the [REDACTED] to open more than 500 new retail outlets operated by newly appointed distributors.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the upgrading and renovation of existing retail outlets. Such upgrading will primarily include the upgrading the layouts, visual presentation and overall image of them;
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the recruitment of sales personnel and the enhancement and optimization of our sales team.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for our R&D activities and upgrades to our product matrix. In particular:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for upgrading and enriching our current product matrix. In particular, we intend to carry out iterative upgrades to our classic product series, namely the Laser Armor Series (火眼機甲系列) and the Urban Leisure Series (都市漫騎系列), through, among others, the adoption of new styling and profile designs, the introduction of new materials and the development of new functional features. We aim to maintain our market competitiveness and appeal among consumers to support our continued sales growth.

FUTURE PLANS AND [REDACTED]

- (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the development of new vehicle models. We plan to conduct user demand research and, based on the findings thereof, develop new models through enhancements to product exterior design and structural design, speed and power performance, riding dynamics and operational safety. Such development is expected to include, among others, high-speed electric motorcycle to broaden our product application scenarios and expanding our consumer base.
- (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for advancing technologies. In particular, (i) we plan to develop long-range technologies through optimization of battery design to extend battery durability, development of motor technologies and research into fast-charging technologies, to continuously improve product performance and reinforce our strategic brand positioning; (ii) we plan to further enhance our Tai-Link intelligent management system to improve integration between our products and related technologies; and (iii) we plan to upgrade our “TAILG” mobile application to enhance functionality and user convenience.
- (iv) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the recruitment of R&D professionals and enhancement of our R&D capabilities. In particular, (i) we expect to recruit R&D professionals specializing in digital and intelligent technologies, mechanical and structural design and electrical engineering; and (ii) we intend to enhance the office environment and related hardware and software for our R&D personnel, including the procurement of office computers and the renovation of manufacturing and office facilities.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for branding and marketing activities to enhance our brand awareness. In particular we intend to engage brand ambassadors with broad public recognition and a positive public image to enhance brand awareness and consumer confidence in our brand. We also plan to carry out brand promotion through a combination of online and offline channels, including advertising placements on digital media platforms, e-commerce platform and offline advertising activities. In addition, we will continue to implement traditional marketing and public relations initiatives, including participation in industry exhibitions, event-based promotional activities, brand promotion events and content communications.
- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for digitalization initiatives. To this end, (i) we plan to procure software, systems and related hardware equipment for our digitalization efforts, including data management, supply chain management and enterprise resource management systems, as well as relevant infrastructure to support data center construction, 5G-enabled smart manufacturing environments and intelligent manufacturing. Such investments are intended to improve production operations, management and

FUTURE PLANS AND [REDACTED]

marketing efficiency, and to support data-driven decision-making, artificial intelligence-related applications and the digitalization of manufacturing processes; and (ii) we also plan to recruit professional personnel with backgrounds in information technology (IT) and digital technologies, primarily including roles in software development, algorithm engineering, data analysis and project management, to support the implementation of these digitalization initiatives.

- approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the [REDACTED] of the estimated [REDACTED] range or that the [REDACTED] Option is exercised.

If the [REDACTED] is fixed at HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] range stated in this Document), and assuming the [REDACTED] Option is not exercised, we estimate that the net [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million, after deduction of [REDACTED] fees, commissions, and estimated expenses payable by us in connection with the [REDACTED].

If the [REDACTED] is fixed at HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] range stated in this Document), and assuming the [REDACTED] Option is not exercised, we estimate that the net [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million, after deduction of [REDACTED] fees, commissions, and estimated expenses payable by us in connection with the [REDACTED].

If the [REDACTED] Option is exercised in full, the net [REDACTED] that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED]). In the event that the [REDACTED] Option is exercised in full, we intend to apply the additional net [REDACTED] to the above purposes in the proportions stated above.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions. We will make an appropriate announcement if there is any change to the above proposed [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

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APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report received from our Company’s reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TAILG TECHNOLOGY CO., LTD., CITIC SECURITIES (HONG KONG) LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of TAILG Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [●] to [●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 2023 and 2024 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023 and 2024 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* 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

ACCOUNTANTS’ 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 accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at December 31, 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the nine months ended September 30, 2024 and 2025, the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2025 and other explanatory information (the “Interim Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. 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 Hong Kong 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

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express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods and the nine months ended September 30, 2025.

[●]

Certified Public Accountants

Hong Kong

[Date]

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I. HISTORICAL FINANCIAL INFORMATION AND THE UNAUDITED INTERIM FINANCIAL INFORMATION

Preparation of Historical Financial Information and the unaudited Interim Financial Information

Set out below is the Historical Financial Information and the unaudited Interim Financial Information which form an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”). The unaudited Interim Financial Information in this report was prepared based on management accounts of the Group for the nine months ended September 30, 2024 and 2025.

The Historical Financial Information and the unaudited Interim Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	<i>(unaudited)</i>
REVENUE	5	11,880,101	13,600,367	10,706,625	14,840,212
Cost of sales		(10,535,320)	(11,838,632)	(9,375,453)	(12,676,732)
Gross profit		1,344,781	1,761,735	1,331,172	2,163,480
Other income and gains	5	123,896	185,619	120,222	144,218
Selling and distribution expenses		(564,047)	(686,694)	(492,590)	(669,837)
Administrative expenses		(220,315)	(305,614)	(213,990)	(264,208)
Research and development expenses		(254,468)	(294,754)	(231,075)	(275,495)
Other expenses	7	(9,859)	(11,350)	(8,747)	(17,529)
(Impairment)/reversal of impairment on financial assets, net		(17,431)	216	(661)	(1,316)
Finance costs	8	(41,267)	(42,454)	(32,245)	(19,424)
PROFIT BEFORE TAX	6	361,290	606,704	472,086	1,059,889
Income tax expense	11	(74,832)	(134,324)	(102,072)	(237,187)
PROFIT FOR THE YEAR/PERIOD		<u>286,458</u>	<u>472,380</u>	<u>370,014</u>	<u>822,702</u>
OTHER COMPREHENSIVE INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(468)	(307)	43	862
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX		<u>(468)</u>	<u>(307)</u>	<u>43</u>	<u>862</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>285,990</u>	<u>472,073</u>	<u>370,057</u>	<u>823,564</u>

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	<i>Notes</i>	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Profit attributable to:					
Owners of the parent		286,458	472,380	370,014	822,719
Non-controlling interests . .		<u>—</u>	<u>—</u>	<u>—</u>	<u>(17)</u>
		<u>286,458</u>	<u>472,380</u>	<u>370,014</u>	<u>822,702</u>
Total comprehensive income attributable to:					
Owners of the parent		285,990	472,073	370,057	823,581
Non-controlling interests . .		<u>—</u>	<u>—</u>	<u>—</u>	<u>(17)</u>
		<u>285,990</u>	<u>472,073</u>	<u>370,057</u>	<u>823,564</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic:					
For profit for the year/period (RMB)	13	<u>1.47</u>	<u>2.43</u>	<u>1.90</u>	<u>4.10</u>
Diluted:					
For profit for the year/period (RMB)	13	<u>1.47</u>	<u>2.42</u>	<u>1.90</u>	<u>4.10</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		As at September 30,
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	14	1,287,424	1,522,811	1,962,781
Investment properties	15	43,083	63,861	61,168
Right-of-use assets	16	330,957	563,355	551,477
Intangible assets	17	4,100	12,467	18,176
Prepayments, other receivables and other assets	18	592,124	513,896	606,486
Pledged deposits	22	812,094	1,166,191	1,076,903
Time deposits	22	160,857	152,166	164,635
Deferred tax assets	23	78,335	93,158	69,197
Total non-current assets		<u>3,308,974</u>	<u>4,087,905</u>	<u>4,510,823</u>
CURRENT ASSETS				
Inventories	19	477,007	429,363	298,025
Trade and bills receivables	20	165,768	169,775	275,052
Prepayments, other receivables and other assets	18	252,261	145,675	157,317
Prepaid income tax		2,975	23,381	36,589
Financial assets at fair value through profit or loss (“FVTPL”)	21	299,653	665,203	4,563,765
Pledged deposits and restricted cash	22	2,985,003	4,248,692	3,888,430
Time deposits	22	50,142	43,534	10,136
Cash and bank balances	22	<u>1,079,697</u>	<u>1,229,191</u>	<u>1,339,240</u>
Total current assets		<u>5,312,506</u>	<u>6,954,814</u>	<u>10,568,554</u>
CURRENT LIABILITIES				
Trade and bills payables	24	6,310,199	8,252,183	10,828,009
Other payables and accruals	25	370,409	538,473	894,968
Contract liabilities	26	290,341	294,691	508,102
Interest-bearing bank borrowings	27	376,577	211,414	249,607
Lease liabilities	16	17,382	29,595	25,079
Deferred income	28	1,159	1,489	1,763
Income tax payable		9,545	66,968	107,521
Provision		<u>18,859</u>	<u>—</u>	<u>—</u>
Total current liabilities		<u>7,394,471</u>	<u>9,394,813</u>	<u>12,615,049</u>
NET CURRENT LIABILITIES		<u>(2,081,965)</u>	<u>(2,439,999)</u>	<u>(2,046,495)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>1,227,009</u>	<u>1,647,906</u>	<u>2,464,328</u>

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		As at December 31,		As at September 30,
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings . . .	27	623,814	507,964	408,011
Lease liabilities	16	30,682	36,846	35,089
Deferred tax liabilities	23	100,487	130,989	158,223
Other payables and accruals	25	5,900	5,900	10,370
Deferred income	28	28,140	42,837	85,118
Total non-current liabilities		789,023	724,536	696,811
Net assets		437,986	923,370	1,767,517
EQUITY				
Equity attributable to owners of the parent				
Share capital	29	185,000	194,341	200,754
Reserves	30	252,986	729,029	1,562,780
		437,986	923,370	1,763,534
Non-controlling Interest		—	—	3,983
Total equity		437,986	923,370	1,767,517

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2023

	Attributable to owners of the parent				Total equity
	Share capital	Merger reserve*	Exchange fluctuation reserve*	(Accumulated losses)/ retained profits*	
	<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023	185,000	391,852	114	(55,191)	521,775
Profit for the year	—	—	—	286,458	286,458
Other comprehensive loss for the year:					
Exchange differences on translation of foreign operations	—	—	(468)	—	(468)
Total comprehensive income for the year	—	—	(468)	286,458	285,990
Business combination under common control, net	—	(362,166)	—	—	(362,166)
Dividend paid by a subsidiary of the Company <i>(note 12)</i>	—	—	—	(7,613)	(7,613)
At December 31, 2023	<u>185,000</u>	<u>29,686</u>	<u>(354)</u>	<u>223,654</u>	<u>437,986</u>

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ACCOUNTANTS’ REPORT

Year ended December 31, 2024

	Attributable to owners of the parent						
	Share capital	Merger reserve*	Share- based payment reserve*	Reserve funds*	Exchange fluctuation reserve*	Retained profits*	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(note 29)</i>	<i>(note 30)</i>	<i>(note 31)</i>	<i>(note 30)</i>	<i>(note 30)</i>		
At January 1, 2024 . . .	185,000	29,686	–	–	(354)	223,654	437,986
Profit for the year	–	–	–	–	–	472,380	472,380
Other comprehensive loss for the year: Exchange differences on translation of foreign operations .	–	–	–	–	(307)	–	(307)
Total comprehensive income for the year .	–	–	–	–	(307)	472,380	472,073
Business combination under common control	9,341	(9,341)	–	–	–	–	–
Transfer from retained profits	–	–	–	8,720	–	(8,720)	–
Equity-settled share- based payment	–	–	13,311	–	–	–	13,311
At December 31, 2024 .	<u>194,341</u>	<u>20,345</u>	<u>13,311</u>	<u>8,720</u>	<u>(661)</u>	<u>687,314</u>	<u>923,370</u>

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ACCOUNTANTS’ REPORT

Nine months ended September 30, 2025 (unaudited)

	Attributable to owners of the parent									
	Share capital	Share premium*	Merger reserve*	Share-based payment reserve*	Reserve funds*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 29)	(note 30)	(note 30)	(note 31)	(note 30)	(note 30)				
At January 1, 2025	194,341	–	20,345	13,311	8,720	(661)	687,314	923,370	–	923,370
Profit for the period (unaudited).	–	–	–	–	–	–	822,719	822,719	(17)	822,702
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	862	–	862	–	862
Total comprehensive income for the period (unaudited).	–	–	–	–	–	862	822,719	823,581	(17)	823,564
Capital contribution from non-controlling interests (unaudited).	–	–	–	–	–	–	–	–	4,000	4,000
Issue of shares (unaudited).	6,413	187	–	–	–	–	–	6,600	–	6,600
Equity-settled share-based payment (unaudited).	–	–	–	9,983	–	–	–	9,983	–	9,983
At September 30, 2025 (unaudited)	200,754	187	20,345	23,294	8,720	201	1,510,033	1,763,534	3,983	1,767,517

* These reserve amounts comprise the consolidated reserves of RMB252,986,000, RMB729,029,000 and RMB1,562,780,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025, respectively, in the consolidated statements of financial position.

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ACCOUNTANTS’ REPORT

Nine months ended September 30, 2024 (unaudited)

	Attributable to owners of the parent					
	Share capital	Merger reserve	Share- based payments reserve	Exchange fluctuation reserve	Retained profits	Total equity
	<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i> <i>(note 31)</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024 . . .	185,000	29,686	—	(354)	223,654	437,986
Profit for the period (unaudited)	—	—	—	—	370,014	370,014
Other comprehensive income for the period: Exchange differences on translation of foreign operations (unaudited).	—	—	—	43	—	43
Total comprehensive income for the period (unaudited) . .	—	—	—	43	370,014	370,057
Equity-settled share- based payment (unaudited)	—	—	9,983	—	—	9,983
At September 30, 2024 (unaudited)	<u>185,000</u>	<u>29,686</u>	<u>9,983</u>	<u>(311)</u>	<u>593,668</u>	<u>818,026</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,		Nine months ended September 30,	
	Notes	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
CASH FLOWS FROM					
OPERATING					
ACTIVITIES					
Profit before tax		361,290	606,704	472,086	1,059,889
Adjustments for:					
Finance costs	8	41,267	42,454	32,245	19,424
Interest income	5	(84,700)	(98,072)	(70,540)	(63,742)
Investment income	5	(16,940)	(29,985)	(17,143)	(32,730)
Loss on disposal of property, plant and equipment	7	814	3,548	3,197	7,696
Impairment/(write-back of impairment) on inventories, net	6	10,869	4,342	3,145	(939)
Impairment/(reversal of impairment) on financial assets, net	6	17,431	(216)	661	1,316
Depreciation of property, plant and equipment	14	71,892	150,939	124,271	152,891
Depreciation of investment properties	15	1,784	2,015	1,511	2,693
Depreciation of right-of-use assets	16	19,517	39,719	28,835	33,873
Amortisation of intangible assets	17	662	3,380	2,537	3,386
Equity-settled share-based payment	31	–	13,311	9,983	9,983
Lease modification and termination	16	(5)	(123)	(123)	(100)
Fair value gains on financial assets at FVTPL	5	(1,821)	(3,889)	(4,987)	(10,915)
Government grant recognised from deferred income	5	(1,159)	(1,186)	(869)	(1,446)
Exchange (gains)/losses, net	5, 7	(2,682)	(4,532)	(28)	4,403
		418,219	728,409	584,781	1,185,682

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	<i>Notes</i>	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
(Increase)/decrease in prepayments, other receivables and other assets		(503,160)	(12,590)	(2,681)	(117,144)
(Increase)/decrease in inventories		(118,353)	43,302	20,530	132,277
Increase in trade and bills receivables		(98,440)	(3,733)	(7,671)	(106,074)
(Increase)/decrease in pledged deposits and restricted cash		(379,572)	(1,617,786)	(428,738)	449,550
Decrease in amounts due from related parties		280,083	—	—	—
Increase in trade and bills payables		1,237,316	1,941,041	1,984,313	2,575,826
Increase in other payables and accruals		92,026	236,082	308,712	349,660
Increase in contract liabilities		107,111	4,350	212,432	213,411
Decrease in provision		(2,120)	(18,859)	(18,859)	—
Decrease in amounts due to related parties		(255,846)	—	—	—
Cash flows generated from operating activities		777,264	1,300,216	2,652,819	4,683,188
Income tax paid		(38,020)	(56,219)	(36,525)	(150,814)
Interest received		61,131	45,790	32,793	29,966
Net cash flows generated from operating activities . . .		800,375	1,289,787	2,649,087	4,562,340
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipt of government grants for property, plant and equipment and land use right		—	16,213	—	44,001
Acquisition of a subsidiary . .	32(d)	—	(67,751)	—	—
Purchases of items of property, plant and equipment		(316,677)	(406,695)	(210,795)	(559,211)

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ACCOUNTANTS’ REPORT

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
<i>Notes</i>				
Proceeds from disposal of items of property, plant and equipment	30,681	10,439	3,593	3,198
Purchases of land use rights . .	(207,842)	(14,280)	(14,280)	–
Purchases of intangible assets	(4,086)	(11,747)	(10,747)	(9,095)
Placement of time deposits maturing beyond one year . .	(160,857)	(260,000)	(260,000)	(143,000)
Maturity of time deposits maturing beyond one year . .	–	268,691	100,191	130,531
Placement of time deposits with original maturity of more than three months . . .	(50,142)	(1,482,944)	(1,349,546)	(40,000)
Maturity of time deposits with original maturity of more than three months	–	1,489,552	1,077,848	73,398
Purchases of financial assets at FVTPL	(18,304,428)	(10,518,970)	(8,607,835)	(18,275,363)
Redemption of financial assets at FVTPL	18,408,704	10,187,294	7,183,181	14,420,446
Net cash flows used in investing activities	(604,647)	(790,198)	(2,088,390)	(4,355,095)
CASH FLOWS FROM FINANCING ACTIVITIES				
Consideration paid for business combination under common control, net	(362,166)	–	–	–
Capital contribution from non- controlling interests	–	–	–	4,000
Proceeds from issue of shares	–	–	–	6,600
[REDACTED] paid	–	–	–	(996)
New interest-bearing bank borrowings	557,200	275,560	275,559	144,991
Repayment interest-bearing bank borrowings	(249,696)	(556,573)	(270,231)	(206,751)

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	<i>Notes</i>	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Interest paid for interest-					
bearing bank borrowings . .		(39,965)	(39,219)	(29,992)	(17,411)
Decrease in amounts due from					
related parties		332,760	—	—	—
Interest paid for leases		(1,302)	(3,235)	(2,253)	(2,013)
Principle portion of lease					
payments		(15,380)	(25,496)	(20,449)	(28,182)
Dividends paid by a					
subsidiary of the Company	12	(7,613)	—	—	—
Net cash flows generated					
from/(used in) financing					
activities		<u>213,838</u>	<u>(348,963)</u>	<u>(47,366)</u>	<u>(99,762)</u>
NET INCREASE IN CASH					
AND CASH					
EQUIVALENTS		409,566	150,626	513,331	107,483
Cash and cash equivalents at					
beginning of year/period . .		671,269	1,079,697	1,079,697	1,229,191
Effect of foreign exchange					
rate changes, net		<u>(1,138)</u>	<u>(1,132)</u>	<u>(795)</u>	<u>2,566</u>
CASH AND CASH					
EQUIVALENTS AT END					
OF YEAR/PERIOD		<u>1,079,697</u>	<u>1,229,191</u>	<u>1,592,233</u>	<u>1,339,240</u>
ANALYSIS OF BALANCES					
OF CASH AND CASH					
EQUIVALENTS					
Cash and bank balances as					
stated in the consolidated					
statements of financial					
position		<u>1,079,697</u>	<u>1,229,191</u>	<u>1,592,233</u>	<u>1,339,240</u>

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STATEMENTS OF FINANCIAL POSITION

		As at December 31,		As at September 30,
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)
NON-CURRENT ASSETS				
Investments in subsidiaries	1	397,806	785,196	790,196
Property, plant and equipment	14	376,270	423,296	452,542
Right-of-use assets	16	33,821	61,297	56,767
Intangible assets	17	2,388	11,089	17,137
Prepayments, other receivables and other assets	18	302	3,859	201
Pledged deposits	22	–	51,763	89,470
Deferred tax assets	23	3,039	14,474	25,899
Total non-current assets		813,626	1,350,974	1,432,212
CURRENT ASSETS				
Inventories	19	199,695	147,511	67,351
Trade and bills receivables	20	26,814	128,000	179,688
Prepayments, other receivables and other assets	18	12,215	8,604	31,349
Amounts due from subsidiaries	35(c)	997,555	279,691	895,390
Financial assets at FVTPL	21	–	30,008	879,859
Pledged deposits and restricted cash . . .	22	305,727	1,181,748	550,954
Cash and bank balances	22	219,558	121,184	238,635
Total current assets		1,761,564	1,896,746	2,843,226
CURRENT LIABILITIES				
Trade and bills payables	24	1,239,245	2,436,851	3,072,738
Other payables and accruals	25	95,759	117,187	215,204
Contract liabilities	26	584,443	4,392	21,188
Lease liabilities	16	–	15,835	19,192
Interest-bearing bank borrowings	27	149,840	169,744	179,606
Income tax payable		–	12,345	51,230
Amounts due to subsidiaries	35(c)	181,756	7,315	43,394
Total current liabilities		2,251,043	2,763,669	3,602,552
NET CURRENT LIABILITIES		(489,479)	(866,923)	(759,326)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		324,147	484,051	672,886
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	27	199,360	119,616	65,000
Lease liabilities	16	–	16,442	7,946
Total non-current liabilities		199,360	136,058	72,946
Net assets		124,787	347,993	599,940
EQUITY				
Share capital	29	185,000	194,341	200,754
(Deficits)/reserves	30	(60,213)	153,652	399,186
Total equity		124,787	347,993	599,940

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION AND THE INTERIM FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

TAILG Technology Co., Ltd. (the “Company”) was incorporated in Chinese mainland on December 17, 2018 and was converted into a joint stock company with limited liability on December 10, 2021. The registered address of the Company is No. 3-1 and 3-2 Dongsheng Road, Anzhen Subdistrict, Wuxi, Jiangsu Province, the People’s Republic of China (the “PRC”).

The Company and its subsidiaries now comprising the Group underwent the group restructuring (the “Common Control Restructuring”) as set out in paragraph headed “Common Control Restructuring” in the section headed “History, Development and Corporate Structure” in the Document.

During the Relevant Periods and the nine months ended September 30, 2025, the Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and sales of electric bicycles, electric motorcycles, batteries and related accessories.

As at the date of this report, Mr. Sun Muqian, Mr. Yao Li, Mr. Sun Muchu (directly and through his controlled entity) and Mr. Sun Muchai, were able to exercise an aggregate of 89.91% voting rights in the Company through a common control arrangement as set out in paragraph headed “Common Control Arrangement” in the section headed “History, Development and Corporate Structure” in the Document. In the opinion of the directors of the Company, Mr. Sun Muqian, Mr. Yao Li, Mr. Sun Muchu and Mr. Sun Muchai are collectively controlling shareholders of the Company (the “Controlling Shareholders”).

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of major subsidiaries are set out below:

Name	Place and date of incorporation/ registration/ place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tailing Technology (Jiangsu) Co., Ltd.* (“TAILG Jiangsu”) (台鈴科技(江蘇)有限公司) (note (b)) (note (g))	Chinese mainland January 10, 2014	RMB80,000,000	100	–	Manufacture of electric vehicles and accessories
Tailing Electric Technology (Tianjin) Co., Ltd.* (“TAILG Tianjin”) (台鈴電動科技(天津)有限公司) (note (c)) (note (g))	Chinese mainland September 11, 2018	RMB40,000,000	100	–	Manufacture of electric vehicles and accessories
Tailing Technology (Guangdong) Co., Ltd.* (“TAILG Guangdong”) (台鈴科技(廣東)有限公司) (note (c)) (note (g))	Chinese mainland September 27, 2019	RMB200,000,000	100	–	Manufacture of electric vehicles and accessories
Tailing Technology (Chongqing) Co., Ltd.* (“TAILG Chongqing”) (台鈴科技(重慶)有限公司) (note (d)) (note (g))	Chinese mainland November 6, 2020	RMB200,000,000	100	–	Manufacture of electric vehicles and accessories
Tailing Technology (Dongguan) Co., Ltd.* (“TAILG Dongguan”) (台鈴科技(東莞)有限公司) (note (d))	Chinese mainland March 28, 2023	RMB50,000,000	100	–	Manufacture of electric vehicles and accessories
Tailing Technology (Guangxi) Co., Ltd.* (“TAILG Guangxi”) (台鈴科技(廣西)有限公司) (note (c))	Chinese mainland April 28, 2023	RMB30,000,000	100	–	Manufacture of electric vehicles and accessories

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Name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Jiangsu Tailing Sales Co., Ltd.* (“Jiangsu TAILG Sales”) (江蘇台鈴銷售有限公司) (note (d)).	Chinese mainland September 8, 2022	RMB10,000,000	100	–	Sale of electric vehicles and accessories
Wuxi Tailg Technology Trading Co., Ltd.* (“Wuxi TAILG Trading”) (無錫市台鈴科技貿易有限公司) (note (a)) (note (g)).	Chinese mainland May 6, 2020	RMB1,000,000	100	–	Export of electric vehicles and accessories
Dongguan Tailg Trading Co., Ltd.* (“Dongguan TAILG Trading”) (東莞市台鈴貿易有限公司) (note (a)) (note (g)).	Chinese mainland March 9, 2020	RMB1,000,000	100	–	Export of electric vehicles and accessories
Jiangsu Maitaotao Technology Trading Co., Ltd.* (“Jiangsu Maitaotao”) (江蘇麥淘淘科技貿易有限公司) (note (e)) (note (g)).	Chinese mainland September 13, 2021	RMB10,000,000	100	–	Sale of electric vehicles and accessories
Wuxi Tailing Electric Vehicle Technology Co., Ltd.* (“Wuxi TAILG Tech”) (無錫台鈴電動車科技有限公司) (note (a)).	Chinese mainland March 18, 2024	RMB500,000	–	100	Sale of electric vehicles and accessories
Shanghai Tailing Electric Vehicle Sales Co., Ltd.* (“Shanghai TAILG Sales”) (上海台鈴電動車銷售有限公司) (note (a)).	Chinese mainland June 19, 2024	RMB1,000,000	–	100	Sale of electric vehicles and accessories
Tailing Technology (Shenzhen) Co., Ltd.* (“TAILG Shenzhen”) (台鈴科技(深圳)有限公司) (note (a)) (note (g)).	Chinese mainland January 4, 2007	RMB30,000,000	100	–	Sale of electric vehicles and accessories
Chongqing Tailing Electric Vehicle Sales Co., Ltd.* (“Chongqing TAILG Sales”) (重慶台鈴電動車銷售有限公司) (note (a)).	Chinese mainland June 19, 2025	RMB5,000,000	100	–	Sale of electric vehicles and accessories
Shaanxi Tailing Electric Vehicle Sales Co., Ltd.* (“Shaanxi TAILG Sales”) (陝西台鈴電動車銷售有限公司) (note (a)).	Chinese mainland September 2, 2025	RMB5,000,000	100	–	Sale of electric vehicles and accessories
Chongqing Tailing Electric Tricycle Sales Co., Ltd.* (“Chongqing TAILG Tricycle”) (重慶台鈴電動三輪車銷售有限公司) (note (a)).	Chinese mainland July 2, 2025	RMB5,000,000	100	–	Sale of electric vehicles and accessories
Wuhan Tailing Sales Co., Ltd.* (“Wuhan TAILG Sales”) (武漢市台鈴銷售有限公司) (note (a)).	Chinese mainland February 11, 2025	RMB5,000,000	–	100	Sale of electric vehicles and accessories
Lufeng Tailing Technology Co., Ltd.* (“Lufeng TAILG”) (陸豐市台鈴科技有限公司) (note (a)).	Chinese mainland February 27, 2025	RMB10,000,000	–	60	Sale of electric vehicles and accessories
VIETNAM TLG ELECTRIC VEHICLE Co., Ltd. (“Vietnam TLG”) (note (f)).	Vietnam February 5, 2024	USD2,000,000	–	100	Manufacture of electric vehicles and accessories

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The above table lists the subsidiaries of the Company that the directors of the Company believe principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would result in particulars of excessive length.

- (a) No audited financial statements have been prepared, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.
- (b) The statutory financial statements of the entity for the year ended December 31, 2023 prepared in accordance with Accounting Standards for Business Enterprises were audited by Wuxi Liangxi Certified Public Accountants Co., Ltd. (無錫梁溪會計師事務所有限公司), certified public accountants registered in the Chinese mainland. No audited financial statements have been prepared for the year ended December 31, 2024, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.
- (c) The statutory financial statements of the entities for the years ended December 31, 2023 and 2024 prepared in accordance with Accounting Standards for Business Enterprises were audited by ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland.
- (d) The statutory financial statements of the entities for the year ended December 31, 2023 prepared in accordance with Accounting Standards for Business Enterprises were audited by ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland. No audited financial statements have been prepared for the year ended December 31, 2024, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.
- (e) The statutory financial statements of the entity for the year ended December 31, 2023 prepared in accordance with Accounting Standards for Business Enterprises were audited by Wuxi Liangxi Certified Public Accountants Co., Ltd. (無錫梁溪會計師事務所有限公司), certified public accountants registered in the Chinese mainland. The statutory financial statements of the entity for the year ended December 31, 2024 prepared in accordance with Accounting Standards for Business Enterprises were audited by Jiangsu Zheng Zhuo Heng Xin Certified Public Accountants Ltd. (江蘇正卓恒新會計師事務所有限公司), certified public accountants registered in the Chinese mainland.
- (f) The statutory financial statements of the entity for the year ended December 31, 2024 prepared in accordance with Vietnam Accounting Standards were audited by Unistars International Audit Co., Ltd., certified public accountants registered in Vietnam.
- (g) These entities were acquired by the Company through the Common Control Restructuring. TAILG Tianjin and TAILG Chongqing were acquired in 2022, TAILG Guangdong, Wuxi TAILG Trading, Dongguan TAILG Trading, Jiangsu Maitaotao and TAILG Shenzhen were acquired in 2023, and TAILG Jiangsu was acquired in 2024. Accounting policies and details are disclosed in notes 2.1 and 30 to the Historical Financial Information and unaudited Interim Financial Information, respectively.
- * The English names of the companies registered in the Chinese mainland represent the best efforts made by management of the Company to translate the Chinese names of the companies as they do not have official English names.

The investments in subsidiaries in the Company’s statements of financial position represent:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)
Investments in subsidiaries, at cost:	397,806	785,196	790,196

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2.1 BASIS OF PRESENTATION

During the historical development of the Group, certain entities of the Group were held directly and under common unanimous control of the Controlling Shareholders prior to their respective acquisition by the Company. The Controlling Shareholders transferred to the Company 100% equity interests in these common controlled entities through a series of equity transfers during the Common Control Restructuring, which were completed on December 30, 2024.

The companies now comprising the Group were under the common unanimous control of the Controlling Shareholders before and after the Common Control Restructuring. Accordingly, for the purpose of this report, the Historical Financial Information and the unaudited Interim Financial Information has been prepared by applying the principles of merger accounting as if the Common Control Restructuring had been completed at the beginning of the Relevant Periods.

The consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods and the nine months ended September 30, 2025 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholders, where this is a shorter period.

The consolidated statements of financial position of the Group as at December 31, 2023 and 2024 and September 30, 2025 have been prepared to present the assets and liabilities of the subsidiaries and/or businesses using the existing book values from the Controlling Shareholders’ perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Common Control Restructuring.

2.2 BASIS OF PREPARATION

The Historical Financial Information and unaudited Interim Financial Information have been prepared in accordance with HKFRS Accounting Standards, (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information and unaudited Interim Financial Information throughout the Relevant Periods and the nine months ended September 30, 2024 and 2025.

The Historical Financial Information and unaudited Interim Financial Information have been prepared under the historical cost convention, except for certain financial assets at FVTPL, which have been measured at fair value.

The Group and the Company recorded net current liabilities of RMB2,046,495,000 and RMB759,326,000 respectively as at September 30, 2025. The directors of the Company have reviewed the Group’s cash flow projection prepared by management, which covered a period of not less than twelve months from September 30, 2025. In the opinion of the directors of the Company, taking into account (a) the estimated cash inflows from operations; (b) the new ordinary shares and restricted shares issued for a total cash consideration of RMB463,400,000 and RMB40,000,000, respectively, subsequent to September 30, 2025 as detailed in note 39; (c) the available facilities from banks; and (d) the Group’s financial resources on hand, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due for the next twelve months from September 30, 2025. Accordingly, the Historical Financial Information and unaudited Interim Financial Information have been prepared on a going concern basis.

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Basis of consolidation

The Historical Financial Information and unaudited Interim Financial Information include the financial statements of the Group for the years ended December 31, 2023 and 2024, and the nine months ended September 30, 2024 and 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information and the unaudited Interim Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11 . .</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7¹</i>

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- 1 Effective for annual periods beginning on or after January 1, 2026
- 2 Effective for annual periods beginning on or after January 1, 2027
- 3 No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group’s financial statements. The application of HKFRS 18 will have no impact on the consolidated statement of financial position of the Group, but is expected to have impact on the presentation of the consolidated statement of profit or loss and other comprehensive income. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the Group’s consolidated financial performance and financial position in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its structured deposits at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, inventories and deferred tax assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5.00%
Motor vehicles	9.50%-50.00%
Machinery and equipment	9.50%-19.00%
Office equipment and others	19.00%-31.67%
Leasehold improvements	20.00%-33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each of the reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income. Such properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, the Group measures its investment properties at cost less depreciation and any impairment losses. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20 years
Land use rights	50 years

Any gains or losses on the retirement or disposal of an investment properties are recognised in the statement of profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year.

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Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over their estimated useful lives of 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Leases

The Group assesses at contract inception whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2-5 years
Land use rights	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and others that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

For receivables at FVOCI, interest income is recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when the contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost and debt instruments at fair value through other comprehensive income are subject to impairment under the simplified approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables, which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. To measure the expected credit losses, trade and bills receivables have been assessed on individual basis for debtors in severe financial difficulty, or collectively basis by using a provision matrix, estimated based on the financial quality of debtors and historical credit loss experience, adjusted as appropriate to reflect current and forward-looking factors specific to the debtors and economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and bills payables, other payables and accruals, and interest-bearing bank borrowings.

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Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods and the nine months ended September 30, 2025, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sales of goods

Revenue from domestic sales of products is recognised when the Group has delivered products and the customer has accepted the products and signed the delivery note. Generally, advance payments before goods delivery are required.

Revenue from overseas sales of products is recognised when the products have been declared to customs and loaded on board in accordance with the sales contract. The payment is generally due within three months to six months from the revenue recognition date.

The Group provides sales volume rebate to distributors based on the volume sold to such distributors over a certain period, such rebate can only be utilised upon settlement of future purchases from such distributors, and are accounted for as contract liabilities.

Revenues are measured at the amount of consideration the Group expects to receive in exchange for transferring products to the distributors or customers. Consideration is recorded net of sales volume rebate and value-added tax. Consideration payable to a customer not in exchange for distinct goods is accounted for as a reduction of the transaction price, the reduction of revenue is recognised when (or as) the later of the following events occurs:

- (a) the Group recognises revenue for the transfer of the related goods or services to the customer; and
- (b) the Group pays or promises to pay the consideration (including where such promise is implied by the Group’s customary business practices, even if the payment is conditional on a future event).

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

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The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value of services received in return for shares granted was measured by reference to the fair value of shares granted and the subscription price paid by the grantees. The fair value of the shares granted is determined using discounted cash flow method, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the lock-up restricted period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

The employees of the Group’s subsidiaries which operate in Chinese mainland and Vietnam are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Events after the reporting periods

If the Group receives information after the reporting periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting periods, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting periods, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

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Foreign currencies

This Historical Financial Information and the unaudited Interim Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of each reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss. For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year/period are translated into RMB at the average exchange rates for the year/period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information and the unaudited Interim Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB11,999,000, RMB32,354,000 and RMB69,231,000 carried forward at December 31, 2023 and 2024 and September 30, 2025, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are included in note 23 to the Historical Financial Information and the unaudited Interim Financial Information.

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Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 20 to the Historical Financial Information and the unaudited Interim Financial Information.

4. OPERATING SEGMENT INFORMATION

Description of segments and principal activities

For management purposes, the Group is mainly engaged in manufacturing and sales of electric bicycles, electric motorcycles and related accessories in Chinese mainland, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group’s management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

Since over 90% of the Group’s total revenue and net profit were generated in Chinese mainland and over 90% of the Group’s non-current assets were located in Chinese mainland, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group’s total revenue for each of the Relevant Periods and the nine months ended September 30, 2024 and 2025.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Revenue from contracts with customers	11,880,101	13,600,367	10,706,625	14,840,212

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Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Types of goods – recognised at a point in time				
Electric bicycles	6,670,386	7,062,237	5,634,098	8,352,549
Electric motorcycles	2,874,297	3,184,449	2,458,559	2,912,209
Batteries	1,896,274	2,785,894	2,165,252	3,034,082
Others (note (i))	439,144	567,787	448,716	541,372
Total	<u>11,880,101</u>	<u>13,600,367</u>	<u>10,706,625</u>	<u>14,840,212</u>

Note: (i) Others mainly consist of accessories for electric bicycles and electric motorcycles.

The following table shows the amounts of revenue recognised in the Relevant Periods and the nine months ended September 30, 2024 and 2025 that were included in the contract liabilities at the beginning of each reporting period:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the year/period:				
Sales of products	<u>45,178</u>	<u>290,341</u>	<u>290,341</u>	<u>294,691</u>

(ii) Performance obligations

Information about the Group’s performance obligations is summarised below:

Sales of products

Revenue from domestic sales of products is recognised when the Group has delivered products and the customer has accepted the products and signed the delivery note. Generally, advance payments before goods delivery are required.

Revenue from overseas sales of products is recognised when the products have been declared to customs and loaded on board in accordance with the sales contract. The payment is generally due within one year from the revenue recognition date.

The Group’s obligation to transfer products to customers for advance payments received is presented as contract liabilities.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

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Other income and gains

An analysis of other income and gains is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Other income:				
Bank interest income	84,700	98,072	70,540	63,742
Investment income on financial assets at FVTPL	16,940	29,985	17,143	32,730
Government grants (<i>note (i)</i>):				
– Asset related	1,159	1,186	869	1,446
– Income related	5,672	25,530	15,070	21,342
Compensation income (<i>note (ii)</i>) .	67	2,977	501	2,524
Rental income	9,564	15,214	10,548	9,292
Total other income	118,102	172,964	114,671	131,076
Gains:				
Foreign exchange gains, net	2,682	4,532	28	–
Fair value gains on financial assets at FVTPL	1,821	3,889	4,987	10,915
Others	1,291	4,234	536	2,227
Total gains	5,794	12,655	5,551	13,142
Total	123,896	185,619	120,222	144,218

Notes:

- (i) The government grants were mainly incentives provided by local government authorities in Chinese mainland, including various forms of government subsidies, to credit the Group’s support and contribution for the development of local economies. During the Relevant Periods and the nine months ended September 30, 2024 and 2025, there were no unfulfilled conditions or contingencies relating to these government grants.
- (ii) The compensation income mainly represents compensations received from third parties in relation to the settlement of legal claims.

6. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Notes	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Cost of inventories sold (<i>note (i)</i>)		10,535,320	11,838,632	9,375,453	12,676,732
Depreciation of property, plant and equipment	14	71,892	150,939	124,271	152,891
Depreciation of investment properties	15	1,784	2,015	1,511	2,693
Depreciation of right-of-use assets	16	19,517	39,719	28,835	33,873

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	<i>Notes</i>	Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Amortisation of intangible assets	17	662	3,380	2,537	3,386
Lease payments not included in the measurement of lease liabilities	16(c)	2,910	5,432	3,917	5,516
Auditor’s remuneration		846	800	800	900
[REDACTED]		–	–	–	4,675
Interest income	5	(84,700)	(98,072)	(70,540)	(63,742)
Investment income on financial assets at FVTPL	5	(16,940)	(29,985)	(17,143)	(32,730)
Impairment/(write-back of impairment) on inventories, net		10,869	4,342	3,145	(939)
Impairment/(reversal of impairment) on financial assets, net:					
Impairment/(reversal of impairment) on trade and bills receivables, net	20	16,002	(274)	(180)	797
Impairment on financial assets included in prepayments, other receivables and other assets		1,429	58	841	519
		<u>17,431</u>	<u>(216)</u>	<u>661</u>	<u>1,316</u>
Employee benefit expense (excluding directors’ and chief executive’s remuneration):					
Salaries, allowances and benefits in kind		571,243	812,543	595,942	836,739
Pension scheme contributions		24,538	40,700	31,781	42,246
Share-based payment expenses		–	8,471	6,353	6,353
		<u>595,781</u>	<u>861,714</u>	<u>634,076</u>	<u>885,338</u>

Note:

- (i) Cost of inventories sold include staff cost, depreciation and amortisation expenses and impairment allowances of inventories, which are also included in the respective total amounts disclosed separately above.

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7. OTHER EXPENSES

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Loss on disposal of property, plant and equipment	814	3,548	3,197	7,696
Foreign exchange losses, net	–	–	–	4,403
Depreciation of investment properties	1,633	1,862	1,397	2,447
Others (note (i))	7,412	5,940	4,153	2,983
Total	<u>9,859</u>	<u>11,350</u>	<u>8,747</u>	<u>17,529</u>

Note:

(i) Others mainly represent costs incurred for disputes or claims made by third parties against the Company.

8. FINANCE COSTS

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Interest on bank borrowings	39,965	39,219	29,992	17,411
Interest on lease liabilities (note 16(b))	1,302	3,235	2,253	2,013
Total	<u>41,267</u>	<u>42,454</u>	<u>32,245</u>	<u>19,424</u>

9. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Directors’ and chief executive’s remuneration for the Relevant Periods and the nine months ended September 30, 2024 and 2025, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Fees	–	–	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	6,404	11,057	8,275	8,519
Pension scheme contributions	82	193	142	162
Equity-settled share-based payment	–	4,840	3,630	3,630
Total	<u>6,486</u>	<u>16,090</u>	<u>12,047</u>	<u>12,311</u>

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(a) Independent non-executive directors

There were no independent non-executive directors during the Relevant Periods and the nine months ended September 30, 2024 and 2025. Mr. GONG Jun, Ms. CHE Xiaoxin and Mr. LIU Gangjian were appointed as independent non-executive directors of the Company with effect from November 2025.

(b) Executive directors and the chief executive

Year ended December 31, 2023

	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:			
Mr. SUN Muqian (孫木鉗)	957	16	973
Mr. YAO Li (姚立)	958	16	974
Mr. SUN Muchu (孫木楚) (note (i))	1,016	15	1,031
Mr. SUN Muchai (孫木釵)	856	16	872
Mr. CHANG Yao (常耀)	2,617	19	2,636
Total	<u>6,404</u>	<u>82</u>	<u>6,486</u>

Year ended December 31, 2024

	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:				
Mr. SUN Muqian (孫木鉗)	1,950	1	—	1,951
Mr. YAO Li (姚立)	2,004	48	—	2,052
Mr. SUN Muchu (孫木楚) (note (i))	2,004	48	—	2,052
Mr. SUN Muchai (孫木釵)	2,004	48	—	2,052
Mr. CHANG Yao (常耀)	3,095	48	4,840	7,983
Total	<u>11,057</u>	<u>193</u>	<u>4,840</u>	<u>16,090</u>

Nine months ended September 30, 2024 (unaudited)

	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:				
Mr. SUN Muqian (孫木鉗)	1,464	1	—	1,465
Mr. YAO Li (姚立)	1,497	35	—	1,532
Mr. SUN Muchu (孫木楚) (note (i))	1,497	35	—	1,532
Mr. SUN Muchai (孫木釵)	1,497	35	—	1,532
Mr. CHANG Yao (常耀)	2,320	36	3,630	5,986
Total	<u>8,275</u>	<u>142</u>	<u>3,630</u>	<u>12,047</u>

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Nine months ended September 30, 2025 (unaudited)

	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:				
Mr. SUN Muqian (孫木鉗)	1,499	—	—	1,499
Mr. YAO Li (姚立)	1,563	42	—	1,605
Mr. SUN Muchu (孫木楚)				
(note (i))	1,563	42	—	1,605
Mr. SUN Muchai (孫木釵)	1,563	42	—	1,605
Mr. CHANG Yao (常耀)	2,331	36	3,630	5,997
Total	<u>8,519</u>	<u>162</u>	<u>3,630</u>	<u>12,311</u>

Notes:

- (i) Mr. SUN Muchu (孫木楚) also serves as executive president of the Company.
- (ii) Mr. CHEN Jinsong (陳勁松) was appointed as an executive director of the Company with effect from November 18, 2025.

Certain restricted shares were granted to a director in respect of his service to the Group, further details of which are included in the disclosures in note 31 to the Historical Financial Information and unaudited Interim Financial Information. The fair value of such restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the consolidated financial statements for the Relevant Periods and the nine months ended September 30, 2024 and 2025 are included in the above directors’ remuneration disclosures.

There was no arrangement under which directors or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the nine months ended September 30, 2024 and 2025 included two, three, three and three directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining three, two, two and two highest paid employees who are neither directors nor the chief executive of the Company during the Relevant Periods and the nine months ended September 30, 2024 and 2025 are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Salaries, allowances and benefits in kind	5,680	4,799	3,371	3,457
Pension scheme contributions	64	87	62	78
Equity-settled share-based payment	—	8,471	6,353	6,353
Total	<u>5,744</u>	<u>13,357</u>	<u>9,786</u>	<u>9,888</u>

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The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
			(unaudited)	(unaudited)
HK\$1,000,001 to HK\$1,500,000 . . .	1	–	–	–
HK\$2,000,001 to HK\$2,500,000 . . .	1	–	–	–
HK\$2,500,001 to HK\$3,000,000 . . .	1	–	–	–
HK\$5,000,001 to HK\$5,500,000 . . .	–	–	1	1
HK\$5,500,001 to HK\$6,000,000 . . .	–	–	1	1
HK\$6,500,001 to HK\$7,000,000 . . .	–	1	–	–
HK\$7,000,001 to HK\$7,500,000 . . .	–	1	–	–
Total	3	2	2	2
	=	=	=	=

Certain restricted shares were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 31 to the Historical Financial Information and unaudited Interim Financial Information. The fair value of such restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the consolidated financial statements for the Relevant Periods and the nine months ended September 30, 2024 and 2025 are included in the above non-director and non-chief executive highest paid employees’ remuneration disclosures.

11. INCOME TAX

Current income tax

The Group is subject to income tax on an individual entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on January 1, 2008, except for certain subsidiaries of the Group in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

TAILG Chongqing has obtained the qualification as an Encouraged Industrial Enterprise based in the western region of Chinese mainland, with a validity period of ten years from 2021 to 2030, and is entitled to a preferential tax rate of 15% during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

TAILG Guangxi has qualified under the local tax preferential policies applicable to ethnic autonomous regions, with a validity period of five years from 2023 to 2027, and is entitled to a preferential tax rate of 15% during the relevant periods and the nine months ended September 30, 2024 and 2025.

TAILG Shenzhen, Jiangmen Linhaul Technology Co., Ltd., Chaopao Songshan Lake (Dongguan) Technology Co., Ltd., Wuxi TAILG Tech, Shanghai TAILG Sales, Wuxi Lingtao E-commerce Co., Ltd., Rubu Robot (Jiangsu) Co., Ltd., Shaanxi TAILG Sales, Chongqing TAILG Tricycle, Wuhan TAILG Sales, and Lufeng TAILG were recognised as micro and small enterprises (“MSEs”) and were entitled to a 20% preferential income tax rate on their taxable profits during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

The State Taxation Administration of the PRC (“STA”) announced in March 2021 that manufacturing enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses as an additional tax deduction since January 1, 2021. The STA further announced in March 2023 that eligible enterprises would be entitled to claim 200% of their research and development expenses as an additional tax deduction since January 1, 2023. The Group has made its best estimate for the additional tax deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

Vietnam

The subsidiary in Vietnam is subject to income tax at a rate of 20% on the estimated assessable profits.

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Indonesia

The subsidiary in Indonesia is subject to income tax at a rate of 22% on the estimated assessable profits.

The income tax expense of the Group is analysed as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current				
– charge for the year/period	17,661	118,645	91,034	185,992
Deferred (<i>note 23</i>)	57,171	15,679	11,038	51,195
Total	<u>74,832</u>	<u>134,324</u>	<u>102,072</u>	<u>237,187</u>

A reconciliation of the income tax expense applicable to profit before tax using the statutory tax rate of Chinese mainland in which the majority of the Company’s subsidiaries are domiciled to the income tax expense at the effective tax rate is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Profit before tax	361,290	606,704	472,086	1,059,889
Tax calculated at a tax rate of 25% .	90,323	151,676	118,022	264,972
Effect of different tax rates	(258)	(5,590)	(5,950)	(16,679)
Additional deductible allowance for research and development costs . .	(16,341)	(19,334)	(13,319)	(19,830)
Deductible temporary differences and tax losses not recognised . . .	492	3,841	2,244	7,250
Expenses not deductible for tax . . .	1,433	3,731	1,075	1,474
Tax losses utilised from previous years	(817)	–	–	–
Tax charge at the Group’s effective rate	<u>74,832</u>	<u>134,324</u>	<u>102,072</u>	<u>237,187</u>

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at December 31, 2025 in certain jurisdictions in which the Group operates.

The Group is assessing its potential exposure based on the information available regarding the financial performance of the Group in December 2024 and September 2025. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments and evaluate the potential future impact on its financial statements as more countries prepare to enact the Pillar Two model rules.

12. DIVIDENDS

During the year ended December 31, 2023, a dividend of approximately RMB7,613,000 was declared and paid by Wuxi TAILG Trading to the Controlling Shareholders prior to the Common Control Restructuring.

No dividend was declared or paid by the Company during the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025.

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13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods and the nine months ended September 30, 2024 and 2025. For the purpose of calculation of basic earnings per share, the 9,340,681 shares issued in 2024 to the Controlling Shareholders for the acquisition of subsidiary under Common Control Restructuring were deemed as issued on January 1, 2023.

During the year ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, the calculation of the diluted earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the Relevant Periods and the nine months ended September 30, 2024 and 2025, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	(unaudited)
<u>Earnings</u>				
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	286,458	472,380	370,014	822,719

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	'000	'000	'000	'000
			(unaudited)	(unaudited)

<u>Shares</u>				
Weighted average number of ordinary shares outstanding during the years/periods, used in the basic earnings per share calculation	194,341	194,341	194,341	200,754
Effect of weighted average number of dilutive ordinary shares	—	987	740	—
Total	194,341	195,328	195,081	200,754

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14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
December 31, 2023							
At January 1, 2023:							
Cost	921,345	157,675	11,129	3,744	143,639	1,809	1,239,341
Accumulated depreciation	(96,336)	(20,855)	(2,660)	(1,109)	–	(129)	(121,089)
Net carrying amount	<u>825,009</u>	<u>136,820</u>	<u>8,469</u>	<u>2,635</u>	<u>143,639</u>	<u>1,680</u>	<u>1,118,252</u>
At January 1, 2023, net of accumulated							
depreciation	825,009	136,820	8,469	2,635	143,639	1,680	1,118,252
Additions	2,486	20,497	9,766	12,869	231,895	4,036	281,549
Transfers	171,142	168,602	–	–	(339,744)	–	–
Depreciation provided during the year	(27,085)	(34,487)	(4,529)	(4,672)	–	(1,119)	(71,892)
Disposals/write-off	–	(31,110)	(147)	(238)	–	–	(31,495)
Transfer to investment properties (note 15)	(8,990)	–	–	–	–	–	(8,990)
At December 31, 2023, net of accumulated							
depreciation	<u>962,562</u>	<u>260,322</u>	<u>13,559</u>	<u>10,594</u>	<u>35,790</u>	<u>4,597</u>	<u>1,287,424</u>
At December 31, 2023:							
Cost	1,085,983	315,664	20,748	16,375	35,790	5,845	1,480,405
Accumulated depreciation	(123,421)	(55,342)	(7,189)	(5,781)	–	(1,248)	(192,981)
Net carrying amount	<u>962,562</u>	<u>260,322</u>	<u>13,559</u>	<u>10,594</u>	<u>35,790</u>	<u>4,597</u>	<u>1,287,424</u>

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	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Motor vehicles</u>	<u>Office equipment and others</u>	<u>Construction in progress</u>	<u>Leasehold improvements</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2024							
At January 1, 2024:							
Cost	1,085,983	315,664	20,748	16,375	35,790	5,845	1,480,405
Accumulated depreciation	(123,421)	(55,342)	(7,189)	(5,781)	—	(1,248)	(192,981)
Net carrying amount	<u>962,562</u>	<u>260,322</u>	<u>13,559</u>	<u>10,594</u>	<u>35,790</u>	<u>4,597</u>	<u>1,287,424</u>
At January 1, 2024, net of accumulated depreciation	962,562	260,322	13,559	10,594	35,790	4,597	1,287,424
Additions	13,510	170,070	9,303	8,254	184,113	5,132	390,382
Acquisition of a subsidiary (note 32(d))	25,939	—	—	—	—	—	25,939
Transfers	21,446	16,751	—	164	(38,361)	—	—
Depreciation provided during the year	(50,575)	(89,192)	(4,724)	(4,241)	—	(2,207)	(150,939)
Disposals/write-off	(64)	(11,575)	(1,138)	(1,210)	—	—	(13,987)
Transfer to investment properties (note 15)	(16,023)	—	—	—	—	—	(16,023)
Exchange realignment	—	1	7	7	—	—	15
At December 31, 2024, net of accumulated depreciation	<u>956,795</u>	<u>346,377</u>	<u>17,007</u>	<u>13,568</u>	<u>181,542</u>	<u>7,522</u>	<u>1,522,811</u>
At December 31, 2024:							
Cost	1,130,791	490,910	28,913	23,583	181,542	10,977	1,866,716
Accumulated depreciation	(173,996)	(144,533)	(11,906)	(10,015)	—	(3,455)	(343,905)
Net carrying amount	<u>956,795</u>	<u>346,377</u>	<u>17,007</u>	<u>13,568</u>	<u>181,542</u>	<u>7,522</u>	<u>1,522,811</u>

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	Buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
September 30, 2025							
(unaudited)							
At January 1, 2025:							
Cost	1,130,791	490,910	28,913	23,583	181,542	10,977	1,866,716
Accumulated depreciation	(173,996)	(144,533)	(11,906)	(10,015)	—	(3,455)	(343,905)
Net carrying amount .	<u>956,795</u>	<u>346,377</u>	<u>17,007</u>	<u>13,568</u>	<u>181,542</u>	<u>7,522</u>	<u>1,522,811</u>
At January 1, 2025, net of accumulated depreciation	956,795	346,377	17,007	13,568	181,542	7,522	1,522,811
Additions (unaudited) .	—	10,663	3,241	9,274	575,603	4,981	603,762
Transfer (unaudited) . .	180,528	94,023	450	2,402	(277,403)	—	—
Depreciation provided during the period (unaudited)	(58,144)	(79,266)	(2,936)	(8,619)	—	(3,926)	(152,891)
Disposals/write-off (unaudited)	(1,995)	(8,680)	(95)	(124)	—	—	(10,894)
Exchange realignment (unaudited)	—	(7)	9	2	—	(11)	(7)
At September 30, 2025, net of accumulated depreciation (unaudited)	<u>1,077,184</u>	<u>363,110</u>	<u>17,676</u>	<u>16,503</u>	<u>479,742</u>	<u>8,566</u>	<u>1,962,781</u>
At September 30, 2025:							
Cost (unaudited)	1,309,324	586,916	32,509	35,135	479,742	15,958	2,459,584
Accumulated depreciation (unaudited)	(232,140)	(223,806)	(14,833)	(18,632)	—	(7,392)	(496,803)
Net carrying amount (unaudited)	<u>1,077,184</u>	<u>363,110</u>	<u>17,676</u>	<u>16,503</u>	<u>479,742</u>	<u>8,566</u>	<u>1,962,781</u>

As at December 31, 2023 and 2024 and September 30, 2025, certain of the Group’s buildings with aggregate net carrying values of approximately RMB739,904,000, RMB691,006,000 and RMB654,175,000 (unaudited), respectively, were pledged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

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ACCOUNTANTS’ REPORT

The Company

	Buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
December 31, 2023							
At January 1, 2023:							
Cost	266,304	26,733	459	47	9,056	–	302,599
Accumulated depreciation	(7,051)	(6)	–	(3)	–	–	(7,060)
Net carrying amount	<u>259,253</u>	<u>26,727</u>	<u>459</u>	<u>44</u>	<u>9,056</u>	<u>–</u>	<u>295,539</u>
At January 1, 2023, net of accumulated depreciation	259,253	26,727	459	44	9,056	–	295,539
Additions	5,776	62,548	1,726	2,372	25,960	–	98,382
Transfers	4,125	5,547	–	–	(9,672)	–	–
Depreciation provided during the year	(13,381)	(3,338)	(126)	(169)	–	–	(17,014)
Disposals	–	(610)	–	(27)	–	–	(637)
At December 31, 2023, net of accumulated depreciation	<u>255,773</u>	<u>90,874</u>	<u>2,059</u>	<u>2,220</u>	<u>25,344</u>	<u>–</u>	<u>376,270</u>
At December 31, 2023:							
Cost	276,547	116,276	3,851	5,423	25,344	–	427,441
Accumulated depreciation	(20,774)	(25,402)	(1,792)	(3,203)	–	–	(51,171)
Net carrying amount	<u>255,773</u>	<u>90,874</u>	<u>2,059</u>	<u>2,220</u>	<u>25,344</u>	<u>–</u>	<u>376,270</u>
	Buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
December 31, 2024							
At January 1, 2024:							
Cost	276,547	116,276	3,851	5,423	25,344	–	427,441
Accumulated depreciation	(20,774)	(25,402)	(1,792)	(3,203)	–	–	(51,171)
Net carrying amount	<u>255,773</u>	<u>90,874</u>	<u>2,059</u>	<u>2,220</u>	<u>25,344</u>	<u>–</u>	<u>376,270</u>
At January 1, 2024, net of accumulated depreciation	255,773	90,874	2,059	2,220	25,344	–	376,270
Additions	85	117,150	504	1,583	5,136	1,751	126,209
Transfers	7,776	10,983	–	–	(18,759)	–	–
Depreciation provided during the year	(13,482)	(56,313)	(805)	(648)	–	(174)	(71,422)
Disposals	(14)	(7,644)	(85)	(18)	–	–	(7,761)
At December 31, 2024, net of accumulated depreciation	<u>250,138</u>	<u>155,050</u>	<u>1,673</u>	<u>3,137</u>	<u>11,721</u>	<u>1,577</u>	<u>423,296</u>
At December 31, 2024:							
Cost	284,394	236,765	4,270	6,988	11,721	1,751	545,889
Accumulated depreciation	(34,256)	(81,715)	(2,597)	(3,851)	–	(174)	(122,593)
Net carrying amount	<u>250,138</u>	<u>155,050</u>	<u>1,673</u>	<u>3,137</u>	<u>11,721</u>	<u>1,577</u>	<u>423,296</u>

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ACCOUNTANTS’ REPORT

	Buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
September 30, 2025							
(unaudited)							
At January 1, 2025:							
Cost	284,394	236,765	4,270	6,988	11,721	1,751	545,889
Accumulated depreciation	(34,256)	(81,715)	(2,597)	(3,851)	—	(174)	(122,593)
Net carrying amount .	<u>250,138</u>	<u>155,050</u>	<u>1,673</u>	<u>3,137</u>	<u>11,721</u>	<u>1,577</u>	<u>423,296</u>
At January 1, 2025, net of accumulated depreciation	250,138	155,050	1,673	3,137	11,721	1,577	423,296
Additions (unaudited) .	—	1,289	189	2,189	116,503	1,262	121,432
Transfer (unaudited) . .	—	92,448	450	2,402	(95,300)	—	—
Depreciation provided during the period (unaudited)	(10,703)	(71,777)	(584)	(1,692)	—	(564)	(85,320)
Disposals (unaudited) .	<u>—</u>	<u>(6,770)</u>	<u>(45)</u>	<u>(51)</u>	<u>—</u>	<u>—</u>	<u>(6,866)</u>
At September 30, 2025, net of accumulated depreciation (unaudited)	<u>239,435</u>	<u>170,240</u>	<u>1,683</u>	<u>5,985</u>	<u>32,924</u>	<u>2,275</u>	<u>452,542</u>
At September 30, 2025:							
Cost (unaudited)	284,394	314,218	4,708	11,350	32,924	3,013	650,607
Accumulated depreciation (unaudited)	(44,959)	(143,978)	(3,025)	(5,365)	—	(738)	(198,065)
Net carrying amount (unaudited)	<u>239,435</u>	<u>170,240</u>	<u>1,683</u>	<u>5,985</u>	<u>32,924</u>	<u>2,275</u>	<u>452,542</u>

As at December 31, 2023 and 2024 and September 30, 2025, the Company’s buildings with aggregate net carrying values of approximately RMB253,547,000, RMB240,975,000 and RMB231,190,000 (unaudited), respectively, were pledged to secure certain interest-bearing bank borrowings and bank facilities of the Company.

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ACCOUNTANTS’ REPORT

15. INVESTMENT PROPERTIES

The Group

	Buildings	Land use rights	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2023			
At January 1, 2023:			
Cost	30,018	7,616	37,634
Accumulated depreciation	(1,287)	(470)	(1,757)
Net carrying amount	<u>28,731</u>	<u>7,146</u>	<u>35,877</u>
At January 1, 2023, net of accumulated depreciation	28,731	7,146	35,877
Transfer in (<i>note 14</i>)	8,990	–	8,990
Depreciation provided during the year	(1,632)	(152)	(1,784)
At December 31, 2023, net of accumulated depreciation	<u>36,089</u>	<u>6,994</u>	<u>43,083</u>
At December 31, 2023:			
Cost	39,008	7,616	46,624
Accumulated depreciation	(2,919)	(622)	(3,541)
Net carrying amount	<u>36,089</u>	<u>6,994</u>	<u>43,083</u>

	Buildings	Land use rights	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2024			
At January 1, 2024:			
Cost	39,008	7,616	46,624
Accumulated depreciation	(2,919)	(622)	(3,541)
Net carrying amount	<u>36,089</u>	<u>6,994</u>	<u>43,083</u>
At January 1, 2024, net of accumulated depreciation	36,089	6,994	43,083
Transfer in (<i>notes 14 and 16</i>)	16,023	6,770	22,793
Depreciation provided during the year	(1,862)	(153)	(2,015)
At December 31, 2024, net of accumulated depreciation	<u>50,250</u>	<u>13,611</u>	<u>63,861</u>
At December 31, 2024:			
Cost	68,816	16,465	85,281
Accumulated depreciation	(18,566)	(2,854)	(21,420)
Net carrying amount	<u>50,250</u>	<u>13,611</u>	<u>63,861</u>

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	Buildings	Land use rights	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
September 30, 2025 (unaudited)			
At January 1, 2025:			
Cost	68,816	16,465	85,281
Accumulated depreciation	(18,566)	(2,854)	(21,420)
Net carrying amount	<u>50,250</u>	<u>13,611</u>	<u>63,861</u>
At January 1, 2025, net of accumulated depreciation	50,250	13,611	63,861
Depreciation provided during the period (unaudited)	<u>(2,447)</u>	<u>(246)</u>	<u>(2,693)</u>
At September 30, 2025, net of accumulated depreciation (unaudited)	<u>47,803</u>	<u>13,365</u>	<u>61,168</u>
At September 30, 2025:			
Cost (unaudited)	68,816	16,465	85,281
Accumulated depreciation (unaudited)	<u>(21,013)</u>	<u>(3,100)</u>	<u>(24,113)</u>
Net carrying amount (unaudited)	<u>47,803</u>	<u>13,365</u>	<u>61,168</u>

The Group’s investment properties consist of buildings and land use rights in Chinese mainland. The investment properties are leased to third parties under operating leases, further details of which are included in note 16 to the Historical Financial Information and unaudited Interim Financial Information.

Fair values of the investment properties as at the end of each of the Relevant Periods and September 30, 2025 are as follows:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB '000	RMB '000	RMB '000 (Unaudited)
Investment properties in Chinese mainland	45,600	87,200	89,200

The fair values of the Group’s investment properties as at the end of each of the Relevant Periods and September 30, 2025 are determined by valuations conducted by a qualified independent valuer.

Under the discounted cash flow approach, fair value is estimated based on the net rental income of these properties derived from the existing leases over the asset’s life including an exit or terminal value. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with these properties.

The fair value estimations for the investment properties were at Level 3 of the fair-value hierarchy. There were no transfers of fair value measurements into or out of Level 3 during each of the Relevant Periods and the nine months ended September 30, 2025.

As at December 31, 2023 and 2024 and September 30, 2025, certain of the Group’s investment properties with aggregate net carrying values of approximately RMB31,335,000, RMB29,718,000 and RMB28,506,000 (unaudited), respectively, were pledged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

16. LEASES

The Group as a lessee

The Group has lease contracts mainly for various items of land use rights and buildings used in its operations. Lump sum payments were made upfront to acquire the land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 2 years and 5 years.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during each of the Relevant Periods and the nine months ended September 30, 2025 are as follows:

	Land use rights	Buildings	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023	258,267	7,504	265,771
Additions	28,616	57,815	86,431
Lease modification	–	(1,728)	(1,728)
Depreciation charge	(6,664)	(12,853)	(19,517)
As at December 31, 2023 and January 1, 2024	280,219	50,738	330,957
Additions	193,506	40,636	234,142
Acquisition of a subsidiary (note 32(d))	41,256	–	41,256
Lease termination	–	(2,907)	(2,907)
Lease modification	–	6,023	6,023
Depreciation charge	(10,072)	(29,647)	(39,719)
Transfer to investment properties (note 15)	(6,770)	–	(6,770)
Exchange realignment	–	373	373
As at December 31, 2024 and January 1, 2025	498,139	65,216	563,355
Additions (unaudited)	–	23,409	23,409
Lease termination (unaudited)	–	(1,312)	(1,312)
Lease modification (unaudited)	–	116	116
Depreciation provided (unaudited)	(8,122)	(25,751)	(33,873)
Exchange realignment (unaudited)	–	(218)	(218)
As at September 30, 2025 (unaudited)	490,017	61,460	551,477

As at December 31, 2023 and 2024 and September 30, 2025, land use rights with aggregate net carrying amounts of approximately RMB136,310,000, RMB135,298,000 and RMB133,050,000 (unaudited), respectively, were pledged to secure certain interest-bearing bank borrowings and bank facilities of the Group. Details are included in note 27 to the Historical Financial Information and the unaudited Interim Financial Information.

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(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during each of the Relevant Periods and the nine months ended September 30, 2025 are as follows:

	December 31,		September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Carrying amount at the beginning of the year/period	7,362	48,064	66,441
New leases addition	57,815	40,636	23,409
Lease termination	–	(3,030)	(1,412)
Lease modification	(1,733)	6,023	116
Accretion of interest recognised during the year/period	1,302	3,235	2,013
Payments	(16,682)	(28,731)	(30,195)
Exchange realignment	–	244	(204)
Carrying amount at the end of the year/period	<u>48,064</u>	<u>66,441</u>	<u>60,168</u>
Analysed into:			
Current portion	17,382	29,595	25,079
Non-current portion	<u>30,682</u>	<u>36,846</u>	<u>35,089</u>

The maturity analysis of lease liabilities is disclosed in note 38 to the Historical Financial Information and the Interim Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Interest on lease liabilities	1,302	3,235	2,253	2,013
Depreciation charge of right-of-use assets	19,517	39,719	28,835	33,873
Gains on termination of lease	(5)	(123)	(123)	(100)
Expense relating to short-term and low-value leases	<u>2,910</u>	<u>5,432</u>	<u>3,917</u>	<u>5,516</u>
Total amount recognised in profit or loss	<u>23,724</u>	<u>48,263</u>	<u>34,882</u>	<u>41,302</u>

(d) The total cash outflow for leases is disclosed in note 32 to the Historical Financial Information and the unaudited Interim Financial Information.

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The Company as a lessee

The Company has lease contracts mainly for various items of land use rights and buildings used in its operations. Lump sum payments were made upfront to acquire the land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms of 3 years.

(a) *Right-of-use assets*

The carrying amounts of the Company’s right-of-use assets and the movements during each of the Relevant Periods and the nine months ended September 30, 2025 are as follows:

	Land use rights	Buildings	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023	34,551	—	34,551
Depreciation charge	(730)	—	(730)
As at December 31, 2023 and January 1, 2024	33,821	—	33,821
Additions	—	42,309	42,309
Depreciation charge	(730)	(14,103)	(14,833)
As at December 31, 2024 and January 1, 2025	33,091	28,206	61,297
Additions (unaudited)	—	8,793	8,793
Depreciation provided (unaudited)	(547)	(12,776)	(13,323)
As at September 30, 2025 (unaudited) . . .	32,544	24,223	56,767

As at December 31, 2023 and 2024 and September 30, 2025, the land use rights with aggregate net carrying value of approximately RMB33,821,000, RMB33,091,000 and RMB32,543,000 (unaudited), respectively, were pledged to secure certain interest-bearing bank borrowings and bank facilities of the Company. Details are included in note 27 to the Historical Financial Information and unaudited Interim Financial Information.

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during each of the Relevant Periods and the nine months ended September 30, 2025 are as follows:

	December 31,		September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Carrying amount at the beginning of the year/period	—	—	32,277
New leases addition	—	42,309	8,793
Accretion of interest recognised during the year/period	—	1,421	966
Payments	—	(11,453)	(14,898)
Carrying amount at the end of the year/period	—	32,277	27,138
Analysed into:			
Current portion	—	15,835	19,192
Non-current portion	—	16,442	7,946

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The Group as a lessor

The Group leases its investment properties and certain items of property, plant and equipment in Chinese mainland under operating lease arrangements with leases negotiated from terms ranging from one to ten years.

At the end of each of the Relevant Periods and September 30, 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

(a) Rental income from investment properties

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within one year	12,280	6,959	4,669
After one year but within two years	6,959	4,669	3,899
After two years but within three years . . .	4,669	3,899	2,159
After three years but within four years . . .	3,899	2,159	102
After four years	2,159	102	–
Total	<u>29,966</u>	<u>17,788</u>	<u>10,829</u>

(b) Rental income from property, plant and equipment

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within one year	2,934	4,234	4,585
After one year but within two years	4,234	4,585	3,362
After two years but within three years . . .	4,585	3,362	1,681
After three years but within four years . . .	3,362	1,681	–
After four years	1,681	–	–
Total	<u>16,796</u>	<u>13,862</u>	<u>9,628</u>

The Group has an item of property, plant and equipment subject to an operating lease. The asset subject to an operating lease (by class of underlying asset) is as follows:

	Buildings
	RMB'000
At January 1, 2023	
Cost	73,223
Accumulated depreciation	(3,271)
Net carrying amount	<u>69,952</u>
At January 1, 2023, net of accumulated depreciation	69,952
Depreciation provided during the year	(3,218)
At December 31, 2023, net of accumulated depreciation	<u>66,734</u>
At December 31, 2023 and January 1, 2024	
Cost	73,223
Accumulated depreciation	(6,489)
Net carrying amount	<u>66,734</u>

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	Buildings
	<i>RMB’000</i>
At January 1, 2024, net of accumulated depreciation	66,734
Depreciation provided during the year	(3,423)
At December 31, 2024, net of accumulated depreciation	<u>63,311</u>
At December 31, 2024 and January 1, 2025	
Cost	73,223
Accumulated depreciation	(9,912)
Net carrying amount	<u>63,311</u>
At January 1, 2025, net of accumulated depreciation (unaudited)	63,311
Disposals (unaudited)	(1,428)
Depreciation provided during the period (unaudited)	(2,522)
At January 1, 2025, net of accumulated depreciation (unaudited)	<u>59,361</u>
At September 30, 2025:	
Cost	72,044
Accumulated depreciation	(12,683)
Net carrying amount (unaudited)	<u>59,361</u>

17. INTANGIBLE ASSETS

The Group

	Software
	<i>RMB’000</i>
At January 1, 2023:	
Cost	730
Accumulated amortisation	(54)
Net carrying amount	<u>676</u>
At January 1, 2023, net of accumulated amortisation	676
Additions	4,086
Amortisation provided during the year	(662)
At December 31, 2023, net of accumulated amortisation	<u>4,100</u>
At December 31, 2023 and January 1, 2024	
Cost	4,816
Accumulated amortisation	(716)
Net carrying amount	<u>4,100</u>
At January 1, 2024, net of accumulated amortisation	4,100
Additions	11,747
Amortisation provided during the year	(3,380)
At December 31, 2024, net of accumulated amortisation	<u>12,467</u>
At December 31, 2024 and January 1, 2025	
Cost	16,524
Accumulated amortisation	(4,057)
Net carrying amount	<u>12,467</u>

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	<u>Software</u>
	<i>RMB’000</i>
At January 1, 2025, net of accumulated amortisation	12,467
Additions (unaudited)	9,095
Amortisation provided during the period (unaudited)	<u>(3,386)</u>
At September 30, 2025, net of accumulated amortisation (unaudited)	<u>18,176</u>
At September 30, 2025:	
Cost (unaudited)	25,619
Accumulated amortisation (unaudited)	<u>(7,443)</u>
Net carrying amount (unaudited)	<u>18,176</u>

The Company

	<u>Software</u>
	<i>RMB’000</i>
At January 1, 2023:	
Cost	–
Accumulated amortisation	<u>–</u>
Net carrying amount	<u>–</u>
At January 1, 2023, net of accumulated amortisation	
Additions	2,809
Amortisation provided during the year	<u>(421)</u>
At December 31, 2023, net of accumulated amortisation	<u>2,388</u>
At December 31, 2023 and January 1, 2024	
Cost	2,809
Accumulated amortisation	<u>(421)</u>
Net carrying amount	<u>2,388</u>
At January 1, 2024, net of accumulated amortisation	2,388
Additions	11,501
Amortisation provided during the year	<u>(2,800)</u>
At December 31, 2024, net of accumulated amortisation	<u>11,089</u>
At December 31, 2024 and January 1, 2025	
Cost	14,310
Accumulated amortisation	<u>(3,221)</u>
Net carrying amount	<u>11,089</u>
At January 1, 2025, net of accumulated amortisation	11,089
Additions (unaudited)	9,095
Amortisation provided during the period (unaudited)	<u>(3,047)</u>
At September 30, 2025, net of accumulated amortisation (unaudited)	<u>17,137</u>
At September 30, 2025:	
Cost (unaudited)	23,405
Accumulated amortisation (unaudited)	<u>(6,268)</u>
Net carrying amount (unaudited)	<u>17,137</u>

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ACCOUNTANTS’ REPORT

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current			
Value-added tax recoverable	116,532	92,839	56,317
Prepayments	125,048	32,334	36,285
Deposits and other receivables	10,798	20,765	64,590
Deferred [REDACTED]	—	—	825
	252,378	145,938	158,017
Impairment allowances	(117)	(263)	(700)
Total	252,261	145,675	157,317
Non-current			
Deposits	3,160	4,671	1,889
Prepayment for acquisition of property, plant and equipment and right-of-use assets	183,672	5,032	5,557
Reimbursed decoration costs to distributors (note (i))	401,395	502,894	595,141
Others	3,897	1,299	3,899
Total	592,124	513,896	606,486

Note:

- (i) The Group reimburses store decoration costs to distributors, which are in substance payment to distributors. The reimbursement is capitalised upon initial recognition and subsequently amortised and deducted from revenue from respective distributors over a period of three years.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current			
Value-added tax recoverable	5,065	—	825
Prepayments	3,957	5,817	5,018
Deposits and other receivables	3,227	2,834	24,971
Deferred [REDACTED]	—	—	825
	12,249	8,651	31,639
Impairment allowance	(34)	(47)	(290)
Total	12,215	8,604	31,349
Non-current			
Deposits	302	351	—
Prepayment for acquisition of property, plant and equipment and right-of-use assets	—	3,508	201
Total	302	3,859	201

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The financial assets of the Group and the Company included in the above balances relate to receivables for which there was no recent history of default and past due amounts and there is no significant change in the economic factors based on the assessment of the forward-looking information. Impairment is measured as 12-month expected credit losses. The balances are interest-free and are not secured with collateral.

19. INVENTORIES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Finished goods	410,236	359,535	216,185
Raw materials	66,335	69,828	78,151
Work in progress	436	—	3,689
Total	<u>477,007</u>	<u>429,363</u>	<u>298,025</u>

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Finished goods	173,723	135,332	53,788
Raw materials	25,972	12,179	13,528
Work in progress	—	—	35
Total	<u>199,695</u>	<u>147,511</u>	<u>67,351</u>

20. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (<i>unaudited</i>)
Trade receivables	191,473	215,290	319,862
Impairment	(45,789)	(45,515)	(46,312)
Trade receivables, net	145,684	169,775	273,550
Bills receivable	20,084	—	1,502
Trade and bills receivables	<u>165,768</u>	<u>169,775</u>	<u>275,052</u>

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The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade receivables	21,029	8,034	3,784
Impairment	(150)	(34)	(16)
Trade receivables, net	20,879	8,000	3,768
Bills receivable	5,935	120,000	175,920
Trade and bills receivables	26,814	128,000	179,688

Advance payments are normally required from the Group’s Chinese mainland customers, while three months to six months credit period are provided to overseas customers in accordance with the local business practices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management in view of the aforementioned and the fact that the Group’s trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables. Trade and bills receivables are non-interest-bearing.

Bills receivables are aged within six months. Bills receivables are subject to impairment under the simplified approach and the impairment is considered to be minimal.

An ageing analysis of the trade receivables as at the end of each of the reporting periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	141,407	162,242	264,586
1 to 2 years	4,277	6,242	3,118
2 to 3 years	—	1,291	5,846
Total	145,684	169,775	273,550

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	20,879	8,000	3,768

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The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	December 31,		September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	29,787	45,789	45,515
Impairment losses/(reversed), net	16,002	(274)	797
At end of year/period	<u>45,789</u>	<u>45,515</u>	<u>46,312</u>

An impairment analysis is performed at the end of each of the reporting periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the reporting periods about past events, current conditions and forecasts of future economic conditions. The Company’s management assessed the expected credit loss rate for trade receivables on a regular basis, and no significant changes were identified, primarily due to there is no significant changes in the actual loss rates of trade receivables, customer profile and forward-looking macroeconomic data during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

Set out below is the information about the credit risk exposure on the trade receivables using a provision matrix:

The Group

As at December 31, 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	RMB'000	RMB'000
Provision on a collective basis:				
Within 1 year	2.01%	141,249	(2,840)	138,409
1 to 2 years	40.79%	4,428	(1,806)	2,622
Provision on an individual basis . . .	89.84%	<u>45,796</u>	<u>(41,143)</u>	<u>4,653</u>
		<u>191,473</u>	<u>(45,789)</u>	<u>145,684</u>

As at December 31, 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	RMB'000	RMB'000
Provision on a collective basis:				
Within 1 year	1.99%	164,829	(3,280)	161,549
1 to 2 years	36.35%	916	(333)	583
Provision on an individual basis . . .	84.57%	<u>49,545</u>	<u>(41,902)</u>	<u>7,643</u>
		<u>215,290</u>	<u>(45,515)</u>	<u>169,775</u>

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As at September 30, 2025 (unaudited)

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	RMB'000	RMB'000
Provision on a collective basis:				
Within 1 year	1.97%	269,903	(5,318)	264,585
1 to 2 years	14.97%	394	(59)	335
Provision on an individual basis . . .	82.59%	49,565	(40,935)	8,630
Total		319,862	(46,312)	273,550

21. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Structured deposits, at quoted price	299,653	665,203	4,563,765

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Structured deposits, at quoted price	—	30,008	879,859

The financial assets measured at FVTPL are structured deposits, denominated in RMB, with expected yield rates ranging from 1.45% to 2.58% per annum. These structured deposits were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

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22. CASH AND BANK BALANCES, TIME DEPOSITS, PLEDGED DEPOSITS AND RESTRICTED CASH

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Cash and bank balances	1,079,697	1,229,191	1,339,240
Pledged deposits	3,752,364	5,412,306	4,965,333
Time deposits	210,999	195,700	174,771
Restricted cash (<i>note (i)</i>)	44,733	2,577	–
Subtotal	5,087,793	6,839,774	6,479,344
Less:			
Time deposits with original maturity between three and twelve months	(50,142)	(43,534)	(10,136)
Time deposits with original maturities over twelve months	(160,857)	(152,166)	(164,635)
Restricted cash	(44,733)	(2,577)	–
Pledged deposits for bills payables (<i>note (ii)</i>):			
– Current portion	(2,940,270)	(4,246,115)	(3,888,430)
– Non-current portion	(812,094)	(1,166,191)	(1,076,903)
Cash and cash equivalents	1,079,697	1,229,191	1,339,240
Cash and bank balances and bank deposits denominated in			
RMB	5,016,188	6,750,773	6,289,539
USD	71,605	74,275	166,433
Others	–	14,726	23,372
Total	5,087,793	6,839,774	6,479,344

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Cash and bank balances	219,558	121,184	238,635
Pledged deposits	302,007	1,233,511	640,424
Restricted cash (<i>note (i)</i>)	3,720	–	–
Subtotal	525,285	1,354,695	879,059
Less:			
Restricted cash	(3,720)	–	–
Pledged deposits for bills payables (<i>note (ii)</i>):			
– Current portion	(302,007)	(1,181,748)	(550,954)
– Non-current portion	–	(51,763)	(89,470)
Cash and cash equivalents	219,558	121,184	238,635
Cash and bank balances and bank deposits denominated in			
RMB	525,285	1,354,695	879,059

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The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective time deposits rates ranging from 1.10% to 3.55% per annum. The bank balances are deposited with creditworthy banks with no recent history of default.

Notes:

- (i) The restriction related to the restricted bank balances of the Group and the Company were fully released before September 30, 2025.
- (ii) It represents the deposits pledged to secure the bills payables of the Group and the Company.

23. DEFERRED TAX

The Group

(a) *Deferred tax assets*

	Accrued expenses	Impairment for financial assets and inventories	Tax losses	Depreciation	Deferred income	Lease liabilities	Share- based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023 .	5,221	15,159	10,416	–	4,569	1,622	–	36,987
Deferred tax (charged)/ credited to profit or loss during the year .	(506)	4,815	40,760	2,092	(174)	8,255	–	55,242
As at December 31, 2023 and January 1, 2024	4,715	19,974	51,176	2,092	4,395	9,877	–	92,229
Deferred tax (charged)/ credited to profit or loss during the year .	(3,730)	2,302	(1,589)	8,711	3,873	7,808	3,328	20,703
As at December 31, 2024 and January 1, 2025	985	22,276	49,587	10,803	8,268	17,685	3,328	112,932
Deferred tax credited/ (charged) to profit or loss during the period (unaudited)	514	(728)	(45,635)	9,114	10,725	(3,478)	2,495	(26,993)
As September 30, 2025 (unaudited)	1,499	21,548	3,952	19,917	18,993	14,207	5,823	85,939

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(b) Deferred tax liabilities

	Fair value change on financial assets at FVTPL	Accrued interest of pledged deposits	Right-of- use assets	Reimbursed decoration costs to distributors	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	290	–	1,678	–	1,968
Deferred tax charged to profit or loss during the year	165	3,082	8,816	100,350	112,413
As at December 31, 2023 and January 1, 2024	455	3,082	10,494	100,350	114,381
Deferred tax charged to profit or loss during the year	556	4,295	6,157	25,374	36,382
As at December 31, 2024 and January 1, 2025	1,011	7,377	16,651	125,724	150,763
Deferred tax charged/(credited) to profit or loss during the period (unaudited)	3,172	607	(2,638)	23,061	24,202
As at September 30, 2025 (unaudited) . . .	4,183	7,984	14,013	148,785	174,965

For presentation purposes, deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Net deferred tax assets recognised in the consolidated statements of financial position	78,335	93,158	69,197
Net deferred tax liabilities recognised in the consolidated statements of financial position	(100,487)	(130,989)	(158,223)

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Deductible temporary differences	4,808	6,699	6,158
Tax losses	11,999	32,354	69,231
Total	16,807	39,053	75,389

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Tax losses that are not recognised as deferred tax assets will expire in the following years:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
2027	296	296	296
2028	9,536	9,536	9,536
2029	–	20,281	20,281
2030	–	–	36,597
Indefinite	2,167	2,241	2,521
Total	<u>11,999</u>	<u>32,354</u>	<u>69,231</u>

No deferred tax assets has been recognised in respect of the tax losses and deductible temporary differences as certain subsidiaries of the Group are not considered probable that taxable profits will be available against which the above items can be utilised.

The tax losses of Group’s subsidiaries will expire mainly within five years, except for certain overseas subsidiaries, whose tax losses can be carried forward indefinitely.

The Company

Deferred tax assets

	Accrued expenses	Impairment for financial assets and inventories	Tax losses	Depreciation	Lease liabilities	Share- based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	506	20	5,015	–	–	–	5,541
Deferred tax (charged)/credited to profit or loss during the year . .	<u>(506)</u>	<u>705</u>	<u>(4,530)</u>	<u>1,989</u>	<u>–</u>	<u>–</u>	<u>(2,342)</u>
As at December 31, 2023 and January 1, 2024	–	725	485	1,989	–	–	3,199
Deferred tax credited/(charged) to profit or loss during the year . .	<u>985</u>	<u>135</u>	<u>(485)</u>	<u>7,547</u>	<u>8,069</u>	<u>3,328</u>	<u>19,579</u>
As at December 31, 2024 and January 1, 2025	985	860	–	9,536	8,069	3,328	22,778
Deferred tax credited/(charged) to profit or loss during the period (unaudited)	<u>514</u>	<u>(226)</u>	<u>–</u>	<u>8,676</u>	<u>(1,285)</u>	<u>2,495</u>	<u>10,174</u>
As at September 30, 2025 (unaudited)	<u>1,499</u>	<u>634</u>	<u>–</u>	<u>18,212</u>	<u>6,784</u>	<u>5,823</u>	<u>32,952</u>

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Deferred tax liabilities

	Fair value change on financial assets at FVTPL	Accrued interest of pledged deposits	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	—	—	—	—
Deferred tax charged to profit or loss during the year	—	160	—	160
As at December 31, 2023 and January 1, 2024 . .	—	160	—	160
Deferred tax charged/(credited) to profit or loss during the year	2	1,090	7,052	8,144
As at December 31, 2024 and January 1, 2025 . .	2	1,250	7,052	8,304
Deferred tax charged/(credited) to profit or loss during the period (unaudited)	161	(416)	(996)	(1,251)
As at September 30, 2025 (unaudited)	163	834	6,056	7,053

For presentation purposes, deferred tax assets and liabilities have been offset in the statements of financial position of the Company. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Net deferred tax assets recognised in the statements of financial position of the Company	3,039	14,474	25,899

24. TRADE AND BILLS PAYABLES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade payables	2,744,790	2,765,982	4,988,711
Bills payable	3,565,409	5,486,201	5,839,298
Total	6,310,199	8,252,183	10,828,009

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade payables	939,565	1,070,206	1,920,667
Bills payable	299,680	1,366,645	1,152,071
Total	1,239,245	2,436,851	3,072,738

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An aging analysis of the trade payables, based on the invoice date, is as follows:

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	2,744,271	2,765,452	4,987,060
1 to 2 years	519	11	1,121
2 to 3 years	–	519	11
Over 3 years	–	–	519
Total	<u>2,744,790</u>	<u>2,765,982</u>	<u>4,988,711</u>

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	939,205	1,069,846	1,919,525
1 to 2 years	360	–	782
2 to 3 years	–	360	–
Over 3 years	–	–	360
Total	<u>939,565</u>	<u>1,070,206</u>	<u>1,920,667</u>

The trade payables are non-interest-bearing and are normally settled on terms of one to three months. Bills payable are aged within six months.

25. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current			
Other accrued expenses (<i>note (i)</i>)	37,899	78,687	206,345
Customer deposits	134,117	235,737	321,290
Payroll payables	107,049	140,020	175,839
Equipment and construction payables	54,568	38,839	91,844
Other tax payables	19,350	25,700	71,334
Others	17,426	19,490	27,524
Accrued [REDACTED]	–	–	792
Total	<u>370,409</u>	<u>538,473</u>	<u>894,968</u>
Non-current			
Equipment and construction payables	<u>5,900</u>	<u>5,900</u>	<u>10,370</u>

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The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current			
Other accrued expenses (<i>note (i)</i>)	9,211	36,966	70,167
Customer deposits	23,294	32,310	44,171
Payroll payables	18,167	36,977	47,670
Equipment and construction payables	39,737	2,975	26,761
Other tax payables	1,880	5,232	20,306
Others	3,470	2,727	5,337
Accrual for [REDACTED]	—	—	792
Total	<u>95,759</u>	<u>117,187</u>	<u>215,204</u>

Other current payables are unsecured, non-interest-bearing and repayable on demand.

Note:

- (i) Other accrued expenses mainly represent accrued design fees, marketing expenses, 3C fees, and other items related to normal business operation.

26. CONTRACT LIABILITIES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Contract liabilities			
– sales rebates	219,040	227,306	302,439
– receipt in advance	71,301	67,385	205,663
Total	<u>290,341</u>	<u>294,691</u>	<u>508,102</u>

Contract liabilities mainly include receipt in advance for sale of products and sales rebates that are expected to be utilised within the next 12 months. As at January 1, 2023, the carrying amount of contract liabilities was RMB183,230,000. The increase in contract liabilities in 2023 and 2024 is mainly due to an increase in sales rebates accrued corresponding to the growth in sales scale. The increase in contract liabilities in 2025 is mainly due to an increase in advance payments received from distributors related to the sale of goods.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Contract liabilities			
– receipt in advance (<i>note (i)</i>)	584,443	4,392	21,188
Total	<u>584,443</u>	<u>4,392</u>	<u>21,188</u>

Note:

- (i) As at December 31, 2023, the Company had an advance payment received from TAILG Jiangsu, a subsidiary of the Company, amounting to RMB508,764,000.

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27. INTEREST-BEARING BANK BORROWINGS

The Group

		As at December 31, 2023		
	Notes	Effective interest rate	Maturity	RMB'000
Current				
Bank loans – unsecured		3.08%-3.40%	2024	160,000
Bank loans – secured	(a)	3.08%-3.90%	2024	94,340
Bank loans – secured and guaranteed	(b)	4.00%-4.30%	2024	72,237
Bank loans – guaranteed	(c)	3.40%	2024	50,000
Total – current				376,577
Non-current				
Bank loans – secured	(a)	3.90%	2025-2034	122,160
Bank loans – secured and guaranteed	(b)	4.00%-4.30%	2025-2032	501,654
Total – non-current				623,814

		As at December 31, 2024		
		Effective interest rate	Maturity	RMB'000
Current				
Bank loans – unsecured		2.80%-2.98%	2025	90,810
Bank loans – secured	(a)	2.90%	2025	13,370
Bank loans – secured and guaranteed	(b)	3.15%-4.20%	2025	107,234
Total – current				211,414
Non-current				
Bank loans – secured	(a)	2.90%	2026-2034	113,540
Bank loans – secured and guaranteed	(b)	3.15%-4.20%	2026-2032	394,424
Total – non-current				507,964

		As at September 30, 2025 (unaudited)		
	Notes	Effective interest rate	Maturity	RMB'000
Current				
Bank loans – unsecured		2.20%-2.65%	2026	79,990
Bank loans – secured	(a)	2.90%	2025-2026	12,680
Bank loans – secured and guaranteed	(b)	3.00%-3.15%	2026	156,937
Total – current				249,607
Non-current				
Bank loans – secured	(a)	2.90%-3.00%	2026-2034	172,890
Bank loans – secured and guaranteed	(b)	3.00%	2027-2032	235,121
Total – non-current				408,011

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	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fixed interest rate	298,000	90,810	79,990
Variable interest rate	702,391	628,568	577,628
	<u>1,000,391</u>	<u>719,378</u>	<u>657,618</u>

The Company

As at December 31, 2023				
	Notes	Effective interest rate	Maturity	
				RMB'000
Current				
Bank loans – unsecured		3.08%	2024	100,000
Bank loans – secured and guaranteed . . .	(b)	4.00%	2024	49,840
Total – current				149,840
Non-current				
Bank loans – secured and guaranteed . . .	(b)	4.00%	2025-2026	199,360

As at December 31, 2024				
		Effective interest rate	Maturity	
				RMB'000
Current				
Bank loans – unsecured		2.80%-2.98%	2025	90,000
Bank loans – secured and guaranteed . . .	(b)	3.15%-3.40%	2025	79,744
Total – current				169,744
Non-current				
Bank loans – secured and guaranteed . . .	(b)	3.15%-3.40%	2026	119,616

As at September 30, 2025 (unaudited)				
		Effective interest rate	Maturity	
				RMB'000
Current				
Bank loans – unsecured		2.50%-2.65%	2026	59,990
Bank loans – secured and guaranteed . . .	(b)	3.05%-3.15%	2026	119,616
Total – current				179,606
Non-current				
Bank loans – secured	(a)	3.00%	2026-2030	65,000

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	As at December 31,		As at
	2023	2024	September 30,
	RMB'000	RMB'000	2025
Fixed interest rate	100,000	90,000	59,990
Variable interest rate	249,200	199,360	184,616
Total	349,200	289,360	244,606

Notes:

- (a) The bank loans were secured by certain buildings and land use rights of the Group and the Company, details of which are disclosed in notes 14 and 16(a) to the Historical Financial Information and unaudited Interim Financial Information, respectively.
- (b) The bank loans were secured by certain buildings and land use rights of the Group and the Company, details of which are disclosed in note 14 and 16(a) to the Historical Financial Information and unaudited Interim Financial Information, respectively and were guaranteed by:
 - (i) Dongguan Tailing Electric Vehicle Co., Ltd. (“Dongguan Tailing Electric Vehicle”) amounting to RMB573,891,000 as at December 31, 2023, RMB199,360,000 as at December 31, 2024, and RMB119,616,000 as at September 30, 2025, and the guarantee were released in December 2025.
 - (ii) Mr. SUN Muqian, amounting to RMB324,691,000 as at December 31, 2023, RMB307,048,000 as at December 31, 2024 and RMB272,442,000 at September 30, 2025, and the guarantee were released in January 2026.
- (c) The bank loans were guaranteed by Mr. SUN Muqian in February 2023 and the guarantee were expired in February 2024.
- (d) The above bank borrowings are all denominated in RMB.

The maturity analysis of the bank borrowings are analysed as below:

The Group

	As at December 31,		As at
	2023	2024	September 30,
	RMB'000	RMB'000	2025
			RMB'000
			(unaudited)
Analysed into:			
Bank borrowings repayable:			
Within one year	376,577	211,414	249,607
In the second year	121,822	169,610	56,494
In the third to fifth years, inclusive	271,976	161,179	222,143
Beyond five years	230,016	177,175	129,374
Total	1,000,391	719,378	657,618

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The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Analysed into:			
Bank borrowings repayable:			
Within one year	149,840	169,744	179,606
In the second year	79,744	119,616	6,500
In the third to fifth years, inclusive	119,616	–	53,500
Beyond five years	–	–	5,000
Total	<u>349,200</u>	<u>289,360</u>	<u>244,606</u>

28. DEFERRED INCOME

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Government grants:			
Current portion	1,159	1,489	1,763
Non-current portion	<u>28,140</u>	<u>42,837</u>	<u>85,118</u>

Deferred income represents the government incentives received from the local government that are asset related and will be recognised in profit or loss in line with the residual useful life of the assets upon completion of the unfulfilled obligations.

29. SHARE CAPITAL

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Ordinary shares of RMB1 each	<u>185,000</u>	<u>194,341</u>	<u>200,754</u>

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At January 1, 2023, December 31, 2023 and January 1, 2024	185,000,000	185,000
Issue of shares (note (i))	<u>9,340,681</u>	<u>9,341</u>
At December 31, 2024 and January 1, 2025	194,340,681	194,341
Issue of shares (unaudited) (note (ii)).	<u>6,413,242</u>	<u>6,413</u>
At September 30, 2025 (unaudited)	<u>200,753,923</u>	<u>200,754</u>

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Notes:

- (i) On December 3, 2024, the Company issued 9,340,681 ordinary shares to the Controlling Shareholders as consideration to acquire 100% equity interests of TAILG Jiangsu under Common Control Restructuring.
- (ii) On December 31, 2023, the Company granted 6,413,242 ordinary shares at RMB1.03 per share to three employees (including one director) as their share-based payment incentives. The share issuance was completed after the payment of issuance price and the completion of share registration on January 16, 2025.

30. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein are presented in the consolidated statements of changes in equity.

Share premium

Share premium represents the difference between the par value of the shares issued and the consideration received.

Reserve funds

In accordance with the Company Law of the PRC, certain entities of the Group which are domestic enterprises are required to allocate 10% of their profit after tax to their reserve funds until the reserve funds reach 50% of its registered capital.

Merger reserve

The Controlling Shareholders transferred 100% equity interests in the common controlled entities through a series of Common Control Restructuring to the Company, which were completed in December 2024.

As at January 1, 2023, merger reserve of the Group represents the aggregated capital of these common controlled entities.

During the year ended December 31, 2023, the Controlling Shareholders injected capital of RMB1,000,000 to one common controlled entity before it was acquired by the Group and cash consideration of RMB363,166,000 was paid to the Controlling Shareholders to acquire 100% equity interests in certain common controlled entities. The net balance of RMB362,166,000 was debited to merger reserve.

During the year ended December 31, 2024, 9,340,681 ordinary shares of the Company were issued at RMB1 each to the Common Controlled Shareholders in exchange for 100% equity interests in a common controlled entity and balance of approximately RMB9,341,000 was debited to merger reserve.

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The Company

The amounts of the Company’s reserves and the movements therein for the Relevant Periods and the nine months ended September 30, 2025 are presented as follows:

Year ended December 31, 2023

	Merger reserve*	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	—	(13,635)	(13,635)
Total comprehensive income for the year	—	6,298	6,298
Business combination under common control	(52,876)	—	(52,876)
At December 31, 2023	<u>(52,876)</u>	<u>(7,337)</u>	<u>(60,213)</u>

Year ended December 31, 2024

	Merger reserve*	Reserve funds	Share-based payment reserve	(Accumulated losses)/retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	(52,876)	—	—	(7,337)	(60,213)
Total comprehensive income for the year	—	—	—	87,205	87,205
Business combination under common control	113,349	—	—	—	113,349
Transfer from retained profits	—	8,720	—	(8,720)	—
Equity-settled share-based payment	—	—	13,311	—	13,311
At December 31, 2024	<u>60,473</u>	<u>8,720</u>	<u>13,311</u>	<u>71,148</u>	<u>153,652</u>

Nine months ended September 30, 2025 (unaudited)

	Share premium	Merger reserve*	Reserve funds	Share-based payment reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	—	60,473	8,720	13,311	71,148	153,652
Total comprehensive income for the period (unaudited)	—	—	—	—	235,364	235,364
Issue of shares (unaudited)	187	—	—	—	—	187
Equity-settled share-based payment (unaudited)	—	—	—	9,983	—	9,983
At September 30, 2025 (unaudited)	<u>187</u>	<u>60,473</u>	<u>8,720</u>	<u>23,294</u>	<u>306,512</u>	<u>399,186</u>

* Merger reserve of the Company represents the difference between purchase consideration and the net assets value of entities acquired under Common Control Restructuring.

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31. SHARE-BASED PAYMENT

2023 Restricted Share Award Scheme (“2023 Scheme”)

On December 31, 2023, the board of directors approved the 2023 Scheme for the purpose of providing share incentives to certain employees contributing to the Group and granted a total of 6,413,242 restricted shares to three employees (including one director) under the 2023 Scheme.

The restricted shares have a vesting period from the grant date to three years after the completion of [REDACTED] of the Company’s shares. Once the vesting conditions of restricted shares are met, 100% of the granted restricted shares are considered duly and validly owned by the holders, and free on transfer.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these restricted shares. The Group accounts for the 2023 Scheme as an equity-settled plan.

The following table summarises the 2023 Scheme’s activities during the Relevant Periods and the nine months ended September 30, 2025:

	Number of restricted shares
At January 1, 2023	—
Granted during the year	6,413,242
At December 31, 2023, December 31, 2024 and September 30, 2025 (unaudited) . . .	<u>6,413,242</u>

The vesting period of the above restricted shares outstanding at the end of each of the reporting periods is estimated from December 31, 2023 to three years after the completion of [REDACTED] of the Company’s shares.

The fair value of restricted shares is RMB12.45 per share at the grant date, which was determined by reference to the fair value of shares granted less the subscription price paid by the participants. The fair value of the shares granted is measured at the grant date, which is determined by an external valuer using discounted cash flow method, taking into account the terms and conditions upon which the restricted shares were granted. Major inputs used for the determination of the fair value of shares granted are listed as follows:

	Date of grant December 31, 2023
Post-tax discount rate	14.50%

The Group recognised share-based payment expenses of RMB13,311,000, RMB9,983,000 (unaudited), RMB9,983,000 (unaudited) during the year ended December 31, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB57,815,000, RMB40,636,000, RMB40,145,000 (unaudited) and RMB23,409,000 (unaudited) respectively, in respect of lease arrangements for buildings.

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(b) Changes in liabilities arising from financing activities

Year ended December 31, 2023

	Interest-bearing bank borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023	692,887	7,362
Changes from financing cash flows	267,539	(16,682)
New leases	–	57,815
Interest expense	39,965	1,302
Lease modification	–	(1,733)
At December 31, 2023	<u>1,000,391</u>	<u>48,064</u>

Year ended December 31, 2024

	Interest-bearing bank borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024	1,000,391	48,064
Changes from financing cash flows	(320,232)	(28,731)
New leases	–	40,636
Interest expense	39,219	3,235
Lease termination	–	(3,030)
Lease modification	–	6,023
Exchange realignment	–	244
At December 31, 2024	<u>719,378</u>	<u>66,441</u>

Nine months ended September 30, 2024 (unaudited)

	Interest-bearing bank borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024	1,000,391	48,064
Changes from financing cash flows (unaudited)	(24,664)	(22,702)
New leases (unaudited)	–	16,357
Interest expense (unaudited)	29,992	2,253
Lease termination (unaudited)	–	(3,030)
Lease modification (unaudited)	–	10,063
Exchange realignment (unaudited)	–	(168)
At September 30, 2024 (unaudited)	<u>1,005,719</u>	<u>50,837</u>

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Nine months ended September 30, 2025 (unaudited)

	Interest-bearing bank borrowings	Lease liabilities
	RMB'000	RMB'000
At January 1, 2025	719,378	66,441
Changes from financing cash flows (unaudited)	(79,171)	(30,195)
New leases (unaudited)	—	23,409
Interest expense (unaudited)	17,411	2,013
Exchange realignment (unaudited)	—	(204)
Lease termination (unaudited)	—	(1,412)
Lease modification (unaudited)	—	116
At September 30, 2025	<u>657,618</u>	<u>60,168</u>

(c) **Total cash outflows for leases**

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Within operating activities	2,910	5,432	3,917	5,516
Within investing activities	207,842	14,280	14,280	—
Within financing activities	16,682	28,731	22,702	30,195
Total	<u>227,434</u>	<u>48,443</u>	<u>40,899</u>	<u>35,711</u>

(d) **Net cash outflows in respect of acquisition of a subsidiary**

On December 5, 2024, the Group acquired 100% equity interests in New Star Light Alloy Materials (Huizhou) Co., Ltd. from an independent third party at a cash consideration of RMB80,442,000. The transaction is recognised as an asset acquisition instead of a business combination. The net assets and liabilities acquired are as follows:

	Fair value recognised on acquisition
	RMB'000
Cash and bank balances	12,691
Other assets	1,699
Property, plant and equipment (note 14) (note (i))	25,939
Right-of-use assets (note 16(a))	41,256
Other payables	(1,143)
Total	<u>80,442</u>
Satisfied by:	
Cash	<u>80,442</u>

An analysis of the net outflow of cash and bank balances in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(80,442)
Cash and bank balances acquired	<u>12,691</u>
Net outflow of cash and bank balances in respect of the acquisition of a subsidiary	<u>(67,751)</u>

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(c) Balances with subsidiaries:

The amounts due from subsidiaries mainly represents inter-group borrowings to support the normal business operations of group entities, which are interest-free, unsecured and payable on demand.

Amounts due to subsidiaries are interest free, unsecured and repayable on demand.

(d) Compensation of key management personnel of the Group

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Salaries, allowances and benefits in kind	12,445	17,664	13,185	13,876
Equity-settled share-based payment	–	13,311	9,983	9,983
Pension scheme contributions	169	364	264	329
Total	<u>12,614</u>	<u>31,339</u>	<u>23,432</u>	<u>24,188</u>

Further details of directors’ and the chief executive’s remuneration are included in note 9 to the Historical Financial Information and unaudited Interim Financial Information.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the Relevant Periods and the nine months ended September 30, 2025 are as follows:

Financial assets

As at December 31, 2023

	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Structured deposits	299,653	–	–	299,653
Trade and bills receivables	–	20,084	145,684	165,768
Financial assets included in prepayments, other receivables and other assets	–	–	13,841	13,841
Pledged deposits and restricted cash	–	–	3,797,097	3,797,097
Time deposits	–	–	210,999	210,999
Cash and bank balances	–	–	1,079,697	1,079,697
Total	<u>299,653</u>	<u>20,084</u>	<u>5,247,318</u>	<u>5,567,055</u>

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As at December 31, 2024

	Financial assets at FVTPL	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Structured deposits	665,203	—	665,203
Trade and bills receivables	—	169,775	169,775
Financial assets included in prepayments, other receivables and other assets	—	25,173	25,173
Pledged deposits and restricted cash	—	5,414,883	5,414,883
Time deposits	—	195,700	195,700
Cash and bank balances	—	1,229,191	1,229,191
Total	<u>665,203</u>	<u>7,034,722</u>	<u>7,699,925</u>

As at September 30, 2025 (unaudited)

	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Structured deposits	4,563,765	—	—	4,563,765
Trade and bills receivables	—	1,502	273,550	275,052
Financial assets included in prepayments, other receivables and other assets	—	—	65,779	65,779
Pledged deposits	—	—	4,965,333	4,965,333
Time deposits	—	—	174,771	174,771
Cash and bank balances	—	—	1,339,240	1,339,240
Total	<u>4,563,765</u>	<u>1,502</u>	<u>6,818,673</u>	<u>11,383,940</u>

Financial liabilities

As at December 31, 2023

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	6,310,199
Financial liabilities included in other payables and accruals	249,910
Interest-bearing bank borrowings	1,000,391
Total	<u>7,560,500</u>

As at December 31, 2024

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	8,252,183
Financial liabilities included in other payables and accruals	378,653
Interest-bearing bank borrowings	719,378
Total	<u>9,350,214</u>

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As at September 30, 2025 (unaudited)

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	10,828,009
Financial liabilities included in other payables and accruals	658,165
Interest-bearing bank borrowings	657,618
Total	<u>12,143,792</u>

Transferred financial assets that are not derecognised in their entirety

At December 31, 2023 and 2024 and September 30, 2025, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (the “Endorsed Bills”) with carrying amounts of RMB18,383,000, nil and nil, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”).

In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

The aggregate carrying amounts of the endorsed bills that were derecognised upon transfer for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 (unaudited) were RMB98,289,000, RMB75,439,000 and RMB90,900,000, respectively.

In accordance with the Law of Negotiable Instruments in the PRC, the holders of the discounted certain bills receivables accepted by banks in Chinese mainland (the “Derecognised Bills”) may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, disregarding the order of precedence (the ‘Continuing Involvement’). In the opinion of the Company’s directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group

Fair value hierarchy

Financial assets at FVTPL:

As at December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Structured products	—	299,653	—	299,653
	=	=	=	=

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As at December 31, 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Structured products	—	665,203	—	665,203
	=	=	=	=

As at September 30, 2025 (unaudited)

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Structured products	—	4,563,765	—	4,563,765
	=	=	=	=

Financial assets at FVOCI:

As at December 31, 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Bills receivables	—	20,084	—	20,084
	=	=	=	=

As at December 31, 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Bills receivables	—	—	—	—
	=	=	=	=

As at September 30, 2025 (unaudited)

	Fair value measurement using			Total
	Quoted prices inactive markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Bills receivables	—	1,502	—	1,502
	=	=	=	=

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Financial instruments in Level 3

During the Relevant Periods and the nine months ended September 30, 2024 and 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Management has assessed that the fair values of cash and bank balances, the current portion of pledged deposits, time deposits, financial assets included in prepayments, other receivables and other assets, trade and bills receivables, amounts due from related parties, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to related parties and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group’s finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of pledged deposits, prepayments, other receivables and other assets, time deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments, comprise cash and bank balances, time deposits, pledged deposits, structured products and interest-bearing bank borrowings. The main purpose of these financial instruments is to support the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, credit risk and liquidity risk. The directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group’s exposure to the risk of changes in fair value relates primarily to the Group’s interest-bearing bank borrowings with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group’s profit before tax through the impact on floating rate borrowings and the Group’s equity.

	Increase/(decrease) in basis points	(Decrease)/increase in profit before tax	(Decrease)/increase in equity
		RMB’000	RMB’000
Year ended December 31, 2023			
RMB	50/(50)	(4,233)/4,233	(3,175)/3,175
Year ended December 31, 2024			
RMB	50/(50)	(4,299)/4,299	(3,225)/3,225
Nine months period ended September 30, 2025 (unaudited)			
RMB	50/(50)	(3,442)/3,442	(2,582)/2,582

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ACCOUNTANTS’ REPORT

Credit risk

The Group trades only with recognised and creditworthy third parties and there is no requirement for collateral. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant. The credit risk of the Group’s other financial assets, which comprise cash and bank balance, pledged deposits, time deposits, amounts due from related parties, and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The table below shows the credit quality based on the Group’s credit policy and the maximum exposure to credit risk presented at gross carrying amounts, which is mainly based on reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and year-end staging classification as at the end of each of the Relevant Periods and September 30, 2025.

December 31, 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables (note (i))	—	—	—	211,557	211,557
Financial assets included in prepayments, other receivables and other assets (note (ii))	13,958	—	—	—	13,958
Cash and bank balances . .	1,079,697	—	—	—	1,079,697
Pledged deposits and restricted cash	3,797,097	—	—	—	3,797,097
Time deposits	210,999	—	—	—	210,999
Total	<u>5,101,751</u>	<u>—</u>	<u>—</u>	<u>211,557</u>	<u>5,313,308</u>

December 31, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables (note (i))	—	—	—	215,290	215,290
Financial assets included in prepayments, other receivables and other assets (note (ii))	25,436	—	—	—	25,436
Cash and bank balances . .	1,229,191	—	—	—	1,229,191
Pledged deposits and restricted cash	5,414,883	—	—	—	5,414,883
Time deposits	195,700	—	—	—	195,700
Total	<u>6,865,210</u>	<u>—</u>	<u>—</u>	<u>215,290</u>	<u>7,080,500</u>

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September 30, 2025 (unaudited)

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables (note (i))	–	–	–	321,364	321,364
Financial assets included in prepayments, other receivables and other assets (note (ii))	66,479	–	–	–	66,479
Cash and bank balances	1,339,240	–	–	–	1,339,240
Pledged deposits	4,965,333	–	–	–	4,965,333
Time deposits	174,771	–	–	–	174,771
Total	<u>6,545,823</u>	<u>–</u>	<u>–</u>	<u>321,364</u>	<u>6,867,187</u>

Notes:

- (i) For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the Historical Financial Information and the unaudited Interim Financial Information.
- (ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods and September 30, 2025, based on the contractual undiscounted payments, is as follows:

	As at December 31, 2023			
	On demand or less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payable	6,310,199	–	–	6,310,199
Financial liabilities included in other payables and accruals	244,010	5,900	–	249,910
Interest-bearing bank borrowings	407,648	454,480	248,926	1,111,054
Lease liabilities	19,023	29,845	2,813	51,681
Total	<u>6,980,880</u>	<u>490,225</u>	<u>251,739</u>	<u>7,722,844</u>

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As at December 31, 2024				
	On demand or less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payable	8,252,183	—	—	8,252,183
Financial liabilities included in other payables and accruals	372,753	5,900	—	378,653
Interest-bearing bank borrowings . .	233,836	377,810	188,442	800,088
Lease liabilities	31,652	37,438	1,233	70,323
Total	<u>8,890,424</u>	<u>421,148</u>	<u>189,675</u>	<u>9,501,247</u>

As at September 30, 2025 (unaudited)				
	On demand or less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payable	10,828,009	—	—	10,828,009
Financial liabilities included in other payables and accruals	647,795	10,370	—	658,165
Interest-bearing bank borrowings . .	266,485	312,679	134,858	714,022
Lease liabilities	26,796	36,665	47	63,508
Total	<u>11,769,085</u>	<u>359,714</u>	<u>134,905</u>	<u>12,263,704</u>

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 owners and benefits for other stakeholders 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, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, or issue new shares. In the opinion of the Directors of the Company, the Group’s capital risk is low.

The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods and the nine months ended September 30, 2024 and 2025.

39. SUBSEQUENT EVENTS

- (i) On October 29, 2025, the board of directors approved a share incentive scheme (“2025 Scheme”) for the purpose of providing share incentives to certain employees contributing to the Group and granted a total of 4,016,000 restricted shares to nineteen employees under the 2025 Scheme with an issue price of RMB9.96 per share at a total cash consideration of RMB40,000,000.
- (ii) Pursuant to the share purchase agreement entered into on December 29, 2025, the Company issued a total of 10,543,378 ordinary shares for a total cash consideration of RMB463,400,000 to external investors. In January 2026, the consideration was fully received and the shares were fully registered.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any subsidiaries of the Group in respect of any period subsequent to September 30, 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

THE PRC TAXATION

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018 and the Implementation Provisions 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 was most recently amended on December 18, 2018 (hereinafter collectively referred to as the “**IIT Law**”), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the “**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**” (《對所得避免雙重徵稅和防止偷漏稅的安排》)) signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the “**Fifth Protocol**” (《第五協議書》)) issued by the State Administration of Taxation (“**SAT**”) and became effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007, newly revised on December 6, 2024 and implemented on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or

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premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements

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with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (the “**Circular 36**”), which was implemented on May 1, 2016 and partially repealed and effective on July 1, 2017, January 1, 2018, April 1, 2019, December 1, 2024, November 1, 2025 and January 1, 2026, entities and individuals engaged in the services sale in the PRC are subject to Value-added Tax (“**VAT**”) and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the VAT payable (if any).

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

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Pursuant to the Circular on 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》) issued by the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the MOF, SAT and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《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 came into effect on January 1, 2010, which states that individuals’ income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

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Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

PRINCIPAL TAXATION OF THE COMPANY IN THE PRC EIT

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “an enterprise” or “enterprises”) within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the MOST, the MOF and the SAT on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

VAT

According to the Value-added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》) promulgated by the Standing Committee of the National People’s Congress on December 25, 2024 and to be implemented on January 1, 2026, the Regulation on the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), which was promulgated on December 19, 2025 by the State Council, and came into effect on January 1, 2026, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) issued on December 25, 1993 by the MOF, came into effect on the same day and revised on December 15, 2008 and October 28, 2011, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the People’s Republic of China are VAT payers and shall pay VAT in accordance with this Law. Pursuant to the Notice on the Implementation of the Pilot Programme of Replace the Business Tax with VAT (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) and its appendix the Measures for the Implementation of the Pilot Programme of Replacing Business Tax with VAT (《營業稅改徵增值稅試點實施辦法》), effective on 1 May 2016, the tax rates applied to the taxpayer for the different goods it sells and different services it provides shall be 17%, 11%, 6% and zero, respectively. The MOF and the SAT issued the Notice of on Adjusting VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer’s VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

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TAXATION IN HONG KONG

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital gains and profits tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, [REDACTED] from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving [REDACTED] rather than capital gains unless these taxpayers can prove that the [REDACTED] are held for long-term investment purposes.

[REDACTED] from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of [REDACTED] from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of [REDACTED] in securities in Hong Kong.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

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FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on 5 August, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

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According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders’ meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, partially repealed and nullified on December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

On January 26, 2017, the SAFE issued the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading, allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization, allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones, and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner’s equity in the audited financial statements of the preceding year.

The Notice on Further Facilitating Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), promulgated by the SAFE on October 23, 2019 and revised on December 4, 2023 canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors’ security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Notice on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《關於境內企業境外上市資金管理有關問題的通知》) issued by the SAFE and the PBOC on December 24, 2025, and will come into effect on April 1, 2026, the PBOC, the SAFE and their branches shall supervise, administer, and inspect business registrations, account opening and usage, cross-border receipts and payments, foreign exchange settlement and purchase, and other acts related to the overseas listing of domestic enterprises.

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PRC LAWS AND REGULATIONS

This Appendix sets out summaries of certain aspects of PRC laws and regulations, which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange” to this document.

The PRC Legal System

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgements do not constitute legally binding precedents, although they may be used for the purposes of judicial reference and guidance.

Pursuant to the PRC Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the PRC Constitution and laws.

The people’s congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the PRC Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, environmental protection, historical and cultural protection and other aspects according to the specific circumstances and actual needs of such cities, which will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions, provided that such local regulations do not contravene any provision of the PRC Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions.

The ministries and commissions of the State Council, the PBOC, the National Audit Office of the PRC, the subordinate institutions with administrative functions directly under the State Council and institutions stipulated by law may formulate rules and regulations within the

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authorization of their respective departments in accordance with the laws and administrative regulations, and the decisions and orders of the State Council. The people’s governments of the provinces, autonomous regions, municipalities directly under the central government and cities with districts may formulate rules and regulations in accordance with the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities directly under the central government.

The PRC Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations, separate regulations or rules may contravene the PRC Constitution. The PRC laws rank higher than administrative regulations, local regulations and rules. The administrative regulations rank higher than local regulations and rules. The rules enacted by the people’s governments of the provinces or autonomous regions rank higher than the rules enacted by the people’s governments of the cities with districts and autonomous prefectures within the administrative areas of such provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee, but which contravene the PRC Constitution or the PRC Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the PRC Constitution and laws, to annul any local regulations that contravene the PRC Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the PRC Constitution and the PRC Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people’s congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of local people’s congresses have the power to annul inappropriate rules enacted by the people’s governments at the corresponding level. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the PRC Constitution, the power to interpret laws is vested in the SCNPC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, issues related to the further clarification or supplement of laws should be interpreted or provided by the SCNPC, issues related to the specific application of laws and decrees in a court trial should be interpreted by the Supreme People’s Court, issues related to the specific application of laws and decrees in a prosecution process should be interpreted by the Supreme People’s Procuratorate, and the legal issues other than the above-mentioned should be interpreted by the State Council and the competent authorities. If there are differences in principle in the interpretation of the Supreme People’s court and the Supreme People’s Procuratorate, they shall be submitted to the SCNPC for interpretation or decision.

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The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

The PRC Judicial System

Pursuant to the PRC Constitution and the Law of Organization of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) most recently revised on 26 October 2018 and taking effect on 1 January 2019, the people’s courts are classified into the Supreme People’s Court, the local people’s courts at various local levels, and other special people’s courts. The local people’s courts at various local levels are divided into three levels, namely, the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The primary people’s courts are further divided into civil, criminal and economic tribunals. The intermediate people’s courts have structure similar to those of the primary people’s courts and other special tribunals, such as the intellectual property courts, military courts and maritime courts. These two levels of people’s courts are subject to supervision by people’s courts at higher levels. The Supreme People’s Procuratorate is authorized to supervise the judgement and ruling of the people’s courts at all levels which have been legally effective, and the people’s procuratorate at a higher level is authorized to supervise the judgement and ruling of a people’s court at a lower level which have been legally effective. The Supreme People’s Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people’s courts at all levels.

The people’s courts employ a two-tier appellate system. The judgements or rulings of the second instance at a people’s court are final. A party may appeal against the judgement or ruling of the first instance of a local people’s court. The people’s procuratorate may present a protest to the people’s court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgements or rulings of the people’s court are final. Judgements or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court are final. Judgements or rulings of the first instance of the Supreme People’s Court are also final. However, if the Supreme People’s Court or a people’s court at the next higher level discovers an error in a final and binding judgement or ruling which has taken effect in any people’s court at a lower level, or the presiding judge of a people’s court finds an error in a final and binding judgement or ruling which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) adopted on 9 April 1991 and most recently amended on 1 September 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action, and the procedures for enforcement of a civil judgement or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure

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Law. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people’s court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is executed or signed or the place where the object of the action is located. However, such choice shall not in any circumstances contravene the provisions on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization that institute or respond to proceedings in a people’s court is given the same litigation rights and obligations as a citizen or legal person of the PRC. Should a foreign court limit the litigation rights of PRC citizens and enterprises, the PRC court shall apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he/she or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or a participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, conduct investigation, collect evidence and conduct other actions on its behalf. A PRC court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement.

A party seeking to enforce a judgement or ruling of a people’s court against another party who is not or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgement or ruling. Alternatively, the people’s court may, pursuant to an international treaty concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request the foreign court to recognize and execute the judgement or ruling. Likewise, if the PRC has entered into either a treaty relating to judicial enforcement with the relevant foreign country or according to the principle of reciprocity, a foreign judgement or ruling may also be recognized and enforced in accordance with the PRC enforcement procedures by a PRC court unless the people’s court considers that the recognition or enforcement of such judgement or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or would not be in the public interest.

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The PRC Company Law, Trial Measures for Overseas Listing and Guidance for Articles of Association

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- (1) The PRC Company Law (《中華人民共和國公司法》) which was promulgated on 29 December 2023 and took effect on 1 July 2024;
- (2) Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies which were promulgated by the CSRC on 17 February 2023 pursuant to the PRC Securities Law (《中華人民共和國證券法》) and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and
- (3) The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidance for Articles of Association**”) which was most recently amended on 28 March 2025 by the CSRC. The Articles of Association is formulated based on the Guidance for Articles of Association on a reference basis, the summary of which is set out in the section entitled “Appendix V — Summary of Articles of Association” to this document.

Set out below is a summary of the major provisions of the currently effective PRC Company Law, the Trial Measures for Overseas Listing for Articles of Association which are applicable to the Company.

General

A joint stock limited company refers to a corporate legal person established in China under the PRC Company Law with its registered capital divided into shares. All shares of the company shall be either par value shares or no par value shares in accordance with the company’s articles of association. Where par value shares are adopted, each share shall have equal value. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

The company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

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Incorporation

A company may be incorporated by promotion or floatation. A company shall be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must be residents within the PRC. Companies incorporated by promotion are companies of which the entire registered capital is subscribed for by the promoters. Shares in the company incorporated by promotion shall not be offered to others unless the registered capital has been fully paid up. If laws, administrative regulations and decisions of the State Council have separate provisions on paid-in registered capital and the minimum registered capital, the company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters’ agreements. After the promoters have confirmed the capital contribution under the articles of association, a board of directors and a Supervisory Committee shall be elected and the board of directors shall apply for registration of incorporation by filing the articles of association with the company registration authority, and other documents as required by laws or administrative regulations.

Where companies are incorporated by floatation, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided for by laws or administrative regulations. The promoters shall preside over and convene an inauguration meeting within thirty days from the date of the full payment of subscription capital. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued are not fully subscribed for within the offer period stipulated in the share offering document, or where the promoter fails to convene an inauguration meeting within thirty days of the subscription capital for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription capital so paid together with the interest calculated at bank rates of a deposit for the same period. Within thirty days of the conclusion of the inauguration meeting, the board of directors shall apply to the registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after the registration with the relevant administration for market regulation has been completed and a business license has been issued.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being

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contributed as capital by laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of laws or administrative regulations on valuation without any over-valuation or under-valuation.

There is no limit under the PRC Company Law as to the percentage of shares held by an individual shareholder in a company. The shares of a company are represented by stocks. A stock is a certificate issued by the company to certify the share held by a shareholder. The stock issued by the company shall be in the form of registered stock.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber (whether an entity or an individual). The share offering price may be equal to or greater than the par value of the share, but may not be less than the par value.

Under the Trial Measures for Overseas Listing, if a domestic company offers shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Under the PRC Company Law, a company issuing registered share certificates shall maintain a shareholder registry which sets forth the following matters:

- (i) the name and domicile of each shareholder;
- (ii) the number of shares held by each shareholder;
- (iii) serial number of shares if the shares are issued in paper form; and
- (iv) the date on which each shareholder acquired the shares.

Increase in Share Capital

In light of its operational and development needs and in accordance with laws and regulations, a company may increase its share capital under any of the following methods, subject to the resolutions be passed at a shareholders' general meeting: (i) a public offering of shares; (ii) a private placement of shares; (iii) offering of bonus shares to existing shareholders; (iv) the conversion of reserve funds into shares; and (v) any other methods provided in law and administrative regulations and approved by the CSRC.

Pursuant to the PRC Company Law, a company may, according to its articles of association, issue the following classified shares, which have different rights from those of the common shares: (i) shares with priority or inferior rights to profits or remaining property in distribution; (ii) shares with more or less voting rights per share than those of the common

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shares; (iii) shares whose transfer is subject to the consent of the company and other restrictions; (iv) other classified shares provided by the State Council. A company making a public offering of shares shall not issue any of the classified shares as prescribed on items (ii) and (iii), except those issued prior to the public offering. Where a company is issuing new shares, resolutions shall be passed at general meeting in accordance with the articles of association in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and when the new shares are proposed to be issued to existing shareholders, the class and amount of such new shares.

To offer shares overseas, the domestic company shall report the application documents for offering and listing to the CSRC for record-filing within three business days after submission of the application documents for offering and listing overseas.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and a list of properties;
- (ii) the reduction of registered capital must be approved by shareholders at the general meeting;
- (iii) the company shall notify its creditors of the reduction in registered capital within ten days and publish an announcement of the reduction in newspaper or on National Enterprise Credit Information Publicity System within thirty days of the resolution approving the reduction being passed;
- (iv) the creditors of the company may within the statutory time limit require the company to repay its debts or provide guarantees for covering the debts; and
- (v) the company must apply to the relevant company registration authority for registration of the change and reduction in registered capital.

Repurchase of Shares

Pursuant to the PRC Company Law, a company shall not purchase its own shares other than in any of the following circumstances:

- (i) reducing its registered capital;
- (ii) merging with another company which holds its shares;

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- (iii) utilizing the shares for employee stock ownership plan or stock ownership incentive scheme;
- (iv) acquiring its own shares at the request of its shareholders who vote in a shareholders’ general meeting against a resolution regarding a merger or separation;
- (v) utilizing the shares for conversion of corporate bonds which are convertible into shares issued by a listed company; and
- (vi) where it is necessary for a listed company to maintain its corporate value and stockholders’ equity.

Any company’s purchase of its own shares for any reason specified in item (i) and item (ii) of the preceding paragraph shall be subject to a resolution of the general meeting; any company’s purchase of its own shares for any reason specified in item (iii), item (v) and item (vi) of the preceding paragraph may be subject to a resolution of the board meeting with more than two thirds of directors present, according to the provisions of the articles of associations or upon authorization by the general meeting.

The shares acquired under the circumstance stipulated in item (i) hereof shall be deregistered within ten days from the date of acquisition of shares; the shares shall be assigned or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (ii) or item (iv); and the shares held in total by a company after the repurchase under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the company’s total outstanding shares, and shall be assigned or deregistered within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of twenty days prior to convening a shareholders’ general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any legal provisions on the registration of changes in the share register of listed companies.

Pursuant to the PRC Company Law, shares of the company issued prior to the public offering of shares may not be transferred within one year of the date of the company’s listing on a stock exchange. Directors, supervisors and the Senior Executives of a company shall

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declare to the company their shareholdings in the company and any changes thereof. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company per annum. They shall not transfer the shares they hold within one year of the date of the company’s listing on a stock exchange, nor within half a year after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the Senior Executives.

Shareholders

Under the PRC Company Law, the rights of shareholders include the rights:

- (i) to receive a return on assets, participate in significant decision-making and select management personnel;
- (ii) to petition the people’s court to revoke any resolution passed on a shareholders’ general meeting or a meeting of the board of directors that has not been convened in compliance with the laws and regulations or the articles of association or whose voting has violated the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within sixty days of the passing of such resolution;
- (iii) to transfer the shares according to the applicable laws and regulations and the articles of association;
- (iv) to attend or appoint a proxy to attend shareholders’ general meetings and exercise the voting rights;
- (v) to inspect the articles of association, share register, minutes of shareholders’ general meetings, board resolutions, resolutions of the Supervisory Committee and financial and accounting reports, and to make suggestions or inquiries in respect of the company’s operations;
- (vi) to receive dividends in respect of the number of shares held;
- (vii) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (viii) any other shareholders’ rights provided for in laws, administrative regulations, other normative documents and the articles of association.

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The obligations of shareholders include the obligation to abide by the company’s articles of association, to pay the subscription capital in respect of the shares subscribed for, to be liable for the company’s debts and liabilities to the extent of the amount of subscription capital agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

Shareholders’ General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors (not being representative(s) of employees) and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the Supervisory Committee or supervisors;
- (iv) to review and approve the company’s annual financial budgets and final accounts plan;
- (v) to review and approve the company’s profit distribution proposals and loss recovery proposals;
- (vi) to decide on any increase or reduction of the company’s registered capital;
- (vii) to decide on the issue of corporate bonds;
- (viii) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (ix) to amend the company’s articles of association; and
- (x) to exercise any other authority stipulated in the articles of association.

The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

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Pursuant to the PRC Company Law, a shareholders’ general meeting is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- (ii) the outstanding losses of the company amounted to one-third of the company’s total share capital;
- (iii) shareholders individually or in aggregate holding 10% or more of the company’s shares request that an extraordinary general meeting is convened;
- (iv) the board of directors deems necessary;
- (v) the Supervisory Committee so proposes; or
- (vi) any other circumstances as provided for in the articles of association.

A shareholders’ general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner. If the Supervisory Committee fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company’s shares for ninety days or more consecutively may unilaterally convene and preside over such meeting. Where shareholders individually or in aggregate holding 10% or more of the company’s shares request to convene an extraordinary general meeting, the board of directors and the Supervisory Committee shall, within ten days after receipt of such request, decide whether to convene the extraordinary general meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders twenty days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders fifteen days prior to the meeting.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders’ general meeting.

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Pursuant to the PRC Company Law, shareholders (excluding classified shareholders) present at a shareholders’ general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law, resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the general meeting, the board of directors shall convene a shareholders’ general meeting promptly to vote on such matters.

A shareholder may entrust a proxy to attend the general meeting on his/her behalf and the matters, power and time limit of the proxy shall be clarified by such shareholder. The proxy shall present the shareholders’ power of attorney to the company and exercise voting rights within the scope of authorization.

Minutes shall be prepared in respect of matters considered at the general meeting and the chairman and directors attending the meeting shall endorse such minutes by signature. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders’ attendance register and the proxy forms.

Board of Directors

A joint stock limited company shall have a board of directors which shall have at least three members. For a company that has three hundred or more employees, the board of directors shall include the staff representative unless the Supervisory Committee has been established and already included the staff representative supervisor. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations

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and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise its powers:

- (i) to convene shareholders’ general meetings and report on its work to the shareholders’ general meetings;
- (ii) to implement the resolutions passed by the shareholders at the shareholders’ general meetings;
- (iii) to decide on the company’s operational plans and investment proposals;
- (iv) to formulate the company’s profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of the company’s registered capital and the issue of corporate bonds;
- (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- (vii) to decide on the setup of the company’s internal management organs;
- (viii) to appoint or dismiss the company’s manager and decide on his/her remuneration and, based on the manager’s recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- (ix) to formulate the company’s basic management system; and
- (x) to exercise any other authority stipulated in the articles of association.

Any restrictions on the powers of the board of directors set out in the articles of association may not be claimed against any bona fide third party.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors ten days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the Supervisory Committee. The chairman shall convene the meeting within ten days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall

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be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board of directors. Directors shall attend the meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. The board of directors shall make minutes of the meeting’s decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the board of directors violates any laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company:

- (i) a person without capacity or restricted capacity to undertake any civil liabilities;
- (ii) a person who has been sentenced to any criminal penalty for corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes and such sentence has expired for no more than five years, or who is granted probation, if no more than two years have passed since the expiration of the probation period;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where no more than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order to close down; or
- (v) a person who is listed as a dishonest person subject to enforcement by the people’s court due to failure to pay off a large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

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Pursuant to the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director elected by more than half of the directors shall perform his/her duties.

Manager and Senior Executives

Pursuant to the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with the company’s articles of association or the authorization of the board of directors.

Other provisions in the articles of association on the manager’s powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

Pursuant to the PRC Company Law, Senior Executives refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors, Managers and Other Senior Executives

Directors, supervisors and Senior Executives are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and shall be obliged to be faithful and diligent towards the company. Where the controlling shareholder or actual controller of the company who does not serve as a director but actually attends to the company’s affairs, shall comply with the foregoing provisions.

Directors, supervisors and Senior Executives are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company’s property.

Directors, supervisors and Senior Executives are prohibited from:

- (i) seizing the assets of the company or misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;

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- (iii) taking advantage of power to accept bribes or other illegal income;
- (iv) accepting commissions paid by a third party for transactions conducted with the company for their own benefit;
- (v) unauthorized divulgence of confidential information of the company; and
- (vi) other acts in violation of their duty of loyalty to the company.

Where directors, supervisors and Senior Executives directly or indirectly conclude any contract or engage in transactions with the company, they shall report to the board of directors or the shareholders' general meeting and seek approval by resolutions of the board of directors or the shareholders' general meeting in accordance with the articles of association. The requirement shall also apply to the conclusion of contracts or engagement in transactions by close relatives of the directors, supervisors and Senior Executives or enterprises directly or indirectly controlled by close relatives of the directors, supervisors and Senior Executives as well as persons who are otherwise related to the directors, supervisors and Senior Executives.

Directors, supervisors and Senior Executives shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to the company, unless such act has been reported to and approved by the board of directors or the shareholders' general meeting in accordance with the articles of association or the company is unable to take the business opportunity in accordance with applicable laws, administrative regulations, and the articles of association.

Directors, supervisors and Senior Executives shall not engage in the business similar to those of the company for themselves or others, unless such act has been reported to and approved by the board of directors or the shareholders' general meeting in accordance with the articles of association.

Income generated by directors or Senior Executives in violation of aforementioned shall be returned to the company.

A director, supervisor or Senior Executives who contravenes any laws, regulations or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

The Guidance for Articles of Association provides that a company's directors and Senior Executives shall have duties of diligence towards the company, for example, the directors shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with state's laws, administrative regulations and various economic policy requirements and that the business activities do not go beyond the scope of business activities specified in the company's business license; the directors shall treat all shareholders equally; the directors shall keep abreast of the company's business

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management status; both the directors and the Senior Executives shall sign written statements confirming periodic reports of the company and ensure that the information disclosed by the company is true, accurate and complete; both the directors and the Senior Executives shall provide the audit committee with relevant information and materials truthfully and shall not obstruct the audit committee from exercising its powers; both the directors and the Senior Executives shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the company’s articles of association.

Finance and Accounting

Pursuant to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

The company’s financial reports shall be made available for shareholders’ inspection at the company twenty days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year’s profits after taxation, the company shall set aside 10% of its profits after taxation for the company’s statutory common reserve fund until the fund has reached more than 50% of the company’s registered capital. When the company’s statutory common reserve fund is not sufficient to make up for the company’s losses for the previous years, the current year’s profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders’ general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to the abovementioned reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association.

Profits distributed to shareholders in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium over the nominal value of the shares of the company on issue and other income as required by relevant government authorities to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company’s losses, expand its business operations or increase its

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capital. Where any losses need to be covered with reserve fund of the company, discretionary reserve fund and statutory common reserve fund shall first be used and if still insufficient, capital reserve fund can be used in accordance with applicable provisions. Upon the transfer of the statutory common reserve fund into increasing capital, the balance of the statutory common fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's capital shall not be deposited in any account opened under the name of an individual.

Appointment and Retirement of Auditors

The Guidance for Articles of Association provides that a company shall engage an accounting firm which is qualified with the PRC Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The engagement term is one year and may be extended.

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a shareholders' general meeting or the board of directors or the Supervisory Committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information. Furthermore, the Guidance for Articles of Association provides that the audit fee for the accounting firm shall also be determined by shareholders at a general meeting.

Profit Distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the Articles of Association

Pursuant to the PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

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Pursuant to the Guidance for Articles of Association, the company shall amend its articles of association under any of the following circumstances:

- (i) where, after any amendment to the PRC Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the law and/or administrative regulations amended;
- (ii) where the company’s circumstances change to such an extent that they are inconsistent with what is recorded in the articles of association; and
- (iii) where the shareholders’ general meeting decides to amend the articles of association.

The Guidance for Articles of Association further provides that where any amendment to the articles of association adopted by a shareholders’ general meeting is subject to approval by the competent authorities, such amendment shall be submitted for approval; where any amendment involves the company’s registration items, the company’s registration with the authority shall also be amended. In addition, an announcement shall be made in accordance with the applicable provisions provided that the amendment to the articles of association is required to be disclosed by any law or regulation.

Dissolution and Liquidation

Pursuant to the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) the shareholders have resolved at a shareholders’ general meeting to dissolve the company;
- (iii) the company is dissolved by reason of its merger or division;
- (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (v) the company is dissolved by a people’s court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders’ interests. On the occurrence of the abovementioned events, the company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.

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In the event of paragraphs (i) and (ii) above, the company may carry on its existence by amending its articles of association if no property has been distributed to any shareholder. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders’ general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, the liquidation procedures shall be conducted and directors shall be the company’s liquidation obligor and it should establish a liquidation committee within fifteen days of the date on which the dissolution event occurs. The liquidation committee shall be composed of directors or any other persons determined by a shareholders’ general meeting. If a liquidation committee is not established within the prescribed period or the liquidation fails to effect after the establishment of a liquidation committee, the interested party may file an application with a people’s court, requesting that the court appoint relevant personnel to form a liquidation committee to administer the liquidation. The people’s court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

- (i) to dispose of the company’s assets and to prepare a balance sheet and an inventory of assets;
- (ii) to notify the company’s creditors or publish announcements;
- (iii) to deal with and settle any outstanding business related to the liquidation;
- (iv) to pay any outstanding tax together with any tax arising during the liquidation process;
- (v) to settle the company’s claims and liabilities;
- (vi) to distribute the company’s remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company’s creditors within ten days from its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within sixty days.

A creditor shall lodge his claim with the liquidation committee within thirty days of receipt of the notification or within forty-five days of the date of the announcement if he has not received any notification.

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A creditor shall, in making his claim, state matters relevant to his creditor’s rights and furnish relevant evidence. The liquidation committee shall register such creditor’s rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company’s property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders’ general meeting or a people’s court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company’s property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company’s property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to repay its liabilities, it must apply to a people’s court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people’s court, the liquidation committee shall hand over the administration matters to the bankruptcy administrator designated by the people’s court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders’ general meeting or a people’s court for confirmation of its completion, and to the company registration authority to cancel the company’s registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to discharge their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company’s properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas Listing

Pursuant to the Trial Measures for Overseas Listing, both initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business days after receiving the filing documents, conclude the filing procedure

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and publish the filing results on the CSRC website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request supplementation and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete supplementation and amendment within thirty business days.

Merger and Demerger

Merger of companies may be conducted by absorption or consolidation. If companies adopt the method of absorption, the absorbed company shall be dissolved. If companies are incorporated in the form of consolidation, the parties to the merger shall be dissolved.

The parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of properties. Within ten days of the date on which the resolution on merger is made, the creditors shall be notified by the company and a public announcement shall be in the press or on the National Enterprise Credit Information Publicity System within thirty days. The creditors may require the company to repay its debts or provide guarantees for covering the debts within thirty days of receipt of the notification or within forty-five days of the date of the announcement if the creditor has not received any notification; and in case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

Where a company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its shareholders' general meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares as a reasonable price. If the price paid for a company's merger does not exceed 10% of the company's net assets, approval by resolution of its shareholder's meeting may not be required unless otherwise provided by the company's articles of association. Where a company's merger is exempt from approval by resolution of the shareholders' general meeting in the previous two cases, it shall be subject to approval by resolution of the board of directors.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. Within ten days of the date on which the resolution on division is made, the creditors shall be notified by the company and a public announcement shall be made in the press or on the National Enterprise Credit Information Publicity System within thirty days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

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The PRC Securities Law, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of the shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and the CSRC and reformed the CSRC.

The PRC Securities Law is the first national securities law in China, and the regulatory matters include the issuance and trading of securities, the acquisition of listed companies, information disclosure, obligations and responsibilities of stock exchanges, securities companies and securities regulatory authorities, etc. The PRC Securities Law comprehensively regulates activities in the PRC securities market.

Pursuant to the PRC Securities Law, domestic enterprises issuing securities overseas directly or indirectly or listing and trading their securities overseas shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares issued overseas is mainly regulated by rules and regulations issued by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The PRC Arbitration Law (《中華人民共和國仲裁法》) was enacted by the SCNPC on 31 August 1994, which became effective on 1 September 1995 and was last amended on 1 September 2017, and the PRC Arbitration Law (2025 Revision) will come into effect on March 1, 2026. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and the PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement.

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If the respondent puts forward evidence to prove that the arbitral award is under any of the following circumstances, the award shall not be enforced upon examination and verification by an arbitration tribunal of the people’s court:

- (i) the parties have no arbitration clause in their contract, nor have subsequently reached a written agreement on arbitration;
- (ii) the matter to be ruled does not fall within the scope of the arbitration agreement or the arbitration institution has no right to arbitrate;
- (iii) the composition of the arbitration tribunal or the arbitration procedure violates the legal procedure;
- (iv) the evidence on which the award is based is forged;
- (v) the other party conceals evidence sufficient to influence the impartial award from the arbitration institution;
- (vi) the arbitrators have committed acts of embezzlement, bribery, favoritism and malpractice, or perverting the law in arbitrating the case.

If the people’s court determines that the enforcement of the award violates the public interest, the award shall not be enforced.

Any party seeking to enforce an arbitral award of a foreign affairs arbitration organ of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitration body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the “**New York Convention**”) adopted on 10 June 1958 pursuant to a resolution of the SCNPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the convention, the SCNPC declared that (i) the PRC will only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territory of another contracting state based on the principle of reciprocity; and (ii) the New York Convention will only apply to disputes deemed under PRC law to be arising from contractual or non-contractual mercantile legal relations.

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The Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) were passed at the Judicial Committee meetings of the Supreme People’s Court on 18 June 1999, which went into effect on 1 February 2000. The Supplementary Arrangements of Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) were promulgated by the Supreme People’s Court on 26 November 2020. Under these arrangements, if a party fails to perform the arbitral award rendered in the Mainland or the Hong Kong, the other party may apply for enforcement to the relevant court in the place where the respondent is domiciled or where the property is located.

Judicial Judgement and its Enforcement

On 14 January 2019, the Judicial Committee of the Supreme People’s Court adopted the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《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》), which took effect on 29 January 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the mainland China. The arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The arrangement further regulates, among others, the scope and particulars of judgements, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgement, the circumstances where the recognition and enforcement of judgement shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgements in civil and commercial matters between the courts in mainland China and those in the Hong Kong. Upon implementation of this Arrangement, the Arrangement between the Mainland and the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgements of Civil and Commercial Matters under Consensual Jurisdiction (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) which was adopted by the Judicial Committee of the Supreme People’s Court on 12 June 2006 and took effect on 1 August 2008 has been repealed.

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DIRECTORS AND THE BOARD OF DIRECTORS

Power to Dispose of Assets of the Company or its Subsidiaries

The board of directors shall determine the authority limits for outbound investments, acquisition and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related-party transactions, donations and gifts, etc., and establish stringent examination and decision-making procedures; for significant investment projects, the board of directors shall organise the relevant experts and professionals for review and submit to the shareholders meeting for approval.

Financial Assistance to Purchase Shares in the Issuer or its Subsidiaries

Neither the Company nor its subsidiaries may provide gifts, advances, guarantees, compensations, loans or other financial aids for others to obtain the shares of the Company or the parent company thereof unless it carries out an employee stock ownership plan.

Remuneration

Appointment, removal, remunerations and method of payment of members of the board of directors are adopted by ordinary resolutions at a shareholders’ meeting.

Appointment, Dismissal and Removal

The Company has a board of directors consisting of nine (9) directors and one (1) chairman. The board of directors shall include at least three independent directors and no less than one-third of the members of the board of directors. At least one independent director is required to hold appropriate professional qualifications or appropriate expertise in accounting or relevant financial management. The term of office of an independent director shall not exceed nine years. The Company shall have at least one independent director ordinarily residing in Hong Kong. The chairman of the board shall be elected by more than half of all the directors.

Directors are elected or replaced by a shareholders’ meeting and may be removed from office by the shareholders’ meeting before the expiry of term of office. The term of office of a director is 3 years. A director may be re-elected for consecutive terms upon expiration of his/her term of office.

A director’s term of office commences from the date of appointment to the expiry of current term of office of board of directors. If a director’s term of office expires but new directors are not yet appointed, the original director shall still perform director’s duties according to the laws, administrative regulations, departmental rules and the Articles of Association.

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The Company shall have one director representing employees. The employees' representatives in the board of directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means. There is no need to submit to the shareholders' meeting for consideration.

The list of candidates for directors who are not the representatives of employees shall be submitted, in the form of proposal, to the shareholders' meeting for voting. For the election of directors, the shareholders' meeting may adopt a cumulative voting system according to the regulations of the Articles of Association or resolutions of shareholders' meetings. The "cumulative voting system" means that in the election of directors or supervisors, each shareholder is entitled to one vote per share, multiplied by the number of candidates to be elected and may consolidate their voting rights on one candidate when casting a vote. The board of directors shall notify the shareholders of the resumes and basic information of these candidate directors.

Where a single shareholder and its persons acting in concert hold 30% or more of the shares with voting rights, or when a shareholders' meeting elects two or more independent directors, the company shall adopt the cumulative voting system.

Whoever falls under any of the following circumstances may not serve as the director of the company:

- (1) he/she has no civil capacity or restricted civil capacity;
- (2) he/she has been subject to criminal penalty due to corruption, bribery, embezzlement or misappropriation of property or disrupting the socialist market economic order, or has been deprived of political rights due to a crime and within five years after the execution of the penalty; or has been deprived of political rights due to criminal activities and within five years after the execution of penalty;
- (3) he/she served as a director, or factory director, manager of a company or enterprise subject to bankruptcy liquidation, and was personally liable for the bankruptcy of such company or enterprise, and within three years since the date of completion of the bankruptcy liquidation of the company or enterprise;
- (4) he/she served as a legal representative of a company or enterprise, whose business license was revoked or which was ordered to close down due to a violation of the law, for which he/she was personally liable, and within three years since the date of revocation of the business license of the company or enterprise;
- (5) he/she is listed as a dishonest debtor by the people's court due to a relatively large amount of outstanding personal debt;

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- (6) he/she has been prohibited from entering into the securities market by the CSRC, and such prohibition has not expired;
- (7) he/she has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior executive of a listed company, and such decision is still effective; or
- (8) other contents specified by the laws, administrative regulations, departmental rules or securities regulatory rules of the place where the shares of the Company are listed.

In the case of an election or nomination of a director that contravenes this Article, such election, nomination or appointment is invalid. If any director falls under the circumstances of this Article during the term of office, the company will remove him/her from office and stop his/her performance of duties.

Voting and Resolution of the Shareholders' Meeting

Resolutions at shareholders' meetings consist of ordinary resolutions and special resolutions.

If a shareholders' meeting makes an ordinary resolution, it shall be passed by more than half of the voting rights held by shareholders (including shareholders' proxies) attending the meeting.

If a shareholders' meeting makes a special resolution, it shall be passed by two-thirds or more of the voting rights held by shareholders (including shareholders' proxies) attending the meeting.

Voting Rights

Shareholders (including shareholders' proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote.

The shares in the company held by the company shall have no voting right and shall not be included in the total number of shares with voting rights present at a shareholders' meeting.

The company's board of directors, independent directors, shareholders who hold 1% or more of the company's shares with voting rights or the investor protection agency established pursuant to laws, administrative regulations or the provisions of the CSRC may openly solicit shareholders' voting rights. When soliciting shareholders' voting rights, the specific voting intent and other information shall be fully disclosed to the solicited party. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for the statutory criteria, the company shall not set minimum shareholding percentage restrictions for solicitation of voting rights.

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In accordance with relevant laws and regulations and the securities regulatory rules in the jurisdiction where the shares of the Company are listed, where any shareholder is required to abstain from voting with respect to a proposal or is restricted to vote only for or against any specific proposal, the votes cast by such shareholder or his/her proxy in violation of the foregoing provisions or restrictions shall not be included in the voting results.

When a shareholders’ meeting deliberates on related-party transactions, the related shareholders shall not participate in the voting, and the number of shares held with voting rights shall not be included into the total number of valid votes. The announcement of shareholders’ resolution shall fully disclose the voting of the non-related shareholders.

The same voting right may only be exercised on site, online or by one of any other means of voting. In the event of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders present at a shareholders’ meeting shall issue one of the following opinions for the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organisation shall be the nominal holder of shares under the Mainland-Hong Kong Stock Connect Mechanism, except where declaration is made based on the actual holder’s intent.

Votes which are left blank, wrongly written or illegible or votes which are not cast shall be deemed as waiver of voting rights by the voters, and the voting results for the corresponding shares shall be classified as “abstention”.

Provisions Regarding Shareholders’ Meetings

Shareholders’ meetings are divided into annual shareholders’ meetings and extraordinary shareholders’ meetings. Annual shareholders’ meetings are held once a year and shall be held within six months after the end of the last accounting year.

ACCOUNTS AND AUDIT

Financial and Accounting Systems

A company lays down its financial and accounting systems according to the laws, administrative regulations and provisions of relevant government departments.

A company shall, within four months after the end of each accounting year, submit and disclose its annual report to the local office of the CSRC and the stock exchange where its shares are listed and within two months after the end of the first half of each accounting year, submit and disclose its interim report to the local office of the CSRC and the stock exchange where its shares are listed. The above annual and interim reports shall be prepared according to the relevant laws, administrative regulations, rules of the CSRC and the stock exchanges.

Apart from the legally prescribed accounting books, a company shall not establish another accounting book. The company’s funds will not be deposited under any personal accounts.

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Engagement and Removal of Accounting Firm

A company shall engage an accounting firm which complies with the provisions of the Securities Law to carry out the auditing of accounting statements, verification of net assets and other relevant advisory services, etc., for a term of engagement of one year and which may be re-engaged. The engagement or dismissal of an accounting firm by a company shall be decided by a shareholders’ meeting. The board of directors shall not appoint an accounting firm prior to the decision by the shareholders’ meeting. A company shall ensure to provide true and complete accounting vouchers, accounting books, financial accounting reports and any other accounting materials to the accounting firm engaged and shall not refuse to provide information, conceal information or provide false information.

Audit fees paid to an accounting firm shall be decided by a shareholders’ meeting. In the event that a company dismisses or does not re-engage an accounting firm, it shall notify the accounting firm 10 days in advance. The accounting firm shall be permitted to state its opinions when the shareholders’ meeting of the company votes on the dismissal of the accounting firm.

Where an accounting firm resigns, it shall state to the shareholders meeting whether or not there are any inappropriate circumstances of the company.

Notice of Meetings and Matters to be Considered

The shareholders’ meeting is an organisation of authority of the company and exercises the following authorities pursuant to the law:

- (1) electing and replacing directors, and deciding the remuneration of the directors;
- (2) deliberating and approving the reports of board of directors;
- (3) deliberating and approving the profit distribution plan and loss compensation plan of the company;
- (4) making resolution on increasing or decreasing the registered capital of the company;
- (5) making resolution on the issuing of company bonds;
- (6) making resolution on merger, division, dissolution, liquidation or changing the form of the company;
- (7) amending the Articles of Association;

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- (8) making resolution on engagement and dismissal of the accounting firm that undertakes the auditing of the company;
- (9) deliberating and approving the guarantees under Article 48 of the Articles of Association;
- (10) deliberating purchases and sales of significant assets within a year exceeding 30% of the most recently audited total assets of the company;
- (11) deliberating and approving changes in usage of raised funds;
- (12) considering and approving the related transaction matters requiring the approval of the shareholders’ meeting under the Hong Kong Listing Rules;
- (13) deliberating equity incentive plans and Employee Share Incentive Plan; and
- (14) deliberating other matters which shall be decided by the shareholders’ meeting as required by the laws, administrative regulations, departmental rules or the Articles of Association.

A shareholders’ meeting may authorize the board of directors to decide on the issuance of company bonds.

If any of the following circumstances occurs, an interim shareholders’ meeting shall be held within two months:

- (1) where the number of directors is less than two thirds of the number as provided for by the Company Law or the Articles of Association;
- (2) where the unrecovered losses of the company reach one third of the total capital stock;
- (3) where the shareholders who separately or aggregately hold 10% or more of the company’s shares so request;
- (4) where the board of directors deems it necessary;
- (5) where the board of supervisors so proposes; or
- (6) other circumstances as provided for in the articles of association.

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Shareholders shall require convening of an interim shareholders' meeting in accordance with the following procedures:

A shareholder who individually or jointly holds 10% or more of the company's shares shall make a request to the board of directors in writing to convene an extraordinary shareholders' meeting. The board of directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders' meeting within 10 days from receipt of the request pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Where the board of directors gives consent to convening of an extraordinary shareholders' meeting, a notice on convening of shareholders' meeting shall be issued within 5 days after the board resolution is passed; any change to the original request in the notice shall be approved by the relevant shareholders.

Where the board of directors does not give consent to convening of an extraordinary shareholders' meeting, or does not provide feedback within 10 days from receipt of the request, a shareholder who individually or jointly holds 10% or more of the company's shares proposes to the audit committee to convene an extraordinary shareholders' meeting, the request shall be made to the audit committee in writing.

Where the audit committee gives consent to convening of an extraordinary shareholders' meeting, a notice on convening of shareholders' meeting shall be issued within 5 days from receipt of the request; any change to the original request in the notice shall be approved by the relevant shareholders.

Where the audit committee does not issue a notice of shareholders' meeting within the stipulated period, the audit committee shall be deemed not to convene nor chair a shareholders' meeting, and a shareholder who individually or jointly holds 10% or more of the company's shares for 90 or more consecutive days may convene and chair a shareholders' meeting on his/her own.

An independent director shall, in accordance with the following procedures, request to convene an interim general meeting of shareholders:

The independent directors may propose to the board of directors to convene an extraordinary shareholders' meeting. Where independent directors propose to convene an extraordinary shareholders' meeting, the board of directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders' meeting within 10 days from receipt of the proposal pursuant to the provisions of laws, administrative regulations, and the Articles of Association.

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Where the board of directors gives consent to convening of an extraordinary shareholders' meeting, a notice on convening of shareholders' meeting shall be issued within 5 days after the board resolution is passed; if the board of directors does not give consent to convening of an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

The audit committee shall, in accordance with the following procedures, request to convene an interim shareholders' meeting:

Where the audit committee proposes to the board of directors on convening of an extraordinary shareholders' meeting, the proposal shall be made in writing to the board of directors. The board of directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders' meeting within 10 days from receipt of the proposal pursuant to the provisions of laws, administrative regulations, and the Articles of Association.

Where the board of directors gives consent to convening of an extraordinary shareholders' meeting, a notice on convening of shareholders' meeting shall be issued within 5 days after the board resolution is passed; any change to the original proposal in the notice shall be approved by the audit committee.

Where the board of directors does not give consent to convening of an extraordinary shareholders' meeting or does not issue feedback within 10 days from receipt of the proposal, the board of directors shall be deemed as unable to perform or failed to perform the duties of convening of shareholders' meeting, and the audit committee may convene and chair a shareholders' meeting on its own.

Where the audit committee or the shareholders decide to convene a shareholders' meeting, the board of directors shall be notified in writing.

All costs and expenses necessary for shareholders' meetings convened by the audit committee or by the shareholders shall be borne by the company.

The convener will notify all shareholders by means of announcement 21 days prior to the annual shareholders' meeting. An extraordinary shareholders' meeting will be notified to all shareholders by means of announcement 15 days prior to the meeting. When a company calculates the commencement of a period, it does not include the day the meeting is held. Where the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail. When a company holds a shareholders' meeting, the board of directors, the audit committee and the shareholders individually or jointly holding 1% or more of the company's shares (including preferred shares with resumed voting rights etc.) shall have the right to submit proposals to the company.

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Shareholders individually or jointly holding 1% or more of the company's shares may submit an interim proposal in writing to the convener 10 days before a shareholders' meeting. The convener shall issue a supplementary notice of shareholders' meeting within two days of receipt of such a proposal, publicly announce the contents of the interim proposal and submit the interim proposal to the shareholders' meeting for deliberation, except where interim proposals contravene the provisions of laws, administrative regulations, or the Articles of Association or do not fall within the scope of duties and authority of the shareholders' meeting.

A notice of a shareholders' meeting includes the following contents:

- (1) the time, venue, and duration of the meeting;
- (2) the matters and proposals to be submitted to the meeting for deliberation;
- (3) a clear written explanation of the following matters: all common shareholders, shareholders with special voting rights and other shareholders have the right to attend the shareholders' meeting and may authorize in writing a proxy, who needs not necessarily be a shareholder, to attend and vote at the meeting;
- (4) the date of record of shareholders entitled to attend the shareholders' meeting;
- (5) the name and telephone number of the permanent contact person of meeting; and
- (6) the voting time and procedures online or by any other method.

The notice and supplementary notice of a shareholders' meeting shall disclose the specific contents of all proposals fully and completely. Where the opinions of independent directors are necessary for matters to be discussed by the shareholders' meeting, the opinions and the reasons given by the independent directors shall be disclosed when the notice or supplementary notice of shareholders' meeting is issued.

If the Shareholders' meeting adopts the internet or other methods, the voting time and procedures online or by any other methods shall be expressly specified in the notice of the Shareholders' meeting. Voting online or by other method for shareholders' meeting shall not commence earlier than 3:00 p.m. on the day preceding the date of the on-site shareholders' meeting, or later than 9:30 a.m. on the date of the on-site shareholders' meeting and shall not end before 3:00 p.m. of the date of the on-site shareholders' meeting.

The interval between the date of record and the date of meeting shall be not more than seven working days. Once determined, the date of record shall not be changed.

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Transfer of Shares

Shares of a company shall be transferred pursuant to the law. All transfers of H Shares shall be by written instrument of transfer in normal or common form or any other form acceptable to the Board (including a standard form of transfer or a transfer form prescribed by the Hong Kong Stock Exchange from time to time); such instrument of transfer may only be executed by handwriting or (in the case of a company as the transferor or transferee) by affixing the valid seal of the company. Where the transferor or the transferee is a recognized clearing house (hereinafter referred to as “a recognized clearing house”) or its agents as such term is defined in Regulations from time to time in force under the laws of Hong Kong or its agents. The execution may be either manually or by machine imprinted. All instruments of transfer shall be kept at the legal address of the Company or such other address as the board of directors may from time to time designate.

A company shall not accept its shares as subject matter of pledge.

Shares issued prior to the public offering by a company shall not be transferred within one year from listing and trading of the company’s stocks on the Stock Exchanges.

The directors and senior executives of the company shall declare to the company their holding of shares (including preferred shares) in the company and the changes thereof, the shares transferred each year during their tenure determined at the time of appointment shall not exceed 25% of the total number of the same type of shares of the company held by them; the company shares held by them shall not be transferred within one year from listing and trading of the company’s stocks. The aforesaid persons shall not transfer the company shares held by them within half year from their resignation.

Where a shareholder who holds 5% or more of a company’s shares (other than a recognized clearing house or its agents as defined in the relevant Regulations in force under the laws of Hong Kong from time to time), a director or senior executive sells the company’s shares or other securities of equity nature held by him/her within six months from the date of purchase or repurchases again within six months from the date of sale, the proceeds generated therefrom shall belong to the company, and the board of directors of the company shall recover such proceeds, except where a securities company holds 5% or more of the company’s shares due to purchase of any remaining shares in a best efforts underwriting, as well as any other circumstances stipulated by the CSRC.

For the purpose of the preceding paragraph, shares or other securities of equity nature held by directors, senior executives and natural person shareholders shall include shares or other securities of equity nature held by their spouses, parents, children, and held by them using other’s accounts.

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Issuer’s Right to Acquire Shares

The Company may acquire its own shares in accordance with the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and the Articles of Association in the following circumstances:

- (1) reduction of registered capital;
- (2) merger with another company which holds its shares;
- (3) use of shares for Employee Share Incentive Plan or equity incentives;
- (4) a shareholder’s objection to the resolution on the company’s merger or division passed by the shareholders’ meeting, requesting the company to acquire its shares;
- (5) use of shares for conversion of corporate bonds issued by the company that can be converted into shares;
- (6) necessity for the purpose of maintaining the value of the company and shareholders’ equity; or
- (7) other circumstances as required or permitted by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other regulatory rules at the place of listing of the company’s shares. Except for the aforesaid circumstances, a company shall not purchase its own shares.

A company may acquire its shares through open centralized trading, or via any other method recognized by laws, administrative regulations, the CSRC and the securities regulatory authority at the place where the company’s shares are listed.

The acquisition of shares by a company under the circumstances stipulated in item (3), item (5) or item (6) of the preceding paragraph shall be carried out via an open centralized trading method.

A resolution of a shareholders’ meeting is required for acquisition of shares by a company under any of the circumstances stipulated in item (1) and item (2) above; for the company’s acquisition of shares under any of the circumstances stipulated in item (3), item (5) and item (6) above, a resolution of a board meeting passed by two-thirds or more of the directors attending the meeting shall be made pursuant to the provisions of the Articles of Association or the authorization of the shareholders’ meeting.

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Where share acquisition by a company pursuant to the provisions of the preceding paragraph falls under the circumstances set out in item (1), the shares shall be deregistered within 10 days since the date of acquisition; where a share acquisition falls under the circumstances set out in item (2) or item (4), the shares shall be transferred or deregistered within six months.

Where a share acquisition falls under the circumstances set out in item (3), item (5) or item (6), the total number of shares held by the company shall not exceed 10% of the total number of shares issued by the company, and the shares shall be transferred or deregistered within three years.

Profits and Distribution

When company distributes its after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve fund. If the company’s statutory reserve fund exceeds 50% of the registered capital, no further allocation is required.

If the statutory reserve fund of the Company is insufficient to compensate for the losses suffered in the previous year, then before making the allocation mentioned in the last paragraph, profits of the current year shall first be used to cover up the losses.

After the Company withdraws the statutory reserve fund from the after-tax profits, by resolution of the shareholders’ meeting, it may also withdraw optional reserve from the after-tax profits.

After the company makes up losses and withdraws reserve funds, the balance of after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless the Articles of Association provide that the distribution is not made as per the proportion of shareholding.

If a shareholders’ meeting violates the Company Law by distributing profits to shareholders, the shareholders shall return the distributed profits to the company. If losses are caused to the Company, the shareholders and the responsible directors and senior executives shall be liable for compensation.

Shares of the Company held by the Company do not participate in profit distribution.

The Company’s reserve funds shall be used for making up losses of the company, expansion of the manufacturing and business operations or converted to the additional registered capital of the company. For making up losses of the company by the reserve fund, the optional reserve fund and statutory reserve fund shall first be used; where there is still no way to make up losses, the capital reserve may be used pursuant to the provisions.

Where the statutory reserve fund is converted to additional registered capital, the remaining reserve fund shall not be less than 25% of the company’s registered capital prior to the conversion.

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Appointment of Proxy

A natural person shareholder who attends the shareholders’ meeting in person shall present his/her personal identity card or other valid documents or certificates that confirm his/her identity. A person who attends the meeting as a proxy shall present his/her valid personal identity card or power of attorney by the shareholder.

A legal person shareholder shall attend the meeting through its legal representative or proxy authorized by the legal representative. If the legal representative attends the meeting, he/she shall present his/her personal identity card or valid certificates that prove his/her qualification as a legal representative. If a proxy attends the meeting, the proxy shall present his/her personal identity card and the written power of attorney issued by the legal representative of a legal person shareholder.

Where such a shareholder is a recognized clearing house (a “Recognized Clearing House”) as such term is defined in the relevant Ordinances from time to time in Hong Kong (or its agent(s)), he may appoint one or more persons as he thinks fit to act as his representative at any general meeting or class of general meetings or at any meeting of the creditors; provided that if more than one person are so appointed, the powers of appointment shall specify the number and class of shares in respect of which each such persons are so authorised and shall be signed by the persons who have been duly authorised by the Recognized Clearing House. A person so authorized may exercise (without production of certificate of shareholding, notarized authorization and/or further evidence of due authority) on behalf of a recognized clearing house (or its agent) and shall have the same legal rights as any other shareholder, including the right to speak and vote, as if that person were a shareholder of the Company.

A power of attorney issued by a shareholder to authorize another person to attend a shareholders’ meeting on his/her behalf shall contain the following contents:

- (1) name or title of the principal, and the type and number of shares held;
- (2) name or title of the proxy;
- (3) specific instructions given by the shareholder, including instructions for affirmative, negative or abstention voting on every item to be discussed on the agenda of the shareholders’ meeting;
- (4) date of issuance of the power of attorney and its valid period; and
- (5) signature (or seal) of the principal. If the principal is a legal person shareholder, it shall be stamped with official seal of the legal entity.

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The power of attorney shall indicate whether the shareholder’s proxy may vote in his or her sole discretion in the absence of specific instructions from the shareholder. If a power of attorney on voting by proxy is signed by a third party authorized by the principal, the signed power of attorney or other authorization document shall be notarized. A notarized power of attorney or other authorization document and the power of attorney on voting by proxy shall be placed at the domicile of the company or the location specified in the notice to convene the meeting.

Where the principal is a legal person, its legal representative or any person authorized by its board of directors or any other decision-making body shall be the representative to attend the company’s shareholders’ meeting.

Access to the Shareholder Register and other Rights of Shareholders

A company shall establish a register of shareholders based on the documents provided by the securities registration and clearing organisation. The register of shareholders is adequate evidence of shareholding by shareholders.

A shareholder shall enjoy the rights and bear the obligations by the type of shares held; shareholders who hold the same type of shares shall enjoy the same rights and bear the same type of obligations. The original register of H share holders shall be kept in Hong Kong and shall be available for inspection by shareholders. However, the Company may suspend registration of members in accordance with applicable laws, administrative regulations and the securities regulatory rules of the place where the shares are listed and pursuant to provisions of Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Where a company needs to confirm the identity of shareholders for convening of a shareholders’ meeting, distribution of dividends, liquidation etc., the board of directors or the convener of the shareholders’ meeting shall determine the date of record, and shareholders registered in the register after market closing on the date of record shall be shareholders entitled to the relevant rights and interests.

Shareholder Remedy Right

Where directors or senior executives other than the audit committee members contravene the laws, administrative regulations, or the Articles of Association when performing their duties in a company, resulting in losses to the company, shareholders individually or jointly holding 1% or more of shares for more than 180 consecutive days have the right to request the audit committee in writing to file a lawsuit with a people’s court. If a member of the audit committee contravenes the laws, administrative regulations, or the Articles of Association when performing his/her duties in the company, resulting in losses to the company, the aforesaid shareholders may request the board of directors in writing to file a lawsuit with the people’s court.

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If the audit committee or board of directors refuses to file a lawsuit after receiving the shareholders' written request under the preceding paragraph, or does not file a lawsuit within 30 days of receiving the request, or the situation is so urgent that failure to initiate an immediate litigation will lead to irreparable losses suffered by the company, the shareholders under the previous paragraph have the right to directly file a lawsuit with the people's court in their own name for the interest of the company.

If any other person infringes upon the legal rights and interests of the company, resulting in losses to the company, shareholders under the first paragraph of this Article may file a lawsuit with a people's court in accordance with the two preceding paragraphs.

Where a director, supervisor, or senior executive of a wholly-owned subsidiary of the company when performing his/her duties contravenes the laws, administrative regulations, or the Articles of Association, resulting in losses to the company, or another person infringes upon the legal rights and interests of a wholly-owned subsidiary of the company, resulting in losses, a shareholder individually or jointly holding 1% or more of the shares of the company for more than 180 consecutive days may, according to the first three paragraphs of Article 189 of the Company Law, request in writing the board of supervisors or board of directors of the wholly-owned subsidiary to file a lawsuit with a people's court or may directly file a lawsuit with the people's court in his/her own name.

Where a wholly-owned subsidiary of the company does not have a board of supervisors or supervisors, but does have an audit committee, the first and second paragraphs of this Article shall prevail.

Dissolution and Liquidation

A company may be dissolved due to the following reasons:

- (1) expiry of the business term as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (2) dissolution by a resolution of the shareholders' meeting;
- (3) dissolution due to merger or division;
- (4) revocation of the business license, or being ordered to be closed down or revoked according to the law; or
- (5) where the company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of its shareholders, which is unable to be resolved through any other means, a shareholder who holds 10% or more of the voting rights of the company may apply to a people's court for dissolution of the company.

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Upon occurrence of an event which triggers dissolution as stipulated in the preceding paragraph, an announcement shall be made through the National Enterprise Credit Information Publicity System within 10 days.

Where a company falls under the circumstances set out in item (1) and item (2) above and has not distributed its assets to its shareholders, the company may subsist through amendment of Articles of Association or a resolution passed by a shareholders’ meeting.

Amendment of Articles of Association or resolution passed by a shareholders’ meeting pursuant to the provisions of the preceding paragraph shall be adopted by shareholders who hold two-thirds or more of the voting rights present at the shareholders’ meeting.

A company dissolved pursuant to the provisions of item (1), item (2), item (4) and item (5) above shall form a liquidation team to carry out liquidation within 15 days from occurrence of the event which triggers dissolution. The liquidation team shall comprise directors, unless otherwise provided in the Articles of Association or as resolved by a shareholders’ meeting to elect others.

The liquidation team shall exercise the following official powers during the liquidation period:

- (1) issuing a notification and announcement to creditors;
- (2) sorting out the company assets and formulating balance sheet and list of assets;
- (3) handling the company’s pending liquidation-related business;
- (4) settling tax in arrears and taxes arising in the course of liquidation;
- (5) sorting out creditor’s rights and debts;
- (6) distributing the company’s residual assets following repayment of debts; and
- (7) representing the company in civil lawsuits.

The liquidation team shall notify the creditors within 10 days from establishment and make an announcement on newspapers or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor’s rights to the liquidation team within 30 days since receipt of notification or within 45 days since the date of announcement if they do not receive notification.

Creditors declaring creditor’s rights shall state the relevant information of the creditor’s rights and provide supporting materials. The liquidation team shall register the creditor’s rights.

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During the period for declaration of creditor’s rights, the liquidation team shall not make repayment to creditors.

Upon sorting out of the company’s assets and formulation of balance sheet and list of assets, the liquidation team shall formulate a liquidation plan and submit it to a shareholders’ meeting or a people’s court for confirmation.

The residual assets following payment of liquidation expenses, employees’ wages, social security premiums and statutory compensation, payment of tax in arrears and repayment of the company’s debts shall be distributed in accordance with the shareholding percentage of shareholders.

During the liquidation period, the company shall continue to exist but shall not engage in business activities unrelated to liquidation.

The company’s assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Upon sorting of the company’s assets and formulation of balance sheet and list of assets, where the liquidation team discovers that the company’s assets are inadequate for repayment of debts, it shall apply to a people’s court for bankruptcy liquidation.

Upon acceptance of a bankruptcy application by a people’s court, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of liquidation, the liquidation team shall prepare a liquidation report and submit it to a shareholders’ meeting or a people’s court for confirmation and submit it to the company registration authority to apply for deregistration.

Members of the liquidation team shall perform liquidation duties and bear the obligations of loyalty and diligence.

Where the liquidation team members are negligent in performance of liquidation duties and cause the company to suffer losses, they shall be liable for compensation; where they cause losses to creditors due to intentional misconduct or gross negligence, they shall be liable for compensation.

A company which is declared bankrupt pursuant to the law shall undergo bankruptcy liquidation pursuant to the laws on enterprise bankruptcy.

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ANY OTHER PROVISIONS OF MATERIAL SIGNIFICANCE FOR THE ISSUER OR ITS SHAREHOLDERS

General Provision

The company is a joint stock company that will exist in perpetuity.

Shareholders shall be liable to the company to the extent of the shares they have subscribed for. The company shall be liable for its debts to the extent of all its property.

The Articles of Association shall, as of its effective date, be a legally binding document which standardizes the company’s organisation and acts as well as the relationship of rights and obligations between the company and its shareholders and between shareholders and shall be legally binding on the company and its shareholders, directors and senior executives. Pursuant to the Articles of Association, a shareholder may file a lawsuit against another shareholder, against the company’s directors and senior executives, or against the company, and the company may file a lawsuit against a shareholder, a director and a senior executive.

Capital Increase/Decrease

A company may, upon resolution by a shareholders’ meeting, adopt the following methods to increase its capital based on its business and development needs and pursuant to the provisions of laws and regulations:

- (1) issuance of shares to unspecified parties;
- (2) issuance of shares to specified parties;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of reserve to increase share capital; and
- (5) any other methods stipulated by laws, administrative regulations, the securities regulatory authority of the place where the company’s shares are listed, and the CSRC.

The company shall complete the formalities for reduction of registered capital pursuant to the Company Law and other relevant provisions and the procedures stipulated in the Articles of Association.

The company shall notify its creditors within 10 days since the passing of the resolution on reduction of registered capital by the shareholders’ meeting and make an announcement on newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors shall have the right to require the company to repay the debts or to provide the corresponding guarantee within 30 days since receipt of notification or within 45 days from the date of announcement if they do not receive notification.

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Shareholder

Shareholders of a company shall enjoy the following rights:

- (1) being entitled to dividends and any other form of distribution of benefits based on the number of shares held by them;
- (2) requesting to hold, convene, preside over, attend or appoint a proxy to attend a shareholders’ meeting pursuant to the law and exercising the corresponding voting rights;
- (3) supervising the company’s business operations, proposing recommendations or raising queries;
- (4) transferring, donating or pledging shares held by them pursuant to the provisions of laws, administrative regulations and the Articles of Association;
- (5) consulting and making copies of the company’s articles of association, register of shareholders, minutes of shareholders’ meetings, resolutions of board meetings and financial accounting reports; qualified shareholders may consult the company’s accounting books and accounting vouchers;
- (6) participating in the distribution of residual property based on their shareholding upon termination or liquidation of the company;
- (7) requesting by a shareholder who objects to the resolution on merger or division passed by the shareholders’ meeting that the company acquire his/her shares, subject to the satisfaction of the requirements set forth in these Articles, relevant laws and regulations, and the procedures of share buyback by the securities regulatory authority in the jurisdiction where the Company’s shares are listed and the stock exchange; and
- (8) any other rights stipulated by laws, administrative regulations, departmental rules and by the securities regulatory authorities of the place where the Company’s shares are listed or the Articles of Association.

Company’s shareholders undertake the following obligations:

- (1) complying with the laws, administrative regulations and the Articles of Association;
- (2) making according to the shares subscribed for and the method of shareholding;

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- (3) they may not withdraw their share capital except as prescribed by the law or regulations;
- (4) they may not abuse their shareholder’s rights to damage the company or other shareholders’ interests; may not abuse the independent legal person status of the company and the limited liability of the shareholders to damage the interests of creditors; and

Company’s shareholders who abuse their shareholder’s rights and cause the company or other shareholders to suffer losses shall be liable for compensation in accordance with the law. Company’s shareholders who abuse the independent legal person status of the company and shareholder’s limited liability to evade debts and seriously damage the interests of creditors of the company shall bear joint and several liability for the debts of the company.

- (5) other obligations required by the laws, administrative regulations and the Articles of Association.

Board of Directors

The board of directors exercises the following functions and powers:

- (1) convening the shareholders’ meeting and reporting its work to the shareholders’ meeting;
- (2) executing resolutions of the shareholders’ meeting;
- (3) deciding the operational plans and investment plans of the company;
- (4) preparing the profit distribution plans and loss compensation plans of the company;
- (5) preparing plans for the company to increase or decrease its registered capital, issue bonds or other securities as well as the listing of the company;
- (6) drafting plans for the company with respect to significant acquisitions, purchase of shares, mergers, divisions, dissolution or change of the form of the company;
- (7) deciding the company’s outbound investments, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related-party transactions, external donations and other matters within the scope authorized by the shareholders’ meeting;
- (8) deciding to establish the internal management organizations of the company;

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- (9) deciding on the appointment or dismissal of company managers, secretaries to the board of directors, and other senior executives, as well as deciding on their remuneration, reward and disciplinary matters; deciding on the appointment or dismissal of senior executives such as deputy managers, financial controllers, and deciding on their remuneration, reward and disciplinary matters based on the managers' nominations;
- (10) preparing the basic management system of the company;
- (11) preparing plans to amend the Articles of Association;
- (12) managing the disclosure of information by the company;
- (13) requesting the shareholders' meeting to engage or replace the accounting firm that provides audit services to the company;
- (14) listening to the manager's work report and checking the manager's work; and
- (15) other powers authorized by the laws, administrative regulations, departmental rules, the securities regulatory authority in the jurisdiction where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

The board of directors shall hold at least four meetings every year; the chairman shall convene the board meetings and issue a written notice to all the directors 14 days before the meeting is held. The notification method for convening of an extraordinary board meeting shall be in writing, by facsimile, email, telephone or short message; the notice period shall be 2 days before the interim board meeting.

Shareholders holding one-tenth or more of the voting rights, one-third or more of the directors or the audit committee may propose an extraordinary board meeting. The chairman shall convene and chair a board meeting within 10 days from receipt of the proposal.

A board meeting shall be held only after more than half of the directors are present at the meeting. Unless otherwise provided herein, board resolutions shall be passed by more than half of all the directors.

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When voting for board resolutions, a director shall have one vote. Directors shall attend board meetings in person; where a director is unable to attend a board meeting for some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf. The power of attorney shall state the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and the entrusting party shall sign or affix seal thereto. The director who attends the meeting as a proxy shall exercise the director’s rights within the scope of authorization. Where a director neither attends a board meeting nor appoints a proxy to attend on his/her behalf, he/she shall be deemed to forfeit his/her voting rights at the said meeting.

Independent Directors

The Company’s board of directors shall comprise at least three (3) but no less than one third (1/3) independent directors. The Independent Directors shall include at least one person with appropriate professional qualifications or appropriate accounting or related financial management expertise. The term of office of an Independent Director shall not exceed nine years. The Company shall have at least one Independent Director ordinarily residing in Hong Kong.

Secretary to Board of Directors

A company shall have a secretary to the board of directors, responsible for the preparation of shareholders’ meetings and meetings of board of directors, keeping of documents, management of shareholders’ information, and disclosure of information.

The secretary to the board of directors shall comply with the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company’s shares are listed and the Articles of Association.

Audit Committee

The members of an audit committee shall comprise 3 directors who are not senior executives of the company, and a majority of the audit committee shall be independent directors and one of the independent directors shall be an accounting professional, and an accounting professional among the independent directors shall act as the convener.

The convener of the audit committee shall preside over the shareholders’ meeting convened by the audit committee. Where the convener of the audit committee is unable to perform his/her duties or does not perform his/her duties, the meeting shall be presided over by a member of the audit committee jointly nominated by more than half of the members of the audit committee.

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General Manager and Other Senior Officers

A company shall have a general manager to be appointed or dismissed by the board of directors. The general manager, the deputy general managers, the finance controller and the board secretary of the Company shall be the senior officers of the Company.

A general manager is responsible to the board of directors and exercises the following powers:

- (1) presiding over the production and operation of the company, implementing resolutions of the board of directors and reporting his/her work to the board of directors;
- (2) implementing the annual operation plan and investment plan of the company;
- (3) drafting plans for establishment of the internal management organization of the company;
- (4) drafting the basic management system of the company;
- (5) laying down the specific rules and regulations of the company;
- (6) requesting the board of directors to appoint or dismiss deputy managers and financial controllers;
- (7) deciding to appoint or dismiss management personnel other than those who shall be appointed or dismissed by the board of directors; and
- (8) other powers authorized by the Articles of Association or the board of directors. The general manager shall attend board meetings as a nonvoting delegate.

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FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on December 17, 2018 and was converted into a joint stock company with limited liability on December 10, 2021 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB215,313,365 divided into 215,313,365 Shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai, Hong Kong, and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●], 2026. Ms. HO Wing Nga (何詠雅) the joint company secretary of our Company, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

On December 17, 2018, our Company was established as a limited liability company with a registered capital of RMB50.0 million.

For further details, see “History, Development and Corporate Structure” in this document. Save as disclosed in the section headed “History, Development and Corporate Structure”, there has been no alteration in our share capital within two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

Our major subsidiaries from the perspective of accounting as of the Latest Practicable Date are set out in note 1 to the Accountants’ Report.

The following table sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

1. *Wuxi TAILG Electric Vehicle Technology Co., Ltd.* (無錫台鈴電動車科技有限公司)

On March 18, 2024, Wuxi TAILG Electric Vehicle Technology Co., Ltd. was established in the PRC with an initial registered capital of RMB500,000.

2. *Rubu Robot (Jiangsu) Co., Ltd.*

On March 6, 2025, Rubu Robot (Jiangsu) Co., Ltd. was established in the PRC with an initial registered capital of RMB10 million.

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3. *Lufeng TAILG Technology Co., Ltd.*

On February 27, 2025, Lufeng TAILG Technology Co., Ltd. was established in the PRC with an initial registered capital of RMB10 million.

4. *Shanwei Hualing Technology Co., Ltd.*

On July 2, 2025, Shanwei Hualing Technology Co., Ltd. was established in the PRC with an initial registered capital of RMB10 million.

5. *TAILG Technology (Shenzhen) Co., Ltd.*

On July 4, 2024, TAILG Technology (Shenzhen) Co., Ltd. increased its registered capital from RMB20 million to RMB30 million.

6. *Tianjin Tailg*

On October 23, 2024, Tianjin Tailg increased its registered capital from RMB20 million to RMB40 million.

7. *Chongqing TAILG Electric Vehicle Sales Co., Ltd.*

On June 19, 2025, Chongqing TAILG Electric Vehicle Sales Co., Ltd. was established in the PRC with an initial registered capital of RMB5 million.

8. *Chongqing TAILG Electric Tricycle Sales Co., Ltd.*

On July 2, 2025, Chongqing TAILG Electric Tricycle Sales Co., Ltd. was established in the PRC with an initial registered capital of RMB5 million.

9. *Wuhan TAILG Sales Co., Ltd.*

On February 11, 2025, Wuhan TAILG Sales Co., Ltd. was established in the PRC with an initial registered capital of RMB5 million.

10. *Shanghai TAILG Electric Vehicle Sales Co., Ltd.*

On June 19, 2024, Shanghai TAILG Electric Vehicle Sales Co., Ltd. was established in the PRC with an initial registered capital of RMB1 million.

11. *Shaanxi Tailing Electric Vehicle Sales Co., Ltd.*

On September 2, 2025, Shaanxi Tailing Electric Vehicle Sales Co., Ltd. was established in the PRC with an initial registered capital of RMB5 million.

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12. Tianjin Ruitai Shengxiang Machinery Co., Ltd.

On October 23, 2024, Tianjin Ruitai Shengxiang Machinery Co., Ltd. was dissolved on a voluntary basis by way of deregistration.

13. Wuxi Lingtao E-commerce Co., Ltd.

On October 30, 2025, Wuxi Lingtao E-commerce Co., Ltd. was dissolved on a voluntary basis by way of deregistration.

14. Vietnam TLG Electric Vehicle Co., Ltd.

On February 5, 2024, Vietnam TLG Electric Vehicle Co., Ltd. was established in Vietnam with an initial capital of USD2 million.

15. TLG Science And Technology (Vietnam) Co., Ltd.

On September 25, 2025, TLG Science And Technology (Vietnam) Co., Ltd. was established in Vietnam with an initial capital of USD15 million.

16. PT. TLG Electric Vehicle Indonesia

On November 6, 2024, PT. TLG Electric Vehicle Indonesia was established in Indonesia with an initial capital of 50 billion Indonesian rupiah.

Save as disclosed above, there had been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

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4. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on January 25, 2026, the following resolutions, among others, were passed by our Shareholders:

- (a) the issue by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (b) that the number of H Shares to be [REDACTED] shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED] (without taking into account the H Shares which may be [REDACTED] pursuant to the exercise of 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 [REDACTED] pursuant to the [REDACTED];
- (c) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED] Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (d) authorization of our Board to handle all relevant matters relating to, among other things, the [REDACTED] of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (a) [REDACTED].

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2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be material to our business:

No.	Owner	Registration no.	Place of registration	Trademark	Validity period
1 . . .	The Company	3782589	Chinese Mainland		From December 14, 2025 to December 13, 2035
2 . . .	The Company	5738604	Chinese Mainland		From September 7, 2019 to September 6, 2029
3 . . .	The Company	15063340	Chinese Mainland		From October 14, 2025 to October 13, 2035
4 . . .	The Company	15063278	Chinese Mainland		From October 28, 2025 to October 27, 2035
5 . . .	The Company	30315814	Chinese Mainland		From February 7, 2019 to February 6, 2029
6 . . .	The Company	67943908	Chinese Mainland		From May 7, 2023 to May 6, 2033
7 . . .	The Company	81037378	Chinese Mainland		From March 14, 2025 to March 13, 2035
8 . . .	The Company	82078173	Chinese Mainland		From May 21, 2025 to May 20, 2035
9 . . .	The Company	9062806	Chinese Mainland		From February 7, 2024 to February 6, 2034
10 . .	The Company	64872525	Chinese Mainland		From December 7, 2022 to December 6, 2032
11 . .	The Company	15719649	Chinese Mainland		From April 28, 2016 to April 27, 2036

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(b) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to our business:

No.	Owner	Domain name	Registration date
1 . . .	The Company	tailg.com.cn	August 28, 2006
2 . . .	The Company	tailg.cn	August 28, 2006
3 . . .	Guangdong Tailg	tailg.com	March 29, 2022

(c) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be material to our business:

No.	Copyright	Registered owner	Registration number	Development completion date
1 . . .	Tailg Smart Technology Mini Program (台鈴智能科技小程序)	The Company	2021SR1226696	May 29, 2021
2 . . .	Tailg Electric Vehicle Software (台鈴電動車軟件)	The Company	2021SR1226676	August 20, 2019
3 . . .	Tailg Terminal Sales Management System (台鈴終端導購管理系統)	The Company	2021SR1226697	September 10, 2019
4 . . .	Tailg Smart APP (台鈴智能APP)	The Company	2022SR0309784	November 25, 2021
5 . . .	Tailg Electric Vehicle Back-End Operation Management System (台鈴電動後台運營管理系統)	The Company	2022SR0309783	November 25, 2021
6 . . .	Lingdao App Software (鈴導者APP軟件)	The Company	2023SR0872291	October 15, 2020
7 . . .	Tailg Electric Vehicle Battery Monitoring Software (台鈴電動車電池電量監控軟件)	The Company	2024SR0246250	September 10, 2022
8 . . .	Tailg Electric Vehicle Bluetooth Alarm Control Software (台鈴電動車藍牙報警器控制軟件)	The Company	2024SR0057962	December 10, 2022
9 . . .	Electric Vehicle Sales and Service Management System (電動車銷售服務管理系統)	Jiangsu Maitaotao	2022SR0811348	October 25, 2021

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(d) *Patents*

As of the Latest Practicable Date, we have registered the following patents which we consider to be material to our business:

No.	Owner	Type	Patent	Registration No.	Application Date	Expiry Date	Place of Application
1 . .	The Company	Utility model	An electric vehicle charging system and electronic device (一種電動車充電系統及電子設備)	ZL202421480117.X	June 25, 2024	June 25, 2034	Chinese Mainland
2 . .	The Company	Utility model	Intelligent instrument control system for electric two-wheel vehicles and electric two-wheel vehicles (電動兩輪車智能儀表控制系統及電動兩輪車)	ZL202422437850.X	October 9, 2024	October 9, 2034	Chinese Mainland
3 . .	The Company	Invention	A dual-motor drive control method and system for balancing and stability of an electric tricycle (一種電動三輪車的雙電機平衡穩定性驅動控制方法及系統)	ZL202211157185.8	September 22, 2022	September 22, 2042	Chinese Mainland
4 . .	The Company	Invention	A method, system, and device for monitoring the tire pressure of electric vehicle front and rear wheels (一種電動車前後輪胎壓監測方法、系統和裝置)	ZL202211623698.3	December 16, 2022	December 16, 2042	Chinese Mainland
5 . .	The Company	Invention	A hub motor (一種輪轂電機)	ZL202310031868.7	January 10, 2023	January 10, 2043	Chinese Mainland
6 . .	The Company	Invention	A keyless start method and system for electric vehicles (一種電動車無鑰匙啟動方法及系統)	ZL202310474061.0	April 27, 2023	April 27, 2043	Chinese Mainland
7 . .	The Company	Invention	An electric vehicle motor drive control method and system (一種電動車電機驅動控制方法及系統)	ZL202311294296.8	October 9, 2023	October 9, 2043	Chinese Mainland
8 . .	The Company	Utility model	A pedal mechanism and long-range electric vehicle (一種腳踏板機構及長續航電動車)	ZL202420063967.3	January 10, 2024	January 10, 2034	Chinese Mainland

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No.	Owner	Type	Patent	Registration No.	Application Date	Expiry Date	Place of Application
9 . .	The Company	Utility model	An electric vehicle tilt monitoring system (一種電動車傾斜監測系統)	ZL202420140096.0	January 19, 2024	January 19, 2034	Chinese Mainland
10 . .	The Company	Utility model	An electric two-wheeler low-voltage control system (一種電動兩輪車低電壓控制系統)	ZL202420140208.2	January 19, 2024	January 19, 2034	Chinese Mainland
11 . .	The Company	Utility model	A seat cushion sensing structure (一種座墊感應結構)	ZL202420172029.7	January 23, 2024	January 23, 2034	Chinese Mainland
12 . .	The Company	Utility model	Self-locking plug and socket assembly and electric vehicle power supply device (自鎖插頭插座組件及電動車供電裝置)	ZL202421349600.4	June 13, 2024	June 13, 2034	Chinese Mainland
13 . .	The Company	Utility model	A mobile phone wireless charging mounting device and an electric bike handlebar (一種手機無線充電安裝機構及電動車車把)	ZL202422306232.1	September 20, 2024	September 20, 2034	Chinese Mainland
14 . .	The Company	Utility model	A pressure-relief anti-lock drive piston mechanism, disc brake, and electric vehicle (一種洩壓式防抱死驅動活塞機構、碟剎制動器和電動車)	ZL202422869123.0	November 22, 2024	November 22, 2034	Chinese Mainland
15 . .	The Company	Invention	An intelligent controller protection system for electric two-wheel vehicles (一種電動兩輪車智能控制器保護裝置及方法)	ZL202510918711.5	July 4, 2025	July 4, 2045	Chinese Mainland
16 . .	The Company	Utility model	A coulomb meter with multiple communication methods (一種具有多種通信方式的庫侖計)	ZL202420213815.7	January 29, 2024	January 29, 2034	Chinese Mainland

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As of the Latest Practicable Date, we have applied for the following patent applications which we consider to be material to our business:

No.	Applicant	Type	Patent	Application No.	Application Date	Place of Application
1 . . .	The Company	Invention	A method for optimizing electric vehicle power calculation and an electric vehicle (一種電動車動力計算優化方法及電動車)	202510381464X	March 28, 2025	Chinese Mainland
2 . . .	The Company	Invention	Accurate SOC calculation for lead-acid batteries and methods for detecting and protecting against multistate abnormalities in lead-acid batteries (鉛酸電池SOC精準計算及鉛酸電池多態異常檢保的方法)	202510469828X	April 15, 2025	Chinese Mainland
3 . . .	The Company	Invention	Adaptive front and rear electronic suspension system and control method for two-wheeled electric vehicles (兩輪電動車自適應前後電子減震系統及控制方法)	202511084496X	August 4, 2025	Chinese Mainland
4 . . .	The Company	Invention	Control methods and systems for two-wheeled electric vehicles (兩輪電動車的 control 方法和系統)	2025119230130	December 19, 2025	Chinese Mainland

Save as disclosed above, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed below, immediately following completion of the [REDACTED] (without taking into account the H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), so far as our Directors are aware, none of our Directors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are 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 to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Name	Position	Capacity/nature of interest	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company ⁽¹⁾
				(%)	(%)
Mr. SUN Muqian . . .	Co-founder, executive Director and chairman of the Board	Beneficial interest	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. YAO Li	Co-founder, executive Director and president	Beneficial interest	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. SUN Muchu . . .	Co-founder, executive Director, general manager and executive president	Beneficial interest	[REDACTED] H Shares	[REDACTED]	[REDACTED]
		Interest in controlled corporation ⁽²⁾	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. SUN Muchai . . .	Co-founder, executive Director and senior vice president	Beneficial interest	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. CHANG Yao . . .	Executive Director and senior vice president	Beneficial interest	[REDACTED] H Shares	[REDACTED]	[REDACTED]

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Notes:

- (1) The calculation is based on the total number of [REDACTED] H Shares in issue (assuming the [REDACTED] is not exercised) upon [REDACTED].
- (2) For details of interests of Mr. SUN Muchu, see the section headed “Substantial Shareholders”.

2. Substantial Shareholders

For the 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 our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders”.

Save as set out below, our Directors are not aware of any other person (other than our Directors or chief executive) who will, immediately following 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 member of our Group other than our Company.

Our subsidiary	Total registered capital	Person with 10% or more interest	Approximate percentage of the interest in the subsidiary
	(RMB)		(%)
Lufeng Tailg	10.0 million	Dongguan Huatang Enterprise Management Co., Ltd. (東莞市華堂企業管理有限公司)	30
		Lufeng Municipal Construction Investment Co., Ltd. (陸豐市市政建設投資有限公司)	10
Shanwei Hualing	10.0 million	Dongguan Huatang Enterprise Management Co., Ltd. (東莞市華堂企業管理有限公司)	49

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3. Service Contracts

Each of our Directors [has entered] into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of office commencing on the date of the approval at the relevant Company’s general meeting and ending on the expiration of the term of office of the prevailing session of the Board; and (b) termination provisions in accordance with their respective terms.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the section headed “Directors and Senior Management” in this document and note 9 to the Accountants’ Report, for the two financial years ended December 31, 2024 and the nine months ended September 30, 2025, none of our Directors received other remunerations or benefits in kind from us.

5. Pre-[REDACTED] Share Incentive Plans

Our Company has adopted the Employee Incentive Schemes in December 2023 (the “**Phase I Plan**”) and September 2025 (the “**Phase II Plan**”, together with the Phase I Plan referred to as the “**Pre-[REDACTED] Share Incentive Plans**”). The Pre-[REDACTED] Share Incentive Plans do not involve any grant of share options or awards after the [REDACTED] and therefore is not subject to the provisions of Chapter 17 of the Listing Rules. Given the underlying Shares under the Pre-[REDACTED] Share Incentive Plans have already been issued, there will not be any dilution effect to the issued Shares.

The Company has established the Share Incentive Platform, Wuxi Chuangrui, to implement the Pre-[REDACTED] Share Incentive Plans. As of the Latest Practicable Date, all the underlying Shares of the awards granted under the Pre-[REDACTED] Share Incentive Plans have been issued to certain individuals and our Share Incentive Platform as restricted Shares (the “**Restricted Shares**”). For details of the grantees and the Share Incentive Platform, please refer to “History, Development and Corporate Structure — Pre-[REDACTED] Share Incentive Plans” in this document.

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The principal terms of the Pre-[REDACTED] Share Incentive Plans are substantially similar and are summarized below.

(a) Objectives

The objectives of the Pre-[REDACTED] Share Incentive Plans are to establish a long-term incentive mechanism that aligns employees’ interests with those of the Company and its Shareholders, enhances employee retention and motivation, strengthens corporate governance and management cohesion, and supports the Company’s long-term strategic development and sustainable growth.

(b) Administration

The Shareholders’ general meeting is responsible for considering and approving the formulation, implementation and termination of and adjustments to the Pre-[REDACTED] Share Incentive Plans. The Shareholders’ general meeting has agreed to delegate the detailed implementation of the Pre-[REDACTED] Share Incentive Plans to the Board.

The Board is responsible for interpreting the Pre-[REDACTED] Share Incentive Plans as its executive management body, and performing daily management and handle matters necessary for implementing the Pre-[REDACTED] Share Incentive Plans in accordance with the provisions of the Pre-[REDACTED] Share Incentive Plans.

(c) Eligibility

The participants of the Pre-[REDACTED] Share Incentive Plans (the “**Participants**”) include senior management, middle-level management and other core employees who are employed by the Company or its subsidiaries and have entered into a valid employment or service contract with the Company or any of its subsidiaries.

(d) Grant of Restricted Shares

The Share Incentive Plan is implemented in phases. Under the Phase I Plan, eligible Participants directly held equity interests in the Company. Under the Phase II Plan, eligible Participants participate through an indirect shareholding arrangement, pursuant to which they jointly contribute capital to establish the Share Incentive Platform as a shareholding platform.

As of the Latest Practicable Date, an aggregate of 6,413,242 Unlisted Shares were granted under the Phase I Plan to three Participants and 4,016,064 Unlisted Shares were granted under the Phase II Plan to the Share Incentive Platform, which is owned by 19 Participants. For further details of the interests in the Share Incentive Platform, please refer to “History, Development and Corporate Structure — Pre-[REDACTED] Share Incentive Plans” in this document.

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STATUTORY AND GENERAL INFORMATION

(e) Payment of the Price of the Restricted Shares

The subscription price of the Restricted Shares shall be proposed by the Company’s management members, as authorized by the Shareholders’ general meeting and the Board. The subscription price of the Restricted Shares shall be paid by the Participants out of their own funds or legally raised funds. The grant price of the Restricted Shares under the Phase I Plan is RMB1.0291 per Restricted Shares, and the grant price of the Restricted Shares under the Phase II Plan is RMB9.96 per Restricted Shares.

(f) Lock-up and Vesting Periods

The lock-up period stipulated in the Pre-[REDACTED] Share Incentive Plans (the “Share Incentive Lock-up Period”) refers to the period commencing from the effective date of the relevant grant agreement and expiring on the third anniversary following the Company’s [REDACTED]. During the Share Incentive Lock-up Period, the Participants may not transfer, gift, pledge, or otherwise dispose of his or her direct equity interests in the Company or interests in the Share Incentive Platform.

6. Disclaimers

- (a) Save as disclosed in this section and the section headed “History, Development and Corporate Structure” in this document, none of our Directors or any of the parties listed in the paragraph headed “— Other Information — 5. Qualifications of Experts” in this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business.
- (b) Save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in the paragraph headed “— Other Information — 5. Qualifications of Experts” in this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

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- (c) Save as disclosed in this section and the section headed “Directors and Senior Management” in this document, none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements [have been made] to enable the securities to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$1.3 million to act as sponsors to our Company in connection with the [REDACTED].

4. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

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STATUTORY AND GENERAL INFORMATION

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this document are as follows:

Name	Qualifications
CITIC Securities (Hong Kong) Limited	Licensed corporation under the SFO to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
China Merchants Securities (HK) Co., Limited	Licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
King & Wood Mallesons	Company’s PRC legal advisor
Hogan Lovells	Legal advisor to our Company as to International Sanctions law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

6. Consents

Each of the experts as referred to in the paragraph headed “— Other Information — 5. Qualifications of Experts” in this Appendix [has] given and has not withdrawn their respective written consents to the issue of this document with the inclusion of certificates, letters, opinions or reports and the references to their respective names in the form and context in which they are respectively included.

7. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, see Appendix III to this document.

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(b) Consultation with Professional Advisors

Potential [REDACTED] in the [REDACTED] are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or [REDACTED] our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the [REDACTED], or any other person or party involved in the [REDACTED] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, [REDACTED] or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in the financial or [REDACTED] of our Company since September 30, 2025 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report).

9. Promoters

The promoters of our Company are all the then existing Shareholders of our Company as of August 21, 2021 before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed “History, Development and Corporate Structure” in this document, within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

10. Restrictions on Repurchase

For details, see Appendix IV to this document.

11. Binding Effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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STATUTORY AND GENERAL INFORMATION

13. Miscellaneous

Save as otherwise disclosed in this document:

- (a) within the two years preceding the date of this document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) our Company is not presently listed on any stock exchange or traded on any trading system; and
- (h) our Company is a joint stock limited company and is subject to the PRC Company Law.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of the material contract referred to in the paragraph headed “Further Information about the Business of Our Company — 1. Summary of Material Contract” in Appendix VI to this document; and
- (ii) the written consents referred to in the paragraph headed “Other Information — 6. Consents” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.tailg.com.cn during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountant’s Report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the [three financial years ended December 31, 2025];
- (d) the report prepared by Ernst & Young on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in the section headed “Industry Overview” in this document;
- (f) the PRC legal opinion issued by King & Wood Mallesons, our legal advisor as to PRC laws, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;
- (g) the material contract referred to in the paragraph headed “Further Information about the Business of Our Company — 1. Summary of Material Contract” in Appendix VI to this document;
- (h) the service contracts referred to in the paragraph headed “Further Information about Our Directors and Substantial Shareholders — 3. Service Contracts” in Appendix VI to this document;

**APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the written consents referred to in the paragraph headed “Other Information — 6. Consents” in Appendix VI to this document; and
- (l) the PRC Company Law, the PRC Securities Law and the Oversea Listing Trial Measures together with unofficial English translations thereof.