OVERVIEW

We have entered into certain agreements with our connected persons. Following the [**REDACTED**], the transactions contemplated under such agreements will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

During the Track Record Period, we have rented premises from, sold products to, and purchased products from eKontrol during the ordinary and usual course of our business. Since Mr. Hao and Suzhou Kairen, our Controlling Shareholders, held in aggregate 61.47% of the issued share capital of eKontrol as of the Latest Practicable Date, eKontrol is an associate (as defined under Chapter 14A of the Listing Rules) of Mr. Hao and Suzhou Kairen, and will become our connected person upon [**REDACTED**]. During the Track Record Period, we have also purchased TMS for new energy sector from Yike Youneng, a limited liability company owned as to 71.80%, 28.00% and 0.20% by our Company, Mr. Niu Zhen (鈕震), our executive Director and deputy general manager of technology, and Ms. Liu Ji (劉記), a supervisor of Yike Youneng, respectively, as of the Latest Practicable Date. As Mr. Niu Zhen is a connected person at the issuer level of our Group and can exercise or control the exercise of 10% or more of the voting power at Yike Youneng's general meeting, Yike Youneng is our connected subsidiary and will become our connected person upon [**REDACTED**].

The transactions contemplated under certain agreements with eKontrol and Yike Youneng will continue after the [**REDACTED**] and will therefore constitute our continuing connected transactions under the Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Our Company entered into a lease agreement with eKontrol on December 28, 2022 (the "**First Lease Agreement**"), pursuant to which our Company rented certain office premises, manufacturing facilities and employee dormitories located in the Wujiang district, Suzhou, Jiangsu Province (the "**Wujiang Premises**") from eKontrol for the period from January 1, 2023 to December 31, 2024. The monthly rent under the First Lease Agreement was (i) RMB20,745 for the office premises; (ii) RMB147,644 for a manufacturing workshop; and (iii) RMB400 per room for the employee dormitories, to be calculated monthly based on the number of rooms actually occupied by the employees (the "**Pricing Terms**"). As the lease term under the First Lease Agreement was nearing expiry, on December 26, 2024, our Company and eKontrol entered into a new lease agreement, pursuant to which our Company rented the Wujiang Premises from eKontrol for the period from January 1, 2025 to December 31, 2026 under the same Pricing Terms (the "**Second Lease Agreement**"). The Second Lease Agreement was terminated and replaced by a new lease agreement entered by the parties (the "**Third Lease Agreement**") on October 27, 2025, pursuant to which our Company rented the office premises and employee dormitories at the Wujiang Premises with a larger manufacturing workshop from eKontrol for the period from November 1, 2025 to December 31, 2027. Under the Third Lease Agreement, with the exception that the monthly rent for the manufacturing workshop increased to RMB196,868, the same Pricing Terms applied (the "**New Pricing Terms**"). On February 24, 2026, for our Group's internal administration purposes, our Company's Wujiang branch company and eKontrol entered into a new lease agreement, pursuant to which the Wujiang Premises with the larger manufacturing workshop was rented under the New Pricing Terms for the period from February 25, 2026 to December 31, 2027 (the "**Fourth Lease Agreement**"). The Third Lease Agreement was terminated accordingly.

Following the Reorganization, our Company entered into a lease agreement with eKontrol on October 25, 2025, pursuant to which our Company rented manufacturing facilities located in the Wuzhong district, Suzhou, Jiangsu Province ("**Wuzhong Premises No. 1**") from eKontrol for a period from November 1, 2025 to December 31, 2027 (the "**Fifth Lease Agreement**") with the monthly rent of RMB10,360. Additionally, on October 28, 2025, Yike Youneng, our subsidiary, and eKontrol entered into a lease agreement, pursuant to which Yike Youneng also rented certain manufacturing facilities and office spaces located in the Wuzhong district ("**Wuzhong Premises No. 2**") from eKontrol for the period from November 1, 2025 to December 31, 2027 (the "**Yike Youneng Lease Agreement**"). The monthly rent of Wuzhong Premises No. 2 is RMB6,580.

The First Lease Agreement, the Second Lease Agreement, the Third Lease Agreement, the Fourth Lease Agreement, the Fifth Lease Agreement and the Yike Youneng Lease Agreement (together, the "**Property Lease Agreements**") were entered into (i) in the ordinary and usual course of business of our Group; (ii) on arm's length basis; and (iii) on normal commercial terms with the rent being determined with reference to, among others, the leased area, geographical location and condition of the leased premises and the prevailing market rates for similar properties in the surrounding area.

We have been renting the Wujiang Premises during the Track Record Period and believe that any relocation of the manufacturing, working and living functionalities provided by the Wujiang Premises may cause unnecessary disruption to our production and administration operations as well as incur additional costs. The continuation of the lease of the Wujiang Premise is therefore beneficial to our business operations. Additionally, we have maintained a stable and trusting business relationship with eKontrol due to our shared history. We believe that it is in the best interests of our Group to rent Wuzhong Premises No. 1 and Wuzhong Premises No. 2 from eKontrol, given that the leases are on normal commercial terms.

In accordance with IFRS 16 "Leases", our Company recognized a right-of-use asset on its balance sheet with respect of lease payments of the office premises, manufacturing workshop and factory building of the Wujiang Premises, the Wuzhong Premises No. 1 and Wuzhong Premises No. 2. Therefore, such lease payments are regarded as acquisitions of capital assets and one-off connected transactions of our Company for the purposes of the Listing Rules. As the Property Lease Agreements were entered into prior to the [**REDACTED**] and the transactions thereunder are one-off in nature, the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules will not be applicable.

Given that the number of employee dormitory rooms occupied by our employees was not fixed and the duration of use of the employee dormitories are short-term, lease payments in relation to the employee dormitories of the Wujiang Premises were recorded by our Company as expenses incurred. Such lease payments will be treated as a continuing connected transaction under Chapter 14A of the Listing Rules.

The expenses incurred under the Property Lease Agreements during the Track Record Period are set out as follows:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Expenses	42	90	66

The proposed annual caps of lease payments in relation to the employee dormitories of the Wujiang Premises under the Fourth Lease Agreement (expiring on December 31, 2027) are RMB80,000 and RMB100,000 for the years ending December 31, 2026 and 2027, respectively. The proposed annual caps are determined with reference to the rentals for the employee dormitories as stipulated under the Fourth Lease Agreement and the estimated number of rooms to be occupied by our employees after taking into account the potential expansion of our staff force.

As the highest applicable percentage ratios for the annual cap of the lease payments in relation to the employee dormitories of the Wujiang Premises under the Second Lease Agreement for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis, such lease payments will constitute a de minimis continuing connected transaction of our Company pursuant to Rule 14A.76(1) of the Listing Rules that will be fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. Sales of products to the eKontrol Group

Principal terms

On [●], our Company entered into a framework agreement with eKontrol, pursuant to which eKontrol, for and on behalf of the eKontrol Group, agreed to purchase TMS for new energy sector as well as other industrial machinery components from our Group for a term commencing on the [**REDACTED**] and ending on December 31, 2028, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations (the "**Sale Framework Agreement**").

Subject to the terms as provided in the Sale Framework Agreement, we will enter into specific agreements with the eKontrol Group to set out the specific terms and conditions for the sales of products by our Group.

Historical Amounts, Annual Caps and Basis for Annual Caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts for the sales of products to the eKontrol Group was approximately RMB33.8 million, RMB4.6 million and RMB7.9 million, respectively. In 2023, we received a substantial one-off order for industrial machinery components from the eKontrol Group, driven by relatively strong order demand for its products that year. The volume of industrial machinery component orders placed by the eKontrol Group with us in 2024 and 2025 was lower than in 2023, as it did not obtain orders of comparable scale in those two years.

The proposed annual caps of the transaction amounts contemplated under the Sale Framework Agreement are RMB9.0 million, RMB10.5 million and RMB12.0 million for the years ending December 31, 2026, 2027 and 2028, respectively.

The above proposed annual caps are determined with reference to:

(1) the historical transaction amounts during the Track Record Period;

(2) the expected increment in the selling prices of products provided by our Group; and

(3) the expected increase of demand in our products from the eKontrol Group based on its production plan and its estimated growth in business scale.

Pricing Basis

The selling prices of products under the Sale Framework Agreement are determined on an arm's length basis between our Group and eKontrol with reference to (i) the prices charged by our Group for similar products to customers who are Independent Third Parties (the "**Comparable Prices**"); and (ii) where there are no Comparable Prices available, the costs of products adding a reasonable profit on a cost-plus basis. In principle, the terms of the sales shall be no less favorable to our Group than those we offered to Independent Third Parties during the same period and under the same or similar conditions.

Reason for the Transactions

eKontrol is primarily engaged in the provision of products and overall solutions of drive systems for new energy heavy-duty trucks, as well as power systems and overall solutions for engineering machinery.

eKontrol Group will continue to purchase products from our Group after the [**REDACTED**] due to the following reasons:

(i) eKontrol Group designs and develops vehicle systems primarily for new energy heavy-duty truck and engineering machinery manufacturers. In addition to its own electric drive systems, eKontrol Group sources various automotive components from external suppliers, including the TMS for new energy sector manufactured by our Group, integrates them into integrated systems. Therefore, it is in the ordinary course of business of eKontrol Group to purchase, and in the ordinary course of business of our Group to sell the TMS for new energy sector; and

(ii) due to our advanced technical capabilities and metal processing abilities, we historically manufactured certain industrial machinery components for eKontrol Group that suited its special needs and requirements. It would not be in the best interest of eKontrol Group to engage new suppliers to replace us considering the time required and the uncertainties involved for the new suppliers to get familiar with eKontrol Group's needs and requirements, to re-develop these components and to provide equally satisfactory and reliable products as compared to us.

We have maintained a stable and trusting business relationship with eKontrol due to our shared history, and eKontrol understands well, and favorably regards, the quality of our products and our capabilities. We believe it is in the best interests of our Group and our Shareholders as a whole to continue to sell the products to the eKontrol Group after the [**REDACTED**], which will enable us to generate additional revenue from the sales of products and be benefited from the growth of eKontrol Group's business.

Listing Rules Implications

The highest applicable percentage ratio in respect of the annual caps of the Sale Framework Agreement, calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 5%. Under Rule 14A.76(2) of the Listing Rules, the continuing connected transaction in respect of the Sale Framework Agreement will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

B. Purchase of products from Yike Youneng

Principal terms

On [●], our Company entered into a framework agreement with Yike Youneng, pursuant to which we agreed to purchase TMS for new energy sector from Yike Youneng for a term commencing on the [**REDACTED**] and ending on December 31, 2027, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations (the "**Yike Youneng Framework Agreement**").

Reason for the Transactions

Yike Youneng was established by our Company, together with Mr. Niu Zhen and Ms. Liu Ji, in September 2025 to develop, manufacture and sell TMS for new energy sector. Since Yike Youneng's establishment, our Group has obtained orders from customers for TMS for new energy sector, which have been, and will continue to be, fulfilled by products developed and manufactured by Yike Youneng. Some of our TMS for new energy sector customers will consider how long their suppliers have been in operation before making purchases. In some cases, Yike Youneng is unable to meet their requirements yet as Yike Youneng has a relatively short operating history. In these cases, the customers have contracted with our Company for their orders as our Company already meets their supplier on-boarding requirements. Based on the orders of these customers, our

Company places back-to-back procurement orders with Yike Youneng. As advised by Frost & Sullivan, it was not uncommon for companies in the PRC to require their suppliers to have been in operation for at least a certain period of time. As Yike Youneng continues to operate and complete the supplier on-boarding processes of these customers, we expect it will be able to directly contract with all of our TMS for new energy sector customers by the end of 2027, which will end our need to further procure TMS for new energy sector from Yike Youneng.

Historical Amounts, Annual Caps and Basis for Annual Caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts for the purchase of products from Yike Youneng was nil, nil and approximately RMB3.7 million, respectively.

The proposed annual caps of the transaction amounts contemplated under the Yike Youneng Framework Agreement are RMB30.0 million and RMB20.0 million for the years ending December 31, 2026 and 2027, respectively.

The above proposed annual caps are determined with reference to:

(1) the estimated demand for our TMS for new energy sector of the customers that have yet to complete the supplier on-boarding for Yike Youneng; and

(2) the expected decrease in our need to procure from Yike Youneng in the future considering Yike Youneng is expected to complete the supplier on-boarding processes of our customers and will be able to directly contract with such customers.

Pricing Basis

The purchasing prices of the TMS for new energy sector under the Yike Youneng Framework Agreement are determined on an arm's length basis between our Company and Yike Youneng with reference to the prices of TMS for new energy sector quoted in the purchase orders placed by the customers of such products with our Company, which are generally based on the market prices of the TMS for new energy sector manufactured by Yike Youneng, deducting a fee charged by our Company, as a small proportion of each purchase order, to cover the administration costs of handling these transactions.

Listing Rules Implications

The highest applicable percentage ratio in respect of the annual caps of the Yike Youneng Framework Agreement, calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 5%. Under Rule 14A.76(2) of the Listing Rules, the continuing connected transaction in respect of the Yike Youneng Framework Agreement will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR AND CONDITIONS FOR WAIVER

As the abovementioned non-exempt continuing connected transaction has been and will continue to be carried out by our Group on a continuing and recurring basis and have been fully disclosed in this document, our Directors are of the view that compliance with the announcement, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules would impose unnecessary administrative costs and burden to our Group.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied for[, and the Stock Exchange has granted to us,] a waiver from strict compliance with the announcement, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the non-exempt continuing connected transactions, subject to the condition that the aggregate value of such continuing connected transactions for the years ending December 31, 2026, 2027 and 2028 shall not exceed relevant annual amounts set forth in the proposed annual caps above.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the date of this document on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, are of the view that (i) the non-exempt continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better; (ii) the terms of the non-exempt continuing connected transaction are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (iii) the proposed annual caps thereof are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

SOLE SPONSOR'S VIEW

The Sole Sponsor is of the view that (i) the non-exempt continuing connected transaction as set out above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better; (ii) the terms of the non-exempt continuing connected transaction are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (iii) the proposed annual caps thereof are fair and reasonable and in the interests of our Group and our Shareholders as a whole.