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Application Proof of

JVS (Suzhou) Technologies Co., Ltd.

伊卡路斯(蘇州)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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JVS (Suzhou) Technologies Co., Ltd. 伊卡路斯(蘇州)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] : [REDACTED] per H Share, plus
brokerage of 1.0%, SFC transaction
levy of 0.0027%, Stock Exchange
trading fee of 0.00565% and AFRC
transaction levy of 0.00015% (payable
in full on application in Hong Kong
dollars and subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Sole Sponsor, Sole Overall Coordinator, [REDACTED]



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The [REDACTED] is expected to be fixed by agreement between the Sole Overall Coordinator (for itself and on behalf of the [REDACTED]) and us on or around [REDACTED] (Hong Kong time), and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the Sole Overall Coordinator (for itself and on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse. The [REDACTED] will be no more than [REDACTED] per [REDACTED] and is currently expected to be no less than [REDACTED] per [REDACTED] unless otherwise announced. Applicants for [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of [REDACTED] for each [REDACTED] together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] as finally determined is less than [REDACTED].

The Sole Overall Coordinator (for itself and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the [REDACTED] range below that stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. See “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” for further details.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the Sole Overall Coordinator (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED] — [REDACTED] Arrangements and expenses — [REDACTED] — Grounds for Termination” for further details.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in the section headed “Risk Factors”.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be [REDACTED] sold, pledged or transferred within or to the United States, or to or for the account or benefit of any U.S. person (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in accordance with Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

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

You should rely only on the information contained in this document to make your [REDACTED] decision. The [REDACTED] is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not contained nor made in this document must not be relied on by you as having been authorized by us, any of the Sole Sponsor, the Sole Overall Coordinator, [REDACTED], any of the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the [REDACTED].

	<i>Page</i>
EXPECTED TIMETABLE	iv
CONTENTS	vii
SUMMARY	1
DEFINITIONS	11
GLOSSARY OF TECHNICAL TERMS	23
FORWARD-LOOKING STATEMENTS	26
RISK FACTORS	28
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES	51
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]	54

CONTENTS

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED] .	58
CORPORATE INFORMATION	62
INDUSTRY OVERVIEW	64
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE	75
REGULATORY OVERVIEW	91
BUSINESS	108
CONTINUING CONNECTED TRANSACTIONS	162
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	168
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	181
SUBSTANTIAL SHAREHOLDERS	187
SHARE CAPITAL	188
FINANCIAL INFORMATION	191
FUTURE PLANS AND [REDACTED]	222
[REDACTED]	225
STRUCTURE OF THE [REDACTED]	238
HOW TO APPLY FOR [REDACTED]	247
APPENDIX I ACCOUNTANTS’ REPORT	I-1
APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION . . .	II-1
APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION	III-1
APPENDIX IV STATUTORY AND GENERAL INFORMATION	IV-1
APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY	V-1

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 the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a global leader in the provision of vehicle articulation systems. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, according to Frost & Sullivan. Our products provide technological support for the electrification and intelligentization upgrade of transportation equipment, delivering reliable articulation systems for commercial operations in public transit and specialized vehicles.

We design, develop, manufacture and sell a diverse and expanding portfolio of vehicle articulation systems to cater to the distinct and evolving needs and preferences of our customers in both the domestic and overseas markets. During the Track Record Period, we primarily generated revenue from sales of vehicle articulation systems, which included (i) sales of VAS products comprising the articulation turntable and its associated windshield system, available as either complete sets or individual components to meet customers’ requirements; and (ii) sales of windshield systems, which are offered as standalone products for specialized applications. In 2025, we had tapped into the production and sale of TMS for new energy sector. We also generated revenue from certain other sources, including sales of other industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

The following table sets forth a breakdown of our revenue by product/service category, in absolute amounts and as percentages of total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Vehicle articulation systems						
– VAS products	80,847	61.1	73,129	51.6	188,646	84.8
– Windshield systems	8,217	6.2	53,556	37.9	14,694	6.7
Subtotal	89,064	67.3	126,685	89.5	203,340	91.5
TMS for new energy sector . .	–	–	–	–	3,717	1.7
Others ⁽¹⁾	43,241	32.7	14,938	10.5	15,273	6.8
Total	132,305	100.0	141,623	100.0	222,330	100.0

Note:

- (1) Primarily consists of sales of industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

We have achieved significant growth and profitability. Our revenue increased by 7.0% from RMB132.3 million in 2023 to RMB141.6 million in 2024, and further increased by 57.0% to RMB222.3 million in 2025. Our profit for the year increased by 9.6% from RMB25.5 million in 2023 to RMB28.0 million in 2024, and further increased by 139.3% to RMB66.9 million in 2025.

SUMMARY

OUR TECHNOLOGICAL CAPABILITIES

In the field of vehicle articulation systems, we have developed a system-level solution integrating structural lightweighting technology, ACU attitude sensing algorithms, proportional electro-hydraulic control technology, and control coordination. This addresses the operational demands of high-capacity public transport vehicles under heavy loads, frequent steering and complex operating conditions. We master core technologies including mechanical optimization of articulated structures, kinematic and dynamic modeling, durability design of critical components and system-level coordinated control. This enables us to significantly enhance vehicle safety and operational reliability while ensuring manoeuvrability and stability. These technologies require long-term operation under real-world conditions with continuous optimization, exhibiting high engineering complexity and system coupling characteristics, which could not be easily replaced by standardized components or short-term technical accumulation, forming substantial technical barriers.

In the field of TMS for new energy sector, we perform coordinated thermal management design for batteries, motors, electronic controls and cabins across diverse operating conditions and application scenarios. This enhances system efficiency, extends component lifespan, and ensures vehicle stability in extreme environments. These technologies heavily rely on comprehensive vehicle system understanding and engineering validation capabilities, requiring long-term data accumulation and continuous optimization, thereby establishing significant system-level technical barriers.

As of the Latest Practicable Date, we held 105 authorized patents in the Chinese mainland and overseas, including 52 invention patents, 51 utility model patents and two design patents. We maintain a well-structured, experienced technical team whose core members possess deep expertise in transportation equipment and new energy technologies. We emphasize interdisciplinary collaboration and closed-loop engineering, establishing a feedback mechanism spanning R&D, testing, validation and operational data to continuously enhance product maturity and reliability.

COMPETITIVE STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths:

- Leading and renowned vehicle articulation systems provider, favorably positioned to capture future market opportunities;
- Broad customer coverage and strong loyalty, driving sustainable performance growth;
- Comprehensive product matrix and thorough performance validation for rapid responses to diverse demands;
- Scalable manufacturing and supply chain capabilities; and
- Stable management and technical team with sustained innovation and commercialization capabilities.

SUMMARY

DEVELOPMENT STRATEGIES

We will continue to pursue the following strategies to further expand our business:

- Adhering to the path of international development to seize long-term overseas opportunities;
- Expanding application scenarios and market boundaries;
- Building a professional talent system to strengthen long-term development foundations;
- Continuous technology iteration to build the core technological edge; and
- Upgrading the smart manufacturing system to enhance scalable delivery capabilities.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

During the Track Record Period, we sold our vehicle articulation systems primarily to commercial vehicle manufacturers in domestic and overseas markets. The revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB99.1 million, RMB106.4 million and RMB179.2 million, accounting for 74.9%, 75.1% and 80.6% of our total revenue in 2023, 2024 and 2025, respectively. The revenue from our largest customer for each of the year during the Track Record Period amounted to RMB33.8 million, RMB59.0 million and RMB107.1 million, accounting for 25.6%, 41.6% and 48.2% of our total revenue for the respective years. We typically settle with our five largest customers with bank transfer.

To the best of our knowledge after reasonable inquiry, save for eKontrol, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. To the best of the knowledge of our Directors after reasonable inquiry, save for eKontrol, none of our Directors, Supervisors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period. See “Business — Our Customers”.

Our Suppliers

In 2023, 2024, and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB15.1 million, RMB31.5 million, and RMB53.8 million, respectively, accounting for 27.6%, 54.8% and 52.9% of our total purchases for each of the same periods. Purchases from our largest supplier for each of the year during the Track Record Period amounted to RMB3.3 million, RMB14.6 million and RMB24.1 million, accounting for 6.1%, 25.4% and 23.7% of our total purchases for the respective years.

To the best of our knowledge after reasonable inquiry, save for eKontrol, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. To the best of the knowledge of our Directors after reasonable inquiry, save for eKontrol, none of our Directors, Supervisors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period. See “Business — Our Suppliers”.

SUMMARY

COMPETITION

According to Frost & Sullivan, driven by accelerating urbanization and rising public transit demand, the global market size for the vehicle articulation systems industry in terms of revenue expanded from RMB1,078.6 million in 2021 to RMB1,758.2 million in 2025, achieving a CAGR of 13.0%. Looking ahead, accelerated urbanization in emerging markets such as Southeast Asia and Latin America will drive substantial demand for vehicle articulation systems through infrastructure expansion and public transport modernization. The market size of global vehicle articulation systems industry is projected to reach RMB4,717.7 million by 2030, with a CAGR of 21.8% from 2025 to 2030. We operate in this rapidly growing market, where key entry barriers include technical capabilities, professional talent, customer resource and supply chain management. We believe we are well-positioned to compete effectively, leveraging our strengths in these areas. For more information on the competitive landscape of our industry, see “Industry Overview.”

RISK FACTORS

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

- Our business is dependent on various downstream industries, including public transportation and mining equipment. A downturn experienced by any of these industries or the economy in China or globally could adversely affect our business.
- We face various risks associated with our overseas business, and our inability to effectively manage and contain them could adversely affect our business and performance.
- We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.
- Our high customer concentration exposes us to risks and may subject us to significant fluctuations or declines in revenue.
- We may be exposed to credit risks arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.
- Our production is dependent on the stable, timely and adequate supply of energy at commercially reasonable prices.

INTERNATIONAL SANCTIONS RELEVANT TO CERTAIN BUSINESS ACTIVITIES OF THE GROUP

During the Track Record Period, we made certain historical transactions with Sanctioned Targets, namely: (i) sales of vehicle articulation systems to Sanctioned Target customers, and (ii) using an account at a Sanctioned Target bank to receive sales proceeds from certain Russian customers of our vehicle articulation systems, of which two such customers were Sanctioned Targets. Our transactions with Sanctioned Targets amounting to approximately RMB34.9 million in aggregate, representing approximately 7.0% of our total revenue during the Track Record Period.

SUMMARY

As advised by our International Sanctions Legal Advisor after conducting the relevant due diligence, (i) our activities with customers in the Relevant Regions did not represent Primary Sanctioned Activity in violation of the applicable International Sanctions in the Relevant Jurisdictions that could result in any material sanctions risk to the Relevant Persons. We might have engaged in limited Secondary Sanctionable Activity with several United States-sanctioned customers and financial institutions in Russia and Belarus, but such historic activity is unlikely to trigger enforcement risks, such as the imposition of sanctions against the Group or any Relevant Person(s) by a Relevant Jurisdiction; (ii) it is unlikely that our activities (including the business dealings with customers in the Relevant Regions) would result in the imposition of sanctions on the Relevant Persons (including designation as a Sanctioned Target or the imposition of penalties); (iii) we are not subject to material contingent liabilities in relation to the Primary Sanctioned Activity or Secondary Sanctionable Activity during the Track Record Period and up to the Latest Practicable Date; and (iv) our transactions with Sanctioned Targets during the Track Record Period do not qualify us as a Sanctioned Trader for purposes of Chapter 4.4 of the Guide for New Listing Applicants.

As of the Latest Practicable Date, we had (i) fully ceased our transactions with the Sanctioned Target customers and (ii) closed our account in the Sanctioned Target bank. We will not deal with any Sanctioned Targets in the future.

To identify and monitor our exposure to risks associated with sanctions laws relating to these sales, we will implement relevant internal control measures to protect the interests of our Group and our Shareholders. For details, see “Risk Factors — Risks Relating to Our Business and Industry — We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.” and “Business — International Sanctions Relevant to Certain Business Activities of the Group.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Hao directly held 71.06% of the total issued Shares of our Company and Suzhou Kairen, which was owned as to 99.00% by Mr. Hao, directly held 2.43% of the total issued Shares. As such, as of the Latest Practicable Date, Mr. Hao was entitled to exercise the voting rights attached to approximately 73.49% of the total issued Shares through the Shares held by himself as well as the Shares controlled by him through Suzhou Kairen.

Immediately following the completion of the [REDACTED], Mr. Hao and Suzhou Kairen will be entitled to exercise the voting rights attaching to approximately [REDACTED] of the total issued Shares (assuming the [REDACTED] is not exercised). Accordingly, Mr. Hao together with Suzhou Kairen will remain as our Controlling Shareholders upon [REDACTED] pursuant to the Listing Rules. For details, see “Relationship with our Controlling Shareholders.”

[REDACTED] INVESTMENTS

We have attracted a diverse range of [REDACTED] Investors through the [REDACTED] Investments. For details of our [REDACTED] Investors and the principal terms of the [REDACTED] Investments, see “History, Development and Corporate Structure — [REDACTED] Investments.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

SUMMARY

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income Items

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	132,305	141,623	222,330
Cost of sales	(87,796)	(89,519)	(101,841)
Gross profit	44,509	52,104	120,489
Other income and gains	1,002	2,089	2,309
Selling and marketing expenses	(5,956)	(10,127)	(21,788)
Administrative expenses	(3,715)	(4,418)	(11,044)
Research and development	(6,126)	(6,210)	(10,111)
Impairment losses on financial assets, net . .	(421)	(411)	(464)
Other expenses	(88)	(327)	(36)
Finance costs	(449)	(374)	(405)
Profit before tax	28,756	32,326	78,950
Income tax expenses	(3,238)	(4,359)	(12,036)
Profit and total comprehensive income for the year	25,518	27,967	66,914

Our revenue amounted to RMB132.3 million, RMB141.6 million and RMB222.3 million in 2023, 2024 and 2025, respectively. The increase was mainly driven by the growing downstream demand of our products and services throughout the Track Record Period. During the Track Record Period, our net profit generally grew in line with our revenue, amounting to RMB25.5 million, RMB28.0 million and RMB66.9 million in 2023, 2024 and 2025, respectively. As our product mix shifted towards high-margin VAS products and our procurement costs decreased due to economies of scale, our net profit margin improved throughout the Track Record Period.

Gross Profit and Gross Profit Margin

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Vehicle articulation systems						
– VAS products	32,656	40.4	34,156	46.7	110,533	58.6
– Windshield systems	1,118	13.6	10,604	19.8	4,014	27.3
Subtotal	33,774	37.9	44,760	35.3	114,547	56.3
TMS for new energy sector	–	–	–	–	661	17.8
Others	10,735	24.8	7,344	49.2	5,281	34.6
Total	44,509	33.6	52,104	36.8	120,489	54.2

Our gross profit margin increased during the Track Record Period, primarily driven by (i) the increased proportion of revenue from VAS products, which comprise articulation turntable and associated windshield system with higher selling prices and consequently generate higher profit margins. In contrast, windshield systems are labor-intensive with direct labor costs as their primary

SUMMARY

cost element, resulting in relatively lower profit margins compared to VAS products; and (ii) comprehensive cost optimization across materials, labor and manufacturing costs, which enabled us to benefit from economies of scale. For details, see “— Period to Period Comparison of Results of Operations.”

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets	18,343	16,040	30,113
Current assets	124,768	169,002	194,683
Current liabilities	55,535	70,427	104,591
Net current assets	69,233	98,575	90,092
Non-current liabilities	8,463	7,535	9,401
Net assets	79,113	107,080	110,804

Our net current assets increased from RMB69.2 million as of December 31, 2023 to RMB98.6 million as of December 31, 2024, primarily due to (i) an increase in time deposits of RMB62.0 million, (ii) an increase in pledged deposits of RMB10.7 million and (iii) an increase in amounts due from related companies of RMB14.4 million, partially offset by (iv) a decrease in cash and cash equivalents of RMB16.7 million, (v) an increase in trade and bills payables of RMB13.6 million, (vi) a decrease in trade and bills receivables of RMB15.2 million, (vii) a decrease in financial investments at FVTPL of RMB10.0 million and (viii) a decrease in inventories of RMB4.7 million. Our net current assets then decreased to RMB90.1 million as of December 31, 2025, primarily due to (i) a decrease in time deposits of RMB57.0 million and (ii) a decrease in amounts due from related companies of RMB20.0 million, partially offset by (iii) an increase in inventories of RMB20.5 million, (iv) an increase in cash and cash equivalents of RMB65.4 million, (v) an increase in trade and bills payables of RMB13.2 million and (vi) an increase in interest-bearing bank borrowings of RMB10.0 million.

Our net assets increased from RMB79.1 million as of December 31, 2023 to RMB107.1 million as of December 31, 2024, primarily due to profit and total comprehensive income for the year of RMB28.0 million. Our net assets then increased to RMB110.8 million as of December 31, 2025, primarily due to (i) profit and total comprehensive income for the year of RMB66.9 million, partially offset by (ii) dividend declared and paid of RMB64.6 million.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash from operating activities	30,492	73,108	51,841
Net cash (used in)/from investing activities	(11,238)	(87,630)	69,483
Net cash used in financing activities	(2,097)	(2,165)	(55,868)
Net increase/(decrease) in cash and cash equivalents	17,157	(16,687)	65,456
Cash and cash equivalents at beginning of the year	18,581	35,735	19,070
Cash and cash equivalents at end of year	35,735	19,070	84,483

SUMMARY

For detailed analysis on our cash flows, see “Financial Information — Liquidity and Capital Resources.”

Key Financial Ratios

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

	Year ended/As of December 31,		
	2023	2024	2025
Current ratio ¹ (times)	2.2	2.4	1.9
Gearing ratio ² (%)	<u>11.4</u>	<u>6.8</u>	<u>17.1</u>

Notes:

1. Current ratio is calculated using current assets divided by current liabilities as of the date indicated.
2. Gearing ratio is calculated using total debt, comprising lease liabilities and interest bearing bank borrowings, divided by total equity as of the date indicated and multiplied by 100%.

Our current ratio remained stable at 2.2 times and 2.4 times as of December 31, 2023 and 2024, respectively. Our current ratio further moderated to 1.9 times as of December 31, 2025, primarily driven by strategic capital reallocation and proactive working capital management, as we increased short-term bank borrowings to replenish working capital reserves and strengthen operational liquidity. We also deployed cash reserves toward long-term capital expenditure, specifically for the acquisition of patents (recognized as other intangible assets) and the purchase of machinery and equipment to upgrade production capabilities. The transition of liquid current assets into non-current productive assets resulted in a moderate decrease in our current ratio.

Our gearing ratio decreased from 11.4% as of December 31, 2023 to 6.8% as of December 31, 2024, primarily due to an increase in Shareholders’ equity arising from accumulated retained profits, which strengthened our capital base relative to our debt levels. Our gearing ratio further increased to 17.1% as of December 31, 2025, mainly attributable to a strategic addition of short-term bank borrowings, which were used to replenish working capital reserves and strengthen operational liquidity. Our equity base remained stable in 2025 compared to 2024, as profit for the year was largely offset by dividends paid, resulting in increased leverage.

LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors confirm that, as of the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral, administrative proceedings or non-compliance incidents that led to fines, enforcement actions or other penalties, which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operation and had complied with all relevant PRC Law in all material respects and had obtained all requisite licenses, approvals and permits from relevant authorities that are material for our operations in the Chinese mainland and such licenses, approvals and permits are valid and effective.

See “Business — Legal Proceedings and Compliance” and “Business — Licenses, Approvals and Permits” for more information. For more information about the laws and regulations that we are subject to, see “Regulatory Overview”.

SUMMARY

DIVIDENDS

We declared a dividend of RMB64.6 million in June 2025 and fully paid the dividend in August 2025. As of the Latest Practicable Date, we did not have any specific dividend policy nor any pre-determined dividend payout ratio. According to PRC Law, dividends may only be paid from distributable profits, which are derived from after-tax profits less any recovery of accumulated losses and the required allocations to statutory and other reserves. For details, see “Financial Information — Dividends.” Any future declaration and payment of dividends will be determined by our Board, subject to our Articles of Association and approval by our Shareholders for final dividends. Such decisions will be discretionary and will depend on various factors, including our actual and expected results of operations, cash flow, financial condition, capital and working capital requirements, business strategies, expansion plans, legal, regulatory and contractual restrictions, and other considerations deemed relevant by the Board. Our ability to pay dividends also depends on receiving distributions from our subsidiaries. Dividends may be distributed in cash or stock, as considered appropriate, and shall only be paid from profits and reserves lawfully available for distribution.

[REDACTED]

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately [REDACTED] or [REDACTED] of the [REDACTED] of the [REDACTED] (assuming an [REDACTED] of [REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range, without taking into account the [REDACTED]), including (i) [REDACTED] commission of approximately [REDACTED], and (ii) non-[REDACTED] related expenses of approximately [REDACTED] which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately [REDACTED] and (b) other fees and expenses of approximately [REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED] expensed in the consolidated statements of profit or loss and other comprehensive income and [REDACTED] recognized in the consolidated statements of financial position. Subsequent to the Track Record Period, approximately [REDACTED] of our [REDACTED] expenses is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and approximately

SUMMARY

[REDACTED] is expected to be accounted for as a deduction from equity upon [REDACTED] under the relevant accounting standard. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED], after deducting [REDACTED] fees and commissions and other estimated expenses paid and payable by us in relation to the [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share, being the mid-point of the [REDACTED] range from [REDACTED] to [REDACTED] per H Share, and that the [REDACTED] is not exercised. In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for expanding into global markets to capture long-term development opportunities overseas;
- approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for research and development of core technologies regarding transportation equipment to support the sustainable growth of our business;
- approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for expanding our production capacity; and
- approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for general corporate purposes and working capital.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we had maintained steady business operations in the production and sale of (i) vehicle articulation systems and (ii) TMS for new energy sector.

After due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since December 31, 2025, being the end of the Track Record Period, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report, the contents of which are set out in Appendix I.

DEFINITIONS

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

“Accountants’ Report”	the audited consolidated financial statements of our Group for the Track Record Period, as included in Appendix I
“affiliate(s)”	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, which was conditionally adopted on January 29, 2026 with effect from the [REDACTED], as amended, supplemented or restated from time to time, a summary of which is set out in Appendix III to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China” or “PRC”	the People’s Republic of China
“Chinese mainland”	the PRC excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “our Company”, or “the Company”	JVS (Suzhou) Technologies Co., Ltd. (伊卡路斯(蘇州)科技股份有限公司), incorporated under the PRC laws on June 18, 2008 under the former name of Jointech (Suzhou) Vehicle System Co., Ltd. (伊卡路斯(蘇州)車輛系統有限公司) as a limited liability company and converted into a joint stock company under PRC Law on November 7, 2025
“Compliance Advisor”	Somerley Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Hao and Suzhou Kairen
“[REDACTED] of Unlisted Shares into H Shares”	the [REDACTED] of [REDACTED] Unlisted Shares into H Shares on a [REDACTED] basis upon the completion of the [REDACTED]. Such [REDACTED] of Unlisted Shares into H Shares has been filed with the CSRC with the notification issued by the CSRC on completion of the filing procedures published on [●] and an application for H Shares to be [REDACTED] on the Stock Exchange has been made to the Stock Exchange
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	the enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended or supplemented from time to time
“eKontrol”	eKontrol Co., Ltd. (凱博易控車輛科技(蘇州)股份有限公司), a joint stock company established in the PRC on May 11, 2015, and the holding company of our Company prior to the Reorganization
“eKontrol Group”	eKontrol and its subsidiaries
“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

DEFINITIONS

[REDACTED]

“Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company

[REDACTED]

“Group”, “we”, “our”, or “us” our Company and all of our subsidiaries

“Guide for New Listing Applicants” the Guide for New Listing Applicants published by the Hong Kong Stock Exchange

[REDACTED]

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

[REDACTED]

“HK” or “Hong Kong” the Hong Kong Special Administrative Region of the PRC

“HKD” or “HK\$” Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Huafeng Group”	Huafeng Group Co., Ltd. (華峰集團有限公司), a limited liability company established in the PRC on January 16, 1995 and one of our [REDACTED] Investors
“Hunan Xiangjiang”	Hunan Xiangjiang Liyuan Jianxiao Venture Capital Partnership (Limited Partnership) (湖南湘江力遠健瀟創業投資合夥企業 (有限合夥)), a limited partnership established in the PRC on November 17, 2022 and one of our [REDACTED] Investors
“IFRS Accounting Standards”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies), who/which, to the best of our Directors’ knowledge, information and belief, is/are not our connected persons

[REDACTED]

DEFINITIONS

[REDACTED]

“International Sanctions”	all applicable laws and regulations, as amended and supplemented from time to time, related 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 Relevant Jurisdictions
“International Sanctions Legal Advisor”	Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyō), our legal advisor as to International Sanctions laws in connection with the [REDACTED]

[REDACTED]

“JVS Beijing”	JVS (Beijing) Vehicle Technology Co., Ltd. (伊卡路斯(北京)車輛技術有限公司), a limited liability company established in the PRC on March 2, 2009 and a wholly owned subsidiary of our Company
“JVS Vehicle Technology”	JVS Vehicle Technology (Suzhou) Co., Ltd. (伊卡路斯車輛科技(蘇州)有限公司), a limited liability company established in the PRC on August 17, 2021 and a wholly owned subsidiary of our Company
“Latest Practicable Date”	April 15, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“Linyi Zhengzhi”	Linyi Zhengzhi Traffic Facilities Co., Ltd. (臨沂市正直交通設施有限公司), a limited liability company established in the PRC on March 10, 2005 and one of our [REDACTED] Investors

[REDACTED]

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Liyuan Jianxiao”	Hunan Xiangjiang Liyuan Jianxiao Venture Capital Partnership (Limited Partnership) (湖南湘江力遠健瀾創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 17, 2022 and one of our [REDACTED] Investors
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Ministry of Finance” or “MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Hao”	Mr. Hao Qingjun (郝慶軍), our founder, one of our Controlling Shareholders, the chairman of our Board and a non-executive Director
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nongying Yongcai”	Nongying Yongcai (Ningbo) Venture Capital Fund Partnership (Limited Partnership) (農贏甬才(寧波)創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 18, 2024 and one of our [REDACTED] Investors
“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]

“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (“境內企業境外發行證券和上市管理試行辦法”), promulgated by the CSRC on February 17, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of Chinese mainland
“PRC Company Law”	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
“PRC GAAP”	generally accepted accounting principles in Chinese mainland
“PRC government” or “State”	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 Law”	the laws and regulations of China, without reference to the laws and regulations of Hong Kong and Macao Special Administrative Region and the relevant regulations of Taiwan region
“PRC Legal Advisor”	Han Kun Law Offices, our legal advisor as to PRC Law
“[REDACTED] Investment(s)”	the investments in our Company undertaken by the [REDACTED] Investors, the details of which are set out in “History, Development and Corporate Structure — [REDACTED] Investments”
“[REDACTED] Investor(s)”	holder(s) of Shares pursuant to the [REDACTED] Investments, the details of which are set out in “History, Development and Corporate Structure — [REDACTED] Investments”

[REDACTED]

DEFINITIONS

[REDACTED]

“Primary Sanctioned Activity” any activities in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting or involving the property or interests in property of, a Sanctioned Target by a [REDACTED] applicant incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law and regulation

[REDACTED]

“province” 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 Jurisdictions” for the purposes of the International Sanctions disclosures in this document, the United States, the European Union, the United Kingdom, the United Nations and Australia

“Relevant Persons” for the purposes of the International Sanctions disclosures in this document, our Company, together with our investors and Shareholders and persons who might directly or indirectly, be involved in permitting the [REDACTED] of our H Shares including the Stock Exchange and related group companies

“Relevant Regions” Belarus, Russia and Turkey

“RMB” or “Renminbi” Renminbi yuan, the lawful currency of Chinese mainland

“Reorganization” the reorganization underwent by us in preparation of the [REDACTED], the details of which are set out in “History, Development and Corporate Structure — History and Development of our Company — Reorganization”

“Ruian Industrial Fund” Ruian Industrial Fund Co., Ltd. (瑞安市產業基金有限公司), a limited liability company established in the PRC on September 14, 2017 and one of our [REDACTED] Investors

“SAFE” the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAIC” the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR

DEFINITIONS

“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 Country”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of Relevant Jurisdictions
“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 Sanctioned Country; 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)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SDNs”	Specially Designated Nationals on the SDN List
“SDN List”	Specially Designated Nationals and Blocked Persons list maintained by OFAC
“Secondary Sanctionable Activity”	certain activity by a [REDACTED] applicant that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though our Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
“Securities Law”	the Securities Law of the People’s Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising the Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)

[REDACTED]

DEFINITIONS

[REDACTED]

“Sole Sponsor”	the sole sponsor as named in “Directors, Supervisors and Parties Involved in the [REDACTED]”
“Sole Overall Coordinator” and “Sponsor-Overall Coordinator”	the sole overall coordinator and sole sponsor-overall coordinator as named in “Directors, Supervisors and Parties Involved in the [REDACTED]”
“Special Regulations”	the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), promulgated by the State Council on August 4, 1994

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company. Upon the [REDACTED], our Company will no longer have supervisors, the details of which are set out in “Directors, Supervisors and Senior Management — Supervisors”
“Suzhou Dayi”	Suzhou Dayi Investment Partnership (Limited Partnership) (蘇州大伊投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 30, 2025 and one of our [REDACTED] Investors
“Suzhou Kairen”	Suzhou Kairen Equity Investment Co., Ltd. (蘇州凱人股權投資有限公司), a limited liability company established in the PRC on August 29, 2017, which was owned as to 99.00% by Mr. Hao and 1.00% by Ms. Hao Yun, and one of our Controlling Shareholders

DEFINITIONS

“Suzhou Qianrong Taizhen”	Suzhou Qianrong Taizhen Enterprise Management Consulting Partnership (Limited Partnership) (蘇州乾融太真企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on January 27, 2021 and one of our [REDACTED] Investors
“Suzhou Qianrong Yingrun”	Suzhou Qianrong Yingrun Equity Investment Partnership (Limited Partnership) (蘇州乾融贏潤股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 14, 2018 and one of our [REDACTED] Investors
“Suzhou Qianrong Yuanfeng Phase II”	Suzhou Qianrong Yuanfeng Phase II Venture Capital Partnership (Limited Partnership) (蘇州乾融園豐二期創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 17, 2025 and one of our [REDACTED] Investors
“Suzhou Oriental”	Suzhou Oriental Venture Capital Co., Ltd. (蘇州東方創業投資有限公司), a limited liability company established in the PRC on May 22, 2009 and one of our [REDACTED] Investors
“Suzhou Yihe”	Suzhou Yihe New Materials Venture Capital Partnership (Limited Partnership) (蘇州毅和新材料創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our [REDACTED] Investors
“Suzhou Yikai”	Suzhou Yikai Venture Capital Partnership (Limited Partnership) (蘇州毅凱創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 29, 2023 and one of our [REDACTED] Investors
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the years ended December 31, 2023, 2024 and 2025
“Treasury Shares”	Shares repurchased and held by our Company in treasury (which include Shares repurchased by the Company and held or deposited in [REDACTED] for sale on the Stock Exchange) from time to time
“U.S.”, “US” or “United States”	the United States of America, its territories, its possessions, any State of the United States and the District of Columbia
“USD”, “U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder

DEFINITIONS

[REDACTED]

“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up (or credited as paid up) in Renminbi and are currently not listed or traded on any stock exchange
“VAT”	value-added tax
“Wenzhou Fund”	Wenzhou Fund Investment Co., Ltd. (溫州市基金投資有限公司), a limited liability company established in the PRC on July 27, 2012 and one of our [REDACTED] Investors
“Wuxi Guojing”	Wuxi Guojing Liuyun Equity Investment Partnership (Limited Partnership) (無錫國經鑒鑒股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 30, 2019 and one of our [REDACTED] Investors
“Yike Youneng”	Yike Youneng United Technology (Suzhou) Co., Ltd. (伊科優能聯合技術(蘇州)有限公司), a limited liability company established in the PRC on September 29, 2025, a subsidiary of our Company
“%”	per cent

Unless otherwise specified, in this document:

- (a) *certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them; and*
- (b) *for ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ACU”	articulation control unit, the core electronic control module in an articulated vehicle that automatically processes data from sensors, executes control algorithms, and manages the damping force of the vehicle’s articulation system, while also communicating with the vehicle to provide necessary displays
“ART”	Autonomous Rail Rapid Transit, an innovative urban public transportation solution that combines the advantages of rail transit and road traffic. Articulated vehicles use sensors to recognize virtual markings on the road surface and operate precisely along designated routes
“articulation turntable” (銜接盤)	the collective components of the articulation system that connect to the vehicle chassis. Together with windshield system, they constitute the complete vehicle articulation system
“BEC-TMS” (三元熱管理系統)	an integrated solution that coordinates three thermal management subsystems: battery thermal management, electric drive thermal management, and cabin thermal management
“BRT”	Bus Rapid Transit, a high-speed, high-capacity public transportation system that uses buses or specialized vehicles operating on dedicated lanes or busways
“CE certificate”	a regulatory standard that verifies certain products are safe for sale and use in the European Union
“damping cylinder”	a passive hydraulic actuator that generates damping force or damping torque during the piston’s reciprocating motion by controlling the flow of internal hydraulic oil. It serves as the actuator component in electro-hydraulic multi-damping hydraulic systems and proportional control hydraulic systems
“E/e-Mark certification”	a regulatory approval mark for motor vehicles and their components indicating compliance with United Nations Economic Commission for Europe (UNECE) and European Union safety and environmental standards

GLOSSARY OF TECHNICAL TERMS

“electro-hydraulic multi-damping hydraulic system”	refers to an electro-hydraulic system based on multi-source sensor signals. Controlled by the articulation control unit (ACU), it adjusts hydraulic flow and pressure in stages through hydraulic on-off valves, achieving multi-stage damping torque output from actuators for stability control in vehicle articulation systems
“EMC certification”	Electromagnetic compatibility certification confirms that an electrical or electronic product can operate correctly in its intended electromagnetic environment without causing or suffering unacceptable electromagnetic interference, in line with applicable regulatory and industry standards
“Ex Works”	an arrangement in which the seller is required to make goods ready for pickup at its place of business, and the buyer is responsible for all freight and delivery costs
“GFA”	gross floor area
“Hypalon”	a premium synthetic rubber known for exceptional resistance to chemicals, temperature extremes, and UV radiation
“IoT”	Internet of things, the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between devices themselves
“IT6”	International Tolerance Grade 6, an ISO 286 standard defining high-precision dimensional tolerances for linear measurements
“kN”	Kilonewton, a unit of force
“proportional control hydraulic system” (比例控制的液壓系統)	an electro-hydraulic integrated system that collects real-time vehicle operating condition signals and uses the articulation control unit (ACU) to adjust hydraulic proportional valves, achieving continuous and precise control of damping torque for hydraulic actuators. It is commonly used for vehicle articulation and stability control
“refrigerant-side” (冷媒側)	the specific closed-loop circuit within a TMS where the refrigerant circulates. Engineers distinguish this from the air or water circuits to isolate the chemical cooling processes from the external heat exchange interfaces
“slewing bearing” (轉盤軸承)	a large rotary bearing capable of simultaneously withstanding axial loads, radial loads, and overturning moments. It integrates support, rotation, transmission, and fixation functions, serving as a critical connection and rotation component in vehicle articulation systems

GLOSSARY OF TECHNICAL TERMS

“sq.m.”	square meter(s)
“SRT”	Super Autonomous Rail Rapid Transit, an innovative public transportation product that combines the high capacity of rail transit with the flexibility of buses. This articulated vehicle uses image recognition and Beidou positioning to precisely follow virtual road markings
“thermofluidic simulation” (熱流仿真)	a computational engineering process used to model heat transfer and fluid flow dynamics. This allows engineers to predict performance and optimize thermal management designs prior to physical prototyping
“TMS” or “thermal management systems”	systems designed to sense, transfer, and regulate heat from key thermal sources and loads
“VAS products”	comprising the articulation turntable and its associated windshield system, which are available for purchase either as complete sets or as separate components according to customers’ needs
“valve plate”	the base plate of the BEC-TMS. It regulates the directional intake and exhaust of fluids or gases, ensuring that system pressure and operational efficiency are maintained
“vehicle articulation system(s)”	the mechanical and electronic control system that connects and coordinates the movement of multiple sections of a vehicle. It consists of core components including the articulation turntable and windshield system. The windshield system can also be supplied as a standalone ancillary product to accommodate specialized applications
“windshield system(s)” (風擋系統)	a durable, accordion-like flexible canopy that provides a weather-tight seal and aesthetic continuity while accommodating the complex movements required during turns

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and [REDACTED]." Forward-looking statements typically can be identified by the use of words such as "aim," "anticipate," "aspire," "believe," "continue," "could," "estimate," "expect," "forecast," "goals," "intend," "may," "objective," "ought to," "outlook," "plan," "potential," "project," "schedules," "seek," "should," "target," "vision," "will," "would" and other similar terms. Forward-looking statements reflect the current views of our Directors 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 those listed in "Risk Factors," which are beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our business strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals;
- our future business development, financial conditions and results of operations;
- our ability to develop and manage our operations and business;
- our expectations regarding demand for and market acceptance of our products and solutions;
- our expectations regarding our relationships with customers, business partners, suppliers and other third parties;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- competition in the industries and markets in which we operate or into which we intend to expand;
- our proposed [REDACTED];
- developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate; and

FORWARD-LOOKING STATEMENTS

- all other risks and uncertainties described in “Risk Factors.”

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

You should carefully consider all of the information in this document, including the following risk factors before making any [REDACTED] decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The [REDACTED] of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your [REDACTED]. The information given is subject to the cautionary statements in the section headed “Forward-Looking Statements.”

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is dependent on various downstream industries, including public transportation and mining equipment. A downturn experienced by any of these industries or the economy in China or globally could adversely affect our business.

We primarily provide vehicle articulation systems and TMS for new energy sector for various end market applications. Our financial performance and operating results depend on the overall performance of the various downstream industries where our products are utilized. These industries include, but are not limited to, public transportation and mining equipment. Our business is particularly susceptible to the policies and performance trends within the transportation industry. Changes in regulatory frameworks, environmental standards and government incentives in these industries could impact our operational capabilities and financial outcomes. If the end markets cannot maintain robust growth, our business and profitability may be adversely affected.

Given our extensive operations across both China and international markets, we may need to change or adapt our business strategies from time to time in response to the new rules and policies regarding the end markets for our products, but we may not be able to do so in a timely and efficient manner. Any new legislation or adverse changes in requirements relating to the end markets could have an impact on our business, financial condition and results of operations.

Furthermore, our operations are significantly influenced by economic, political and social conditions in China and globally. Economic downturns, whether actual or perceived, in our key markets or our customers’ key markets could affect our financial condition and results. Global uncertainties, such as geopolitical tensions, inflation risks and changes in monetary policies, also pose challenges to our business environment.

We face various risks associated with our overseas business, and our inability to effectively manage and contain them could adversely affect our business and performance.

In line with our strategies, we intend to continue to expand our international business in the coming years. The demand for and market acceptance of our products marketed and sold abroad are subject to uncertainty and can be heavily influenced by local conditions and customs tariff policies. The following sets forth some of the risks associated with our overseas business (i) exchange rate fluctuations and foreign exchange regulations, see “— Risks Relating to Conducting Business in the Chinese Mainland — The government’s procedural requirements in the Chinese mainland regarding foreign currency conversion may limit our foreign exchange transactions”; (ii) expenses associated with understanding and analyzing overseas markets, monitoring regional and local economic, industry and consumer trends, and developing and maintaining efficient marketing and selling presence in such markets; (iii) developing and maintaining customer relations and providing quality customer services and support; (iv) expenses incurred and challenges in connection with compliance with local commercial and legal requirements, including labor, environment and industry-specific regulations; (v) unanticipated adverse changes in regional and local economic conditions; (vi) political instability and civil unrest, cultural or regional conflicts, labor disputes and wars; (vii) trade barriers, such as local content requirements, tariffs, taxes and other restrictions and expenses; and (viii) unanticipated logistic expense occurred in transportation, such as sudden surge in transportation cost and shortfall in shipping capacity.

RISK FACTORS

Failure to address any of the foregoing risks or complete such procedures with respect to overseas business may adversely affect our business, financial condition, operations and prospects. Especially, our operations are governed by relevant PRC Law and laws and regulations in other jurisdictions where we operate relating to production safety, product quality and environmental protection, among other things. New laws or regulations, changes to laws and regulations, as well as the refinement of interpretations and applications of existing ones, can impose additional compliance costs or require us to change our operations to ensure compliance. The industry in which we operate is still evolving, and laws and regulations may be interpreted and implemented more strictly, or new laws and regulations may be adopted from time to time that require additional approvals, licenses and permits. Failure to obtain, renew or maintain the necessary approvals, licenses and permits required for our operations may render our operations to be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

In addition, we may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, governmental import or export controls and similar laws and regulations in various jurisdictions in which we conduct activities. Our policies and procedures instituted may not be sufficient and if any of our directors, officers, employees, representatives, consultants, agents and business partners engaged in any improper conduct, we may be held responsible. Non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions laws, or governmental import or export controls could subject us to whistleblower complaints, adverse media coverage, investigations and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, reputation, financial condition and results of operations.

We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organisations, including the European Union, the United Kingdom, the United Nations and Australia have, through executive orders, legislation or other governmental means, implemented measures that impose economic sanctions against certain countries, regions or targeted industry sectors, groups of companies or persons, and/or organizations within such countries and regions.

During the Track Record Period, we made certain historical transactions with Sanctioned Targets, namely: (i) sales of vehicle articulation systems to Sanctioned Target customers, and (ii) using an account at a Sanctioned Target bank to receive sales proceeds from certain Russian customers of our vehicle articulation systems, of which two such customers were Sanctioned Targets. Our transactions with Sanctioned Targets amounting to approximately RMB34.9 million in aggregate, representing approximately 7.0% of our total revenue during the Track Record Period. For details, see "Business — International Sanctions Relevant to Certain Business Activities of the Group."

We cannot predict the interpretation or implementation of government policy at the United States federal, state or local levels or any policy by the European Union, the United Kingdom, the United Nations, Australia and other applicable jurisdictions with respect to any current or future activities by us or our affiliates in these countries. Nor can we assure you that regulators will not take the position that our past, current or future activities globally constitute sanctionable activities or business. Our business and reputation could be adversely affected if the government of the United States, the European Union, the United Kingdom, the United Nations, Australia or any other governmental entities were to determine that any of our activities constitute violations of the sanctions they impose.

RISK FACTORS

In addition, since sanctions programmes evolve over time, new requirements or restrictions could come into effect which may increase scrutiny on our business or result in our business activities being deemed to violate sanctions. We cannot assure you that investors who are subject to the jurisdictions of the United States, the European Union, the United Kingdom, the United Nations, Australia, and/or other jurisdictions will be willing to make investments, or may divest their investment, in us, which may have an adverse impact on the [REDACTED] and the future prevailing [REDACTED] of our H Shares, despite our commitment not to direct the [REDACTED] from the [REDACTED] to dealings with sanctioned targets. We have undertaken to the Stock Exchange that we will not use the [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange, whether directly or indirectly, to finance or facilitate any activities or businesses with, or for the benefit of, any Sanctioned Countries or any other government, individual or entity sanctioned by the United States, the European Union, the United Kingdom, the United Nations, or Australia, including but not limited to, any government, individual or entity that is the subject to any OFAC-administered sanctions or that would be in breach of sanctions imposed by the United States, the European Union, the United Kingdom, the United Nations, or Australia. If we breach these undertakings to the Stock Exchange after the [REDACTED], it is possible that the Stock Exchange may [REDACTED] our H Shares. In addition, if any of our customers becomes subject to economic sanctions in the future, we may have to discontinue our business with such customers due to potential economic sanctions liability risks. In such events, our financial results may be materially and adversely affected.

Our high customer concentration exposes us to risks and may subject us to significant fluctuations or declines in revenue.

Our customers primarily include automobile and automotive parts manufacturers operating in the PRC and abroad. A limited number of customers have contributed to a significant portion of our revenue in the past. In each year during the Track Record Period, revenue from our top five customers in each of such year accounted for 74.9%, 75.1% and 80.6% of our total revenue, respectively, and revenue attributable to our largest customer in each of such year accounted for 25.6%, 41.6% and 48.2% of our total revenue, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these customers to our total revenue will decrease in the future.

There is no assurance that we would be able to maintain good business relationships with our major customers in the future. Our largest customers in each year during the Track Record Period are not obliged to continue their contracts with us at a level similar to those in the past or at all. If any of our major customers reduces or even ceases business collaborations with us in the future due to reasons such as loss of market share, reduced competitiveness, trade restrictions, changes in business strategies or production plans, deterioration in their business relationship with us, operational difficulties and deterioration in financial condition, or if we are unable to renew our contracts with our customers or identify new customers promptly or at all, our revenue may significantly decrease, which may materially and adversely affect our business, results of operations, financial condition and prospects. For further details, see “Business — Our Customers.”

We may be exposed to credit risks arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our trade and bills receivables at amortized cost primarily include amounts due from our customers for products in the ordinary course of business. As at December 31, 2023, 2024 and 2025, our trade and bills receivables at amortized cost amounted to RMB26.1 million, RMB10.9 million and RMB18.5 million, respectively. The credit period granted to our customers was generally 30 to 90 days from the date of billing. See “Financial Information — Selected Key Items of Consolidated Statement of Financial Position — Trade and Bills Receivables” in this document.

RISK FACTORS

In 2023 and 2024, our trade and bills receivable turnover days remained relatively stable at 40.6 days and 47.8 days, respectively. In 2025, our trade and bills receivable turnover days decreased to 24.1 days, primarily due to changes in customer order fulfillment and credit terms, as well as fluctuations in trade receivables balances at various points in time. We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

Our production is dependent on the stable, timely and adequate supply of energy at commercially reasonable prices.

We depend on a stable supply of energy, mainly including electricity, water and steam, to maintain production. Our production volume and manufacturing costs are affected by the price and supply of energy. The prices of energy are subject to a number of factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for energy and local and national regulatory requirements. Furthermore, there can be no assurance that unexpected and serious shortages of energy will not occur in the future or that we will be able to pass on any cost increases to our customers. Adverse changes in power consumption policies, particularly those leading to higher energy prices, could negatively impact our business, financial condition, operational results and prospects. Significant fluctuations in these costs could materially affect our profitability if we are unable to adjust our product prices accordingly, potentially undermining our competitive advantages. Failure to pass increased costs onto our customers may lead to a reduction in our profit margins. If the supply of energy is affected by natural disasters, adverse weather conditions, equipment failures, disruptions in transport or other inclement factors, we may not be able to locate alternative sources of supply at commercially reasonable prices or maintain the full energy supply required for production, resulting the reduction or cessation of production capacity. Any such events may have a material adverse effect on our business, financial condition and results of operations.

We face risks related to title defects related to our properties.

As of the Latest Practicable Date, the lease agreement with respect to one of our leased properties primarily used for warehousing with an aggregate GFA of approximately 435 sq.m., representing approximately 1.9% of the total leased GFA of our leased properties primarily used for production, office and warehousing, was not registered with the appropriate government authority in the Chinese mainland. As advised by our PRC Legal Advisor, failure to complete the registration of lease agreement may lead to a fine ranging from RMB1,000 to RMB10,000 imposed by the relevant authority in the Chinese mainland for the lease agreement if we fail to complete the registration of lease agreement within the stipulated period, and as such, the potential maximum penalties in relation to the aforementioned non-compliant incidents is approximately RMB10,000. See “Business — Properties — Non-registration of Lease Agreement.”

Any changes to PRC Law requirements for social insurance and housing provident fund contributions for our employees may require us to adapt our practices, resulting in additional costs and subjecting us to late payments and fines imposed by relevant governmental authorities.

Companies operating in the Chinese mainland are required to make social insurance and housing provident funds for their employees. We have in the past failed to make timely and adequate social security insurance and housing provident fund contributions for some of our employees in accordance with the relevant PRC Law. The shortfall of social insurance and housing provident fund contributions amounted to approximately RMB2.3 million, RMB2.4 million and RMB2.7 million, in 2023, 2024 and 2025, respectively. Our PRC Legal Advisor has advised us that, pursuant to the relevant PRC Law, if we fail to pay the full amount social insurance as required, we may be ordered by the relevant authorities in the Chinese mainland to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period,

RISK FACTORS

the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC Law, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the courts in the Chinese mainland for compulsory enforcement. On July 31, 2025, the Supreme People’s Court promulgated the New Judicial Interpretation, which took effect on September 1, 2025. Article 19(1) of the New Judicial Interpretation stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Further, the relevant employee has the right to terminate the labor contract pursuant to Article 38(3) of the Labor Contract Law. For further details, see “Regulatory Overview — Regulations Relating to Labour and Safety” and “Business — Employees — Social Insurance and Housing Provident Funds.”

We are subject to the risks involved in expanding into new markets and the expansion of product lines.

Our future revenue and profit growth partially rely on the continuous expansion into new markets and the launch of new products, in particular, our TMS for new energy sector. This involves establishing sales channels across various countries and regions, introducing product portfolios tailored to local markets, completing product certifications and integrating into supply chain systems. These initiatives typically require significant upfront investments, including channel development, certification registration, technical adjustments and team building. If these investments do not yield substantial sales returns, our business, operational performance and financial condition may be adversely affected. In addition, we are subject to risks in connection with the expansion and development of new businesses or product lines into markets in which our brand may be less recognized.

We cannot guarantee that we will be able to effectively manage these risks, in which case our ability to expand business will be impaired, which in turn could have a material and adverse effect on our business, financial condition and results of operations.

Moreover, the successful implementation of the growth strategies depends on various factors, including, among other things, market condition and demand, availability of resources, competition and government policies, and some of these factors are beyond our control. As such, we may not be able to expand as planned or the costs incurred under our growth strategies may not follow the original expectation. If we have allocated resources to expand our business based on our business plan but subsequently the demand for our products reduces due to various uncontrollable factors such as market changes, our financial position may be adversely affected.

If we fail to keep up with the evolution of technologies or adapt our technology to emerging industry standards, or if our investments in new technologies turn out unsuccessful or ineffective, our business may be materially and adversely affected.

Technological innovation is key to our success. During the Track Record Period, we made substantial R&D investments, which we believe are crucial factors for our future growth and prospects. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses amounted to RMB6.1 million, RMB6.2 million and RMB10.1 million, respectively, accounting for 4.6%, 4.4% and 4.5% of our total revenue in the respective years.

The evolution of technologies and the emergence of new industry standards pose significant challenges. If we fail to keep up with these changes or adapt our technology accordingly, our competitive position could be compromised. This may necessitate additional investments in technology upgrades and process improvements to align with industry standards. Failure to do so could result in our products becoming obsolete, leading to a potential loss of market share and adversely affecting our business operations.

RISK FACTORS

However, there can be no assurance that our R&D projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our R&D efforts, we may incur significant sunk costs. Even if the newly developed products can be launched as we expected, there can be no assurance that they will be accepted by our customers and achieve the anticipated sales target or profit. In addition, a portion of our R&D expenses are allocated to developing general technologies rather than specific products. While this investment is important for long-term innovation and capability building, it may not immediately enhance the competitiveness of our products in the market or produce the expected benefits or returns. Furthermore, there can be no assurance that our existing or potential competitors will not develop products which are similar or superior to our products or are more competitively priced. In such cases, we may lose market share. Due to uncertainties in the time frame for developing new products and the duration of market windows for these products, there is a risk that we may have to abandon a product that is no longer commercially viable, even after we have invested significant resources in the development of such product.

In addition, we have expanded our R&D efforts into our strategic emerging business, which encompasses the development of TMS for new energy sector. The development of TMS for new energy sector presents unique technological challenges and risks and requires substantial investment and expertise, and there is no assurance that our efforts will result in commercially viable products. Furthermore, the commercial vehicle thermal management system industry is characterized by rapid technological advancements and evolving industry standards, which may render our current development obsolete or require significant additional investment for us to remain competitive.

We may not be able to increase our production capacity and implement other expansions as planned.

We intend to maintain our competitive advantages by, among others, expanding our production capacity and exploring new business opportunities in the vehicle articulation systems industry, as well as the commercial vehicle thermal management system industry. Such expansion plans and any other future expansion plans would require significant capital investments in new production facilities and in the engagement of additional qualified personnel. To capture these opportunities, we plan to expand our production capacity and team. See "Business — Manufacturing" and "Future Plans and [REDACTED] — [REDACTED]." We expect that we will incur substantial additional costs, such as depreciation charges, raw material costs, financial costs and labor costs in relation to the above expansion plans. In addition, the success of our existing and future expansion plans depends on a few factors beyond our control, such as progress of the construction conducted by third-party construction companies, government support (including the issuance of a relevant operation license for the expanded production capacity) and customer demand for our expanded production capacity. The integration of future expansion projects into our existing operations may be subject to unforeseeable delays, which may, among other things, increase our integration costs, strain our production capacity at other locations, decrease our production efficiency and cause delays in the delivery of customer orders. As the success of our business expansion plans depends on various factors, many of which are beyond our control, there can be no assurance that we will be successful in implementing our strategies. Even if our strategies are implemented successfully, there can be no assurance that our strategies will lead to successful achievement of our business objectives.

Moreover, we may seek to expand our business through cooperation, strategic investments, mergers and acquisitions and partnership in the future. The success of these endeavors depends on the availability of, and competition for, suitable targets and opportunities, as well as financial resources, including available cash and financing capacity. Moreover, future cooperations, strategic investments, mergers and acquisitions and partnerships may expose us to potential risks, including the diversion of management attention and resources from our existing business and the inability to generate sufficient income to offset the costs and expenses. These endeavors may also result in increased leverage, sharing of potential legal liabilities in respect of the target businesses, and increased impairment charges related to goodwill and other intangible assets. As a result, we cannot assure you that we will be able to achieve the strategic purpose of any investment, partnership or cooperation, the desired level of control in management decisions of the partnership or our anticipated investment return from such business expansion. If we are unable to implement our expansion plans effectively, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

In addition, if our management, systems, resources and supporting infrastructure fail to effectively keep up with our planned expansion, we may experience difficulties in managing our growth and operations, and our financial condition and results of operations could be materially and adversely affected.

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

Our brands have worldwide recognition, and our success depends on our ability to maintain and enhance our brand image and reputation. The value and reputation of our brands depend on factors such as the quality, design, performance, functionality and durability of our products, product innovation and customer experience. We intend to continue making investments in these areas in order to develop, maintain and enhance our brand image. For example, our selling and marketing expenses were RMB6.0 million, RMB10.1 million and RMB21.8 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 4.5%, 7.2% and 9.8% of our total revenue for the respective years. As a result, costs associated with maintaining our brand image can be significant, and we may further incur substantial expenses to establish our brand image in new markets we have decided to or will enter. However, we cannot assure you that our investments in these areas would be successful, and expenses related to maintaining our brand image may have an adverse impact on our results of operations and financial condition if they do not yield the expected results.

Our brands, reputation and product sales could be harmed if, for example, our products fail to meet the expectations of our customers or contain defects or fail. In addition, adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine customer confidence in us and reduce long-term demand for our products. See “— Risks Relating to Our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.”

In addition, negative publicity concerning our Company, including our Shareholders, affiliates, Directors, officers, employees, business partners and other third parties, as well as the broader industry, can have detrimental effects. Such publicity, regardless of its accuracy, can tarnish our reputation, result in loss of customer trust, decreased sales and challenges in maintaining or establishing business relationships with our customers. It can also result in heightened scrutiny from regulators and stakeholders, potentially leading to increased compliance costs or legal challenges, subsequently impacting our business operations, financial condition, results and future prospects.

If we fail to maintain an effective quality management system, particularly during production expansion, our business, reputation, financial condition and results of operations may be adversely affected.

Our product quality is critical to our success. Although we have established a stringent quality management system, it may not always identify latent product defects, which could lead to failures during installation or use, resulting in safety hazards or operational issues for our customers. The effectiveness of our quality management system depends on a number of factors, including the design of the system, the machineries used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality management policies and guidelines. In the event that the use of our products results in an unsafe condition or injury as a result of, among other factors, our component failures, manufacturing flaws, design defects, inadequate disclosure of product-related risks or information, it could result in product liability or warranty claims; we could be named as a defendant in such claims, and any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, our customers could be subjected to claims as a result of such accidents and bring claims against us to hold us accountable. In addition, in the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers and could materially and adversely affect our business, results of operations and financial condition.

RISK FACTORS

We are required to comply with specific guidelines based on product safety, and restricted and hazardous materials laws and regulations that are applicable in the jurisdictions into which our customers sell their products. Our safety standards for the inspection of our products are also based on relevant national and industry standards. There can be no assurance that our quality management system will continue to be effective and in compliance with relevant laws, regulations and standards. Any significant failure in, or deterioration of the efficacy of, our quality management system could result in us losing accreditations and requisite certifications or qualifications, which could in turn have a material adverse effect on our reputation, business and results of operations.

The scale up in our production to meet increasing demand can put pressure on our quality assurance processes. For example, it may stretch existing resources, including personnel and equipment, beyond their optimal capacity, leading to potential oversights or errors. Bottlenecks may occur as quality assurance processes struggle to handle higher volumes without delays or rushed evaluations. Increased production can also cause accelerated wear and tear on equipment, affecting product quality. Scaling up may involve process changes or new technologies, introducing unforeseen quality issues. Additionally, sourcing additional materials or components to meet higher demand can result in variability in quality, impacting the final product. These challenges collectively increase the risk of defects or non-compliance with standards.

We are susceptible to supply shortages, longer lead time and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers.

Our production operations depend on obtaining adequate supplies of quality raw materials on a timely basis. The raw materials used in our production of vehicle articulation systems mainly include ductile iron, rubber, aluminum and rolled steel. For the years ended December 31, 2023, 2024 and 2025, costs of direct materials accounted for a substantial amount of our cost of sales, amounting to RMB62.3 million, RMB57.9 million and RMB72.6 million, accounting for 70.9%, 64.6% and 71.4% of our total cost of sales for the respective years.

The purchase price of our raw materials is influenced by changes in bulk commodity prices as well as market supply and demand. Our ability to pass on the increases in raw material costs to our customers may be limited. The pricing of our products is, to a certain extent, based on the costs of our raw materials; if we become subject to any significant increase in the cost of raw materials that was not anticipated when negotiating the prices with our customers, our profitability may be adversely affected. Failure to secure such terms may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, any of our measures to address potential interruptions of supplies may not be sufficient. In the event that our suppliers fail to cater to our growing demands, we may be unable to meet market demand for our products, which may have an adverse impact on our reputation and profitability. Additionally, factors that are beyond our control, including natural disasters, public health hazard, civil unrest, wars, strikes or trade sanctions or restrictions, may impact the supply and market price of raw materials.

Our business requires a significant amount of capital expenditure for maintenance, upgrades and expansion of production capacity, and there can be no assurance that we will be able to have enough resources to successfully implement our capital expenditure plans.

Our operations depend on the continuous maintenance, upgrades and expansion of production capacity to meet evolving customer demands and market trends. As a manufacturer of vehicle articulation systems, as well as a new market entrant to TMS for new energy sector, we require significant capital expenditure to ensure the quality, efficiency and competitiveness of our products.

RISK FACTORS

During the Track Record Period, we primarily used cash from operating activities in the maintenance and upgrades of production facilities. For the years ended December 31, 2023, 2024 and 2025, our capital expenditures were RMB1.3 million, RMB1.5 million and RMB14.9 million for the respective years. There can be no assurance that we will be able to generate sufficient cash from operations, or at all, or secure the necessary bank borrowings, if needed, to fund our planned capital expenditures. Any delays or failures in securing necessary funding and any unforeseen increases in costs or delays in the implementation of our capital expenditure plans could adversely affect our operations and financial results. Moreover, the development in industries where we operate may require us to make additional, unforeseen investments to remain competitive. If we fail to allocate sufficient resources toward adapting to these technological changes or if our investments do not yield the expected benefits, our market position and profitability may be adversely impacted.

Our business depends substantially on the expertise and dedication of our management team and highly skilled personnel. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth.

We have been, and will continue to be, substantially dependent on the continuing services and performance of our key management team and highly skilled personnel. We must continue to attract, retain and motivate a sufficient number of qualified management and operating personnel to maintain consistency in our product quality and meet our planned expansion requirements. However, we cannot assure you that we will continue to successfully retain our management team and skilled personnel. If we lose the services of any key member of them, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all, and our business, financial condition, results of operations and prospects could be materially and adversely affected.

If our senior management team fails to work together successfully, or if one or more of our senior managers are unable to effectively implement our business strategy, we may be unable to grow our business as we expect. Competition for experienced management and operating personnel in the transportation equipment system market is intense, and the pool of qualified candidates is limited. We may not be able to retain the services of our key management and operating personnel or attract and retain high-quality senior executives or key personnel in the future.

The shortage of skilled professionals could lead to delays in product development, hinder our ability to respond to market demands, and affect our capacity to manage our operations effectively. Additionally, the loss of key personnel or the inability to attract new talent could result in a loss of institutional knowledge and expertise, adversely affecting our business operations and future prospects. Failure to address these challenges may negatively impact our business performance, financial condition and our ability to achieve strategic objectives in the rapidly evolving technology sector.

As our business continues to grow, the demand for skilled R&D and international management personnel has significantly increased. Our ability to innovate and maintain a competitive advantage relies heavily on attracting and retaining highly qualified professionals in fields where we operate to continuously innovate and iterate our existing products and expand into our strategic emerging business. However, the competition for such talent is intense, and there is a risk that we may not be able to recruit or retain the necessary personnel to support our growth and international expansion strategies.

We are exposed to inventory management risks.

Our inventories primarily consist of raw materials, work in progress and finished goods. As of December 31, 2023, 2024 and 2025, our inventories were RMB27.0 million, RMB22.4 million and RMB42.9 million, respectively. Our inventory turnover days for the years ended December 31, 2023, 2024 and 2025 was 140.2 days, 100.7 days and 116.9 days, respectively.

RISK FACTORS

If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant inventory write-offs. We cannot guarantee that our inventory levels will be able to swiftly meet the demands of our customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in a diminished customer base and a decrease in revenue, any of which could harm our business, financial condition and results of operations.

We have implemented an inventory management system that requires close internal coordination to ensure that our inventory levels are sufficient to satisfy demand and do not cause any disruptions in production while minimizing carrying costs. For details of our inventory and inventory management policies, see “Business — Our Suppliers — Inventory Management.” In the event of any damage or deterioration caused by factors beyond our control, including catastrophic events such as outbreak of fire or explosion, we may suffer from losses and such losses may not be compensated in a timely and adequate manner. Our business performance and financial position may thereby be adversely affected.

If we are unable to maintain high utilization rate of our production facilities, our profitability may be adversely affected, particularly when there is industry overcapacity.

High utilization of production facilities is crucial for spreading fixed costs over a larger quantity of products. Consequently, our ability to maintain or improve gross profit depends significantly on sustaining high utilization rates. The utilization rate of our production base for the production of vehicle articulation systems was 32.8%, 35.6% and 75.2%, respectively, for the years ended December 31, 2023, 2024 and 2025. However, various adverse factors, such as excess capacity, equipment malfunction, interruptions in utility availability and quality control deficiencies, could negatively affect our facility utilization.

In the industries where we operate, there is a risk of overcapacity if demand for vehicle articulation systems does not grow as expected. This could exacerbate the challenges of maintaining high utilization rates. Furthermore, the increase in global production capacity, driven by anticipated demand for urban buses, BRT and ART and other articulated vehicles, may be higher than actual market demand. If the industries do not grow as expected, or if our production capacity significantly exceeds this growth trajectory, we may face periods of industry-wide oversupply and the consequent price drop. Further, it can be challenging to adjust production levels swiftly due to capacity expansion projects that were previously planned.

If customer demand declines significantly, parts of our production facilities may become idle. This situation could lead to obsolescence of our facilities over time. Any downturns resulting from production overcapacity or other market demand factors could materially and adversely affect our business, financial condition and results of operations.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

The EIT Law imposes an EIT rate of 25% on business enterprises. During the Track Record Period, we had obtained High and New Technology Enterprises certification, and we enjoyed a preferential corporate income tax rate of 15% with a validity period of three years. See “Financial Information — Description of Key Components of our Results of Operations — Income Tax Expenses.” To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, value-added and other taxes. Non-compliance with tax laws and regulations in the Chinese

RISK FACTORS

mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations and tax penalties or fines in the Chinese mainland could affect our businesses, financial condition and results of operations.

We may not be able to continue to enjoy similar preferential tax treatment in the future as they are non-recurring in nature. We may not be able to maintain our status as a High and New Technology Enterprise in the future. The discontinuation of any of our government grants or current tax treatments could adversely impact our net income and materially increase our tax obligations. We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. The tax treatments of our transaction arrangements may be subject to interpretation by the respective tax authorities, and there can be no assurance as to the outcome of these examinations. If our weighted average effective tax rate was to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Work stoppages, increases in labor costs and other labor-related matters may adversely affect our business operations.

Although we have not experienced any material work stoppages, strikes or other major labor problems for the years ended December 31, 2023, 2024 and 2025. There can be no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs, which may have an adverse effect on our business, financial condition and results of operations.

In addition, labor costs have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Factors contributing to rising labor costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labor in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease and our financial condition and results of operations may be materially and adversely affected.

Our manufacturing process are potentially vulnerable to disruptions that can increase our production costs. We may experience potential disruptions in operations due to manufacturing difficulties or potential accidents.

Our manufacturing processes are complex, requiring equipment that is periodically modified and upgraded to improve manufacturing yields and product performance, as well as reduce unit manufacturing costs. From time to time, production difficulties may arise that could cause delivery delays or reduced output. There is no guarantee that we will not encounter manufacturing issues in achieving acceptable output or timely product delivery due to factors such as construction delays, challenges in upgrading or modifying existing production lines, building new plants, adapting to new manufacturing technologies or processes or delays in equipment deliveries. Any of these issues could constrain our production capacity and adversely affect our results of operations.

Furthermore, our manufacturing processes entail certain risks, such as industrial accidents, which could lead to significant property damage or personal injury. Any such incident, regardless of its location, could result in substantial production interruptions and delays, or claims for significant damages due to personal injuries or property damage, thereby adversely impacting our business, financial condition and operational results.

RISK FACTORS

We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products and solutions, and such efforts to defend and protect our intellectual property may be costly.

The success of our products and our business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the jurisdictions where we operate. We rely on a combination of patent, trademark, trade secret and laws related to intellectual property in China and other countries to establish and protect our proprietary rights, and yet all of which may provide only limited protection.

We cannot assure you that patents will be issued with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any patent issued to us will not be challenged, invalidated or circumvented. Our currently issued patents and any patents that may be issued or registered in the future may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot assure you that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. The confidentiality procedures and contractual restrictions implemented by us may not be sufficient or effective.

We may face claims of infringement on know-how and intellectual property rights by third parties which, if resolved unfavorably, could result in the loss of rights and the obligation to pay damages.

Our continued success depends on our ability to use and develop our technology and know-how without infringing the intellectual property rights of third parties. The validity and scope of claims relating to our products and other technologies involve complex scientific, legal and factual questions and analyses and may therefore be highly uncertain.

There can be no assurance that we will not be subject to such claims in the future. Moreover, because patent applications in many jurisdictions are kept confidential for an extended period before they are published, we may be unaware of pending patent applications by other parties that relate to our technologies, products or processes.

The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time-consuming and may divert the efforts and resources of our technical and management personnel. An adverse determination in any such litigation or proceeding to which we may become a party could subject us to liability to third parties, require us to seek licenses from third parties, pay ongoing royalties or redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Litigation could also result in our customers deferring or limiting their purchase or use of our products until resolution, as well as diversion of our management's attention. The occurrence of any of the foregoing could have an adverse effect on our business, financial condition and results of operations.

We may not be able to detect and prevent fraud or other misconduct committed by our employees or third parties.

We are exposed to the risk of fraud or other misconduct committed by our employees, agents, customers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities as well as seriously harm our reputation. Our internal control system and procedures to monitor our operations and overall compliance may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. Further, it is not always possible to detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective. There will therefore continue to be the risk that fraud and other misconduct may occur, which may have an adverse effect on our business, reputation, financial performance and results of operations.

RISK FACTORS

We are exposed to the risk of fraud or other misconduct committed by our suppliers. Failure by any of our suppliers to fulfill the commitment to integrity may lead to ethical issues and subject us to potentially severe reputational risk and loss of profit and decline in the trust of customers and partners.

We are dependent upon third parties for services in connection with our businesses.

We rely on third-party service providers for services in connection with our business, such as logistics services and labor dispatch. However, the services delivered by third-party providers may not always be timely or meet satisfactory quality standards. If the third-party service providers fail to perform satisfactorily, substantially reduce the amount and scope of services provided to us, or substantially increase the prices of their services or terminate their business relationship with us, we may need to replace the third-party service providers or take other remedial actions, which could increase our costs of operations. As we do not have direct control over the third-party service providers, if they become involved in the provision of services without relevant qualifications, or fail to comply with our requirements or those of our customers or applicable laws and regulations, our reputation in the industry may be adversely affected. This, in turn, may materially and adversely affect our business, financial condition and results of operations.

We currently have and target to have customers that are large corporations with substantial negotiating power, stringent product standards and potentially competitive internal solutions. If we fail to engage effectively with these customers, our prospects and results of operations will be adversely affected.

Many of our customers and potential customers are large, multinational corporations with substantial negotiating power relative to us and, in some instances, may have internal solutions that are competitive to our products. These large, multinational corporations also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies. Meeting the technical requirements of any of these companies will require a substantial investment of our time and resources. Any delays, changes in customer product roadmaps, technical challenges, or shifts in market conditions could adversely affect the timing or realization of expected revenue associated with our products. Furthermore, if our products are not selected by these large corporations or if these corporations develop or acquire competitive in-house solutions, our business and prospects will be adversely affected.

Our historical results may not be indicative of our future performance and our results of operations, and we may not be able to manage future growth effectively.

The historical financial information included in this document is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods.

Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include changes in the general economic conditions and the competitive landscape of the industries where we operate, as well as the relevant regulations and policies and the supply and demand for our products.

Managing our growth will require significant expenditures and allocation of resources. We need to effectively manage our growth and maintain profits as we expect our costs and expenses to continue to increase in the future. We will also need to expand, train, manage and motivate our workforce and manage our relationships with suppliers, customers and other business partners. We also expect to continue to invest in our current and planned production expansion projects as well as R&D activities. All these endeavors entail risks and demand considerable management efforts,

RISK FACTORS

skills and significant additional expenditures, which could strain our capacity to enhance our operational, auditing, human resources, financial and management controls. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business operations are subject to seasonality.

We experience seasonal fluctuations in our operations. Sales of our products are generally low in January and February, particularly around the Spring Festival holidays when manufacturing activities of our downstream industry slowdown, leading to a decrease in purchases of our products. During the Track Record Period, our customers were mainly commercial vehicle manufacturers, many of which were suppliers of transportation equipment for transportation projects across the world. Subject to the procurement cycle of these customers, our product deliveries are typically concentrated in the third and fourth quarters of the year. As such, sales of our products are relatively higher in the second half of the year. Accordingly, various aspects of our operations, including sales, production capacity and utilization, working capital and operating cash flow, are exposed to the risks associated with these seasonal fluctuations, and our quarterly or half year results may not reflect our full year results.

The increasing awareness of environmental, social and governance issues may lead to the adoption of more stringent laws and regulations and increase our compliance costs.

With the rising awareness of ESG issues, including with respect to waste generated in the manufacturing process, greenhouse gas emissions and environmental protection, any revisions to laws and regulations may affect our business operations. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. See “Business — Environmental, Social Responsibility and Governance.” We cannot assure you that these risk management measures can effectively mitigate the relevant risks. Revisions to existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, which may adversely affect our business, results of operations and financial performance.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches. A breach in our cybersecurity, or failure to protect confidential information, may result in legal and financial exposures and reputational damages.

We rely on information technology networks and systems for electronic communications among our personnel, suppliers, customers and other business partners and for synchronization with our manufacturers and logistics providers on demand forecast, order placements and manufacturing and service status and capacity. Our business involves storage and transmission of data about our business, suppliers, customers and other business partners. Our information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any such breach could compromise our networks and the information stored therein, possibly resulting in legal and regulatory actions, disruption of operations and customer services, and otherwise harming our business, reputation and future operations. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

RISK FACTORS

We may be subject to risks associated with our products and may lack sufficient insurance coverage for such claims. We may not be able to obtain adequate insurance for losses and liabilities arising from various operational risks and hazards to which we are exposed.

The products that we produce have the possibility to cause damage. Accordingly, we face the inherent risk of exposure to claims when the malfunction of our products results in property damage, personal injury or death. Our products may experience defects, which could subject us to lawsuits, product recalls or redesign efforts, all of which would be time-consuming and costly. Product liability claims against us could require us to pay substantial monetary compensation. Moreover, a product liability claim could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of our future products, which would materially and adversely affect our brands, business, prospects and results of operations. As of the Latest Practicable Date, we obtained and maintained insurance policies that we believe are customary for businesses of our size and type and in line with standard commercial practice in the industry, however, our insurance coverage might not be sufficient to cover all potential product liability claims.

In addition, our business is subject to a variety of operational risks, including production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest; environmental or industrial accidents; and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. Furthermore, as we continue to expand our operations in overseas markets, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or casualties, environmental damage, monetary loss and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. We may not have adequate or any insurance to cover these operational risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

We may engage from time to time in acquisitions and other strategic investments in order to expand our production capacity, diversify our product portfolio, gain access to new markets and stable sources of raw materials or acquire new technologies. However, there can be no assurance that our efforts, or any future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, which include the following:

- challenges related to integration of acquired company's or investee's operations into our business;
- substantial delays or reduction in anticipated synergies;
- events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize benefits and returns from such transaction;
- potential increase in indebtedness that could constrain our operations;

RISK FACTORS

- exposure to unknown or contingent liabilities that could require significant expenditures and capital injections;
- failure to train, motivate, integrate and retain employees of acquired company or investee;
- diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and
- unanticipated write-offs or charges and impairment of goodwill.

If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be materially and adversely affected.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management’s attention from our business operations. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

Our business may be materially and adversely affected by force majeure events, natural disasters or other issues beyond our control.

Natural and man-made disasters and other force majeure events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people there. An occurrence or recurrence of any of such events could result in disruptions to our operations, which could adversely affect our business, financial condition, results of operations and prospects.

Our business operations could be disrupted if any of our employees is suspected of contracting any epidemic disease, since it could require our offices or facilities to be closed for disinfection or other remedial measures, which would adversely delay or disrupt our production schedule, and we may experience raw material shortages or price surges if the operations of any of our suppliers are disrupted by pandemics.

RISKS RELATING TO CONDUCTING BUSINESS IN THE CHINESE MAINLAND

Changes in the economic, political and social conditions, as well as government policies in the Chinese mainland could have a material adverse effect on our business and prospects.

We expect that most of our operations will continue to be conducted in China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. Economic conditions in China are sensitive to global economic conditions, as well as to changes in domestic economic and political policies, laws and regulations governing various aspects of economic activities, and overall social development. If the economic, political and social conditions, as well as government policies in China change, our business in China may also be materially and adversely affected.

RISK FACTORS

Any actual or alleged failure to comply with the various applicable laws and regulations related to personal information protection, data security and cybersecurity could affect our offshore [REDACTED] and lead to liabilities, penalties or other regulatory actions, which could have a material and adverse effect on our business, financial condition and results of operations.

The PRC regulatory and enforcement regime with regard to data security and data protection is evolving. See “Regulatory Overview — Regulations Relating to Data Security.” Our business generally does not involve the collection or processing of personal information or data that may affect national security. As of the Latest Practicable Date, we had not been designated by the relevant PRC authorities as a CIO, have not been involved in any cybersecurity-related investigation initiated by the CAC or any other PRC authority, and have not received any cybersecurity-related warning or sanction from the PRC government, or any notice from relevant authorities specifying us to file for the cybersecurity review. According to the verbal consultation conducted on January 6, 2026 with the China Cybersecurity Review, Certification and Market Regulation Big Data Center, or CCRC, the Company was advised that the Company is not required to file an application for cybersecurity review under Article 7 of the Cybersecurity Review Measures with respect to its [REDACTED] in Hong Kong. However, as the definitions for terms such as internet platform operator and national security are broad, and the government will retain discretion as to the interpretation and enforcement of the Cybersecurity Review Measures and any implementation rules, we may be subject to related rules. We cannot preclude the possibility that the Cybersecurity Review Measures will subject us to the cybersecurity review by the CAC in relation to our operations or require us to adjust our business practices, in which case our business, financial condition and prospects and the [REDACTED] of our H Shares may be materially and negatively affected.

In the event that we are subject to the cybersecurity review by the CAC in relation to our operations, we may experience disruptions of our business. Such review could also result in negative publicity with respect to our company and diversion of our managerial and financial resources. Furthermore, if we were found to be in violation of applicable PRC Law during such review, we may be subject to administrative penalties, including fines and service suspension, which could have a material and adverse impact on our business, results of operations and financial condition and the value of our H Shares. We also cannot rule out the possibility that certain of our customers may be deemed CIOs, in which case our products or services, if deemed related to national security, will be submitted for cybersecurity review before we can enter into agreements with such customers. If the reviewing authority considers that the use of our products and services by certain of our customers who are CIOs involves risks of disruption, is vulnerable to external attacks, or may negatively affect, compromise, or weaken the protection of national security, we may not be able to provide or distribute our products or services to such customers, which could have a material adverse effect on our results of operations and business prospects. As of the Latest Practicable Date, we were in compliance with the currently effective and applicable PRC Law on personal information protection, cybersecurity and data security in all material respects and those laws do not have a material adverse impact on our business or offshore [REDACTED] plan. However, we cannot preclude the possibility that new laws, regulations or rules promulgated in the future will impose additional compliance requirements on us, will subject us to the cybersecurity or national security review in relation to our operations, or will require us to change our business practices or incur additional operating expenses, which may have material and negative impacts on our business, financial condition and prospects and the value of our H Shares.

The government’s procedural requirements in the Chinese mainland regarding foreign currency conversion may limit our foreign exchange transactions.

The RMB generally cannot be freely converted into any foreign currencies. We receive most of our revenue in RMB. A portion of our revenue must be converted into other currencies in order to meet our foreign currency obligations such as payment of dividends to holders of our H Shares. Under the current foreign exchange regulations in the PRC, following completion of the [REDACTED], we will be permitted to undertake foreign exchange transactions under the current

RISK FACTORS

account subject to certain procedures, including the payment of dividends in foreign currencies, without prior approval from the SAFE. However, there is no assurance that the foreign exchange policies regarding payment of dividends in foreign currencies will continue. Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, continue to be subject to limitations and require prior approval of the SAFE. The PRC government authorities may further implement rules and regulations in the future, which could restrict the use of foreign currency under current account and capital account in certain circumstances. These restrictions could affect our ability to obtain foreign currency through debt financing, or to obtain foreign exchange needed for our capital expenditures, and could materially adversely affect our business, financial condition and results of operations.

PRC regulations of loans to and direct investment in the PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in the PRC. According to the relevant PRC regulations on foreign-invested enterprises, or FIEs, in the PRC, capital contributions to our PRC subsidiaries are subject to the registration with the SAMR or its local counterpart, reporting of foreign investment information with the MOFCOM and registration with a local bank authorized by the State Administration of Foreign Exchange, or SAFE. For details, see “Regulatory Overview — Regulations Relating to Foreign Exchange.”

We may not be able to obtain these government approvals or complete such registrations in a timely manner, or at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiaries. If we fail to receive such approvals or complete such registration or filing, our ability to use the [REDACTED] from our securities [REDACTED] to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

You may have limited resources in effecting service of legal process, enforcing foreign judgments or bringing original actions in the Chinese mainland against us or our Directors or senior management members based on Hong Kong or other foreign laws.

We are a company incorporated under PRC Law, and the majority of our Directors, Supervisors and executive officers reside in China. As a result, it may not be possible for you to directly effect service of process upon us or such Directors, Supervisors or executive officers who reside in China, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. On July 3, 2008, the Supreme People’s Court and the Government of the Hong Kong Special Administrative Region signed the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases 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》) (the “2008 Arrangement”). Under the 2008 Arrangement, where any designated court of China or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant court of China or Hong Kong court for recognition and enforcement of the judgment. The 2008 Arrangement took effect on August 1, 2008, but the effectiveness of any action brought under the arrangement remains uncertain. On January 18, 2019, the Supreme People’s Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed 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 by The Supreme People’s Court of The People’s Republic of China (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”), which became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the

RISK FACTORS

procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in China and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a “choice of court agreement in writing” within the meaning of the 2008 Arrangement which is made before the effective date of the 2019 Arrangement.

In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in the Chinese mainland or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of court between China and the country where the judgment was made.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us, and may not be an indication of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] of our H Shares may be materially and adversely affected.

The [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to investors.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong SAR and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong SAR may affect the volatility of the [REDACTED] of, and [REDACTED] for our H Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong SAR. Some of these companies have experienced significant volatility, including significant price declines after their offerings. The trading performances of the securities of these companies at the time of, or after, their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong, and consequently may impact the [REDACTED] performance of our H Shares. These broad market and industry factors may significantly affect the [REDACTED] of our H Shares, regardless of our actual operating performance.

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

Future sales of a substantial number of our H Shares, especially by our Directors, executive officers, [REDACTED] Investors and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our H Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our Controlling Shareholders are subject to certain lock-up periods. While we are currently not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. We have applied to the CSRC for the [REDACTED] of Unlisted Shares into H Shares. If the [REDACTED] is filed by the CSRC, the Unlisted Shares will be

RISK FACTORS

[REDACTED] into H Shares upon the [REDACTED], which will be [REDACTED] on the Stock Exchange. If our separate application is filed with the CSRC, our remaining Unlisted Shares may also be [REDACTED] into H Shares in the future, and such converted shares may be [REDACTED] on an overseas stock exchange, provided that prior to the [REDACTED] of such [REDACTED] shares, any requisite internal approval by our Shareholders in a general meeting is duly obtained and the filing notice from relevant PRC regulatory authorities shall be obtained. However, the PRC Company Law provides that in relation to the public offering of a company, the shares of that company which are issued prior to the public offering shall not be transferred within one year from the date of listing. Therefore, upon obtaining the requisite approval and filing notice, the Unlisted Shares may be [REDACTED], after the [REDACTED], in the form of H Shares on the Stock Exchange one year after the [REDACTED], which at that time could further increase the number of our H Shares available in the market and may negatively impact the [REDACTED] of our H Shares.

Should the [REDACTED] be higher than the net tangible book value per Share, subject to [REDACTED], you may experience an immediate dilution in the book value of the [REDACTED] you purchased in the [REDACTED] and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] may be higher than the net tangible book value per Share immediately prior to the [REDACTED]. As a result, you and other purchasers of the [REDACTED] in the [REDACTED] may experience an immediate dilution in [REDACTED] net tangible asset value. In order to expand our business, we may consider [REDACTED] additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to share incentive schemes, which would further dilute Shareholders’ interests in our Company.

Our Controlling Shareholders have substantial influence over our Group and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the Controlling Shareholders will be together entitled to control the exercise of approximately [REDACTED] of the voting rights and thus remain as Controlling Shareholders of our Company. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

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.

We have declared dividends in the past. We protect our Shareholders’ interest 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 PRC Law, the payment of dividends may be subject to certain limitations. Moreover, the calculation of our profit under the PRC GAAP may differ in certain respects from the calculation under the IFRS Accounting Standards. As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration,

RISK FACTORS

payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC Law. See “Financial Information — Dividends” for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would affect the remittance of RMB into or out of China.

Holders of H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

Non-PRC resident individuals and Non-PRC resident enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares in accordance with applicable tax laws, rules and regulations in the Chinese mainland.

Pursuant to the PRC Individual Income Tax Law (中華人民共和國個人所得稅法), non-PRC resident individuals are subject to a 20% PRC individual income tax on their dividend income derived from the PRC and we are required to withhold such tax from our dividend payments. If there is an applicable tax treaty to avoid double taxation and taxation evasion between China and the jurisdiction where the foreign individual resides, the applicable tax rate shall be determined in accordance with such tax treaty. Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (關於個人所得稅若干政策問題的通知(財稅字[1994]020號)) effective from May 13, 1994, overseas individuals are, as an interim measure, exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from 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) effective as of March 30, 1998, income from individuals’ transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. According to the Notice of the State Council on Approving and Relaying the Several Opinions of the NDRC and Other Departments on Deepening Reform of the Income Distribution System (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知) issued by the State Council on February 3, 2013, overseas individuals are no longer exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises, which is, however, not specified in the subsequent PRC Individual Income Tax Law and relevant tax regulations. There remains uncertainty as to whether gains realized by non-PRC resident individuals on disposition of H Shares are subject to PRC individual income tax.

Pursuant to the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) and other applicable PRC tax rules and regulations, Non-PRC resident enterprises that do not have establishments or premises in the PRC, or have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to a 10% PRC enterprise

RISK FACTORS

income tax rate on dividend income received from a PRC company and gains realized upon the sale or other dispositions of equity interest in a PRC company. The 10% tax rate is subject to reduction under any special arrangements or applicable treaties between China and the jurisdiction where the non-resident enterprise domiciles.

There remains substantial uncertainty as to the interpretation and implementation of the EIT Law and other applicable tax rules and regulations by the tax authorities in the Chinese mainland, including whether and how non-PRC resident H shareholders are subject to enterprise income tax rate 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.

We cannot assure you of the accuracy or comparability of information, forecasts and statistics contained in this document.

This document, particularly the section headed “Industry Overview”, contains information and statistics relating to the industry in which we operate. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Sole Sponsor involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words “aim”, “anticipate”, “believe”, “could”, “predict”, “potential”, “continue”, “expect”, “intend”, “may”, “might”, “plan”, “seek”, “will”, “would”, “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance.

Investors should read the entire document carefully and should not consider any particular statements in this document or in published media reports without carefully considering the risks and other information contained in this document.

The [REDACTED] is being made solely on the basis of the information and representations contained in this document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this document should not be relied upon in making an [REDACTED] decision with respect to the securities being [REDACTED].

RISK FACTORS

Prior to the publication of this document, there has been coverage in the media regarding us and the [REDACTED], which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. Investors should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media’s coverage of our Company and the [REDACTED] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, a new applicant for listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, the new applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Since our headquarters and principal business operations are located in the Chinese mainland and the management functions of our Group are carried out in the Chinese mainland, our executive Directors are based in the Chinese mainland, and are expected to continue to be based in the Chinese mainland, to better manage and attend to our Group’s business operations. We consider that it is in the best interests of our Company for our executive Directors to be based in the places where our Group has significant operations and it would be practically difficult, unduly burdensome and costly to relocate our executive Directors to Hong Kong or appoint additional executive Directors who are ordinarily resident in Hong Kong. Therefore, we do not and, in the foreseeable future, will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 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 to maintain regular communication between the Stock Exchange and us:

- (a) we have appointed Mr. Hao, our non-executive Director and Mr. So Wing Chun (“**Mr. So**”), one of our joint company secretaries, as our authorized representatives for the purpose of Rule 3.05 of the Listing Rules. Our authorized representatives will act as the principal channel of communication between the Stock Exchange and our Company. Mr. So is ordinarily resident in Hong Kong, and Mr. Hao will be available to visit Hong Kong and meet with the Stock Exchange within a reasonable period of time upon request. Each of our Company’s authorized representatives will be readily contactable by the Stock Exchange by telephone and/or email to deal promptly with any enquiries which may be made by the Stock Exchange. Each of our authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) our authorized representatives have means to contact all of our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. We have provided the Stock Exchange with the contact details of each Director (including their respective mobile phone number, office phone number and e-mail address), and in the event that a Director expects to be traveling or otherwise be out of office, he/she will provide his/her phone numbers or means of communication to our authorized representatives;
- (c) each Director who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange upon reasonable notice;
- (d) we have appointed Somerley Capital Limited as our Compliance Advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication between the Stock Exchange and us for the period commencing from the [REDACTED] to the date on which our Company complies with Rule 13.46 of the

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our authorized representatives, Directors and other officers of our Company will provide our Compliance Advisor with such information and assistance as our Compliance Advisor may reasonably require in connection with the performance of its duties;

- (e) any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives, our Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes to our authorized representatives and/or our Compliance Advisor; and
- (f) we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after [REDACTED].

We believe that the above measures and arrangements will ensure that all members of our Board can be promptly informed of any matters raised by the Stock Exchange and that there is an effective communication channel in place between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and 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 provides that in assessing "relevant experience", the Stock Exchange will consider the individual's:

- (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 law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company considers that while it is important for our company secretary to be familiar with the relevant securities regulations in Hong Kong, he/she also needs to have experience relevant to our Group's internal administration and business operations and have a close working relationship with the management of our Company in order to perform the functions of a company secretary and take the necessary actions in the most effective and efficient manner. We consider it beneficial for our Company to appoint a company secretary who is familiar with our Company's business and affairs.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

We have appointed Mr. Kuang Hua (況華) (“**Mr. Kuang**”) and Mr. So as the joint company secretaries of our Company. Mr. So is an associate of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Although Mr. Kuang does not possess the qualification and sufficient relevant experience as stipulated in the notes to Rule 3.28 of the Listing Rules, considering Mr. Kuang’s position as our secretary to the Board, his extensive experience in accounting and financial matters, close working relationship with the management of the Company, and understanding of the internal administration and business operations of our Group, he is a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are located in the Chinese mainland, our Directors believe that it is necessary to appoint Mr. Kuang as a company secretary whose presence in the Chinese mainland will enable him to attend to the day-to-day corporate secretarial matters concerning our Group. We believe that it would be in the best interests of our Company and the corporate governance of our Group to have Mr. Kuang as our joint company secretary. For more details of Mr. Kuang and Mr. So’s biographical information, see “Directors, Supervisors and Senior Management”.

Apart from discharging his functions in his role as one of our joint company secretaries, Mr. So will assist Mr. Kuang in enabling him to acquire the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. In addition, Mr. Kuang will also attend relevant professional training during each financial year as required under Rule 3.29 of the Listing Rules.

We have therefore applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in respect of the appointment of Mr. Kuang as one of our joint company secretaries for the three-year period after the [REDACTED] (the “**Waiver Period**”) on the conditions that: (i) Mr. Kuang must be assisted by Mr. So, 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 (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

We expect that Mr. Kuang will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the [REDACTED]. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Kuang, having had the benefit of Mr. So’s assistance for three years, has acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules will not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after [REDACTED]. We have applied for[, and the Stock Exchange has granted to us,] waivers from strict compliance with Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules in respect of these continuing connected transactions. See “Continuing Connected Transactions-Application for and Conditions for Waiver”.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Name	Address	Nationality
Mr. Cheng Feng (程峰)	Room 10, Unit 1 No. 24 Taotie Road Zhenxing District Dandong, Liaoning Province PRC	Chinese
Mr. Ma Chunbo (馬春波)	Room 203, Building 56 Jinyan Peninsula Garden No. 5 Xinta Street, Lili Town Wujiang District Suzhou, Jiangsu Province PRC	Chinese
Mr. Zhong Gufa (鐘穀發)	Room 1402, Building 28 Maple Waterfront Garden No. 8 Xizhou Road Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese
Mr. Sun Bin (孫賓)	Room 2403, Building 19 Mingyue Tangqian Yayuan No. 6 Changxing Middle Road Yangshe Town, Zhangjiagang Suzhou, Jiangsu Province PRC	Chinese
Mr. Niu Zhen (鈕震)	Room 1001, Building 2 Wuyue Jinyuan Garden No. 1518 Sports Road Songling Subdistrict Wujiang District Suzhou, Jiangsu Province PRC	Chinese

Non-Executive Director

Name	Address	Nationality
Mr. Hao Qingjun (郝慶軍)	Room 2702, Building 30 No. 88 Wanshou Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Independent non-executive Directors

Name	Address	Nationality
Dr. Chen Long (陳龍)	Room 104, 2nd to 4th Floors Building 31, Dongcheng Oasis Jingkou District Zhenjiang, Jiangsu Province PRC	Chinese
Mr. Jin Yuan (金源)	Room 502, No. 36, Lane 85 Guilin West Street Xuhui District, Shanghai PRC	Chinese
Ms. Leung Wai Fong Shirley (梁惠芳)	E-101, Westlands Gardens Quarry Bay Hong Kong	Chinese (Hong Kong)

SUPERVISORS

Name	Address	Nationality
Ms. Sun Qiumei (孫秋梅)	Room 501, Building 4 Zhongshan Garden No. 471 Luxin Avenue Lili Town, Wujiang District Suzhou, Jiangsu Province PRC	Chinese
Mr. Yang Jinlu (楊金路)	Room 704, Building 5 Yuelan Garden No. 88 Weixin Road Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese
Mr. Liu Shengqi (劉盛琦)	Room 1003, Building 8 Hefeng Garden No. 298 East Wugu Road Wuzhong District Suzhou, Jiangsu Province PRC	Chinese

See “Directors, Supervisors and Senior Management” for further details.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Zhongtai International Capital Limited
19/F
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

**Sole Overall Coordinator and Sponsor-
Overall Coordinator**

Zhongtai International Securities Limited
19/F
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

[REDACTED]

Legal advisors to our Company

As to Hong Kong laws
Han Kun Law Offices LLP
Rooms 4301-10, 43/F
Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC laws
Han Kun Law Offices
33/F
HKRI Centre Two
HKRI Taikoo Hui
288 Shimen Road (No. 1)
Shanghai
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to International Sanctions laws</i> Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo) Shiroyama Trust Tower 30th Floor 4-3-1 Toranomom, Minato-Ku Tokyo, 105-6030 Japan
Legal advisors to the Sole Sponsor and the [REDACTED]	<i>As to Hong Kong laws</i> Jia Yuan Law Office Suites 3502-3503, 35/F One Exchange Square 8 Connaught Place Hong Kong
	<i>As to PRC laws</i> Allbright Law Offices 12/F Shanghai Tower No. 501 Yincheng Middle Road Pudong New Area Shanghai PRC
Independent Auditor and Reporting Accountants	Ernst & Young <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> <i>under the Accounting and Financial Reporting Council Ordinance</i> 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 1717 West Nanjing Road Jing’an District, Shanghai PRC
Compliance Advisor	Somerley Capital Limited 20/F China Building 29 Queen’s Road Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 268, Gongtang Road Luzhi Town, Wuzhong District Suzhou, Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	No. 268, Gongtang Road Luzhi Town, Wuzhong District Suzhou, Jiangsu Province PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company Website	<u>www.i-jvs.com</u> <i>(the information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Kuang Hua (況華) No. 666, Fenyue Road Fenhu High-Tech Industrial Development Zone Suzhou, Jiangsu Province PRC Mr. So Wing Chun (蘇永俊) <i>(ACG, HKACG)</i> Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Hao Qingjun (郝慶軍) Room 2702, Building 30 No. 88 Wanshou Street Suzhou Industrial Park Suzhou, Jiangsu Province PRC Mr. So Wing Chun (蘇永俊) <i>(ACG, HKACG)</i> Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. Jin Yuan (金源) <i>(Chairman)</i> Dr. Chen Long (陳龍) Mr. Hao Qingjun (郝慶軍)

CORPORATE INFORMATION

Remuneration and Appraisal Committee

Dr. Chen Long (陳龍) (*Chairman*)
Mr. Jin Yuan (金源)
Mr. Zhong Gufa (鐘穀發)

Nomination Committee

Mr. Hao Qingjun (郝慶軍) (*Chairman*)
Dr. Chen Long (陳龍)
Ms. Leung Wai Fong Shirley (梁惠芳)

[REDACTED]

Principal Banks

China Construction Bank Corporation
Suzhou Lili Branch
No. 58, Hujing North Road
Lili Town, Wujiang District
Suzhou, Jiangsu Province
PRC

Industrial Bank Co., Ltd.,
Suzhou Branch
125 Wangdun Road
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC

INDUSTRY OVERVIEW

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

GLOBAL TRANSPORTATION EQUIPMENT SYSTEM INDUSTRY

Definition and Overview of Transportation Equipment System

The transportation equipment system industry refers to a sector that relies on the in-depth integration of multidisciplinary technologies such as mechanical engineering, electronic information, and automatic control, providing safe and efficient transport vehicles as well as supporting equipment and systems including control systems, dispatching systems, and monitoring systems for full-scenario transportation activities such as highways and railways. The transportation equipment system industry synthesizes foundational technologies to meet the complex operational requirements and stringent safety standards of diverse transportation scenarios. The industry continuously improves transportation efficiency, enhances operational safety, and reduces operating costs through ongoing equipment iteration and system optimization, thereby ensuring the smooth flow of people and goods and continuously driving the modernization of the transportation system.

Market Size of Global Transportation Equipment System Industry

Governments worldwide are actively promoting transportation equipment system, along with the maturation of technologies such as vehicle-road-cloud coordination and large-scale traffic models, driving the sustained development of the transportation equipment system industry. The market size of global transportation equipment system industry in terms of revenue increased from RMB3.1 trillion in 2021 to RMB3.6 trillion in 2025, growing at a CAGR of 3.9%. In the future, the global demand for efficient, safe, and low-carbon transportation equipment system will continue to be released, thereby driving the continuous growth of the market. The market size of global transportation equipment system is expected to reach RMB4.2 trillion by 2030, with a CAGR of 3.1% from 2025 to 2030.

Future Opportunities of Global Transportation Equipment System Industry

Safe. Given the growing passenger volumes, constrained road space, and the shift toward larger vehicles, safety has become a paramount concern and serves as a baseline for public governance and also as an essential precondition for the expansion of transport operations. On the vehicle side, safety performance has been continuously enhanced across critical systems including articulation mechanisms, chassis, and thermal management systems. On the system side, a predictive safety network built on multi-source perception has driven consistent reductions in accident rates, equipment failure rates, and emergency response times.

Efficiency. Given constraints on rapidly expanding road infrastructure and driver availability, enhancing operational capacity must rely on improved organizational and dispatch efficiency. By leveraging digital twin technology for road network optimization, combined with dynamic lane

INDUSTRY OVERVIEW

allocation, intermodal transportation involving regular buses, BRT and ART, as well as hub coordination, this approach reduces congestion delays, operational volatility and empty running rates, while improving on-time performance and load factors.

Intelligence. Traditional dispatch systems are limited by fragmented data and delayed decision-making. A multi-task model is being built that connects vehicles (including subsystems), roads, stations, and users, supporting operational condition recognition, demand forecasting, root-cause analysis of anomalies, and strategy generation. This model progressively enables the scaled deployment of autonomous driving, unattended operations, and self-managed systems.

Sustainability. In response to tightening carbon limits and fluctuating energy costs, the focus of energy and emission management is shifting from individual vehicle efficiency to optimization of the entire transportation chain. Vehicle-level energy efficiency is optimized through alcohol-electric systems and thermal management systems, meanwhile, full-cycle energy management is achieved through roadside information linkage, cloud-based energy consumption and carbon intensity forecasting, as well as the integration of renewable energy sources.

GLOBAL VEHICLE ARTICULATION SYSTEMS INDUSTRY

Definition and Overview of Vehicle Articulation Systems Industry

A vehicle articulation system is a device that enables relative rotation and torque transfer between two or more vehicle sections. It is primarily used in (i) urban public transport, where the system enables higher passenger capacity per vehicle and a smaller turning radius within limited road space; and (ii) intercity and mainline logistics, where it enhances freight efficiency and safety per lane.

Vehicle articulation systems are primarily categorized into traditional mechanical and advanced types. Traditional mechanical articulation systems are predominantly passive in design. They lack real-time sensing and active control capabilities, relying on fixed damping mechanisms and driver experience for stability. Safety margins are ensured mainly through mechanical limiters and structural redundancies. While these systems offer straightforward maintenance, they have a relatively shorter service life, making them suitable for low-speed, low-complexity, and cost-sensitive application. In contrast, advanced articulation systems integrate hydraulic and electronic control components into the mechanical framework. They can actively adjust angle limits, self-centering, and damping in response to variables such as vehicle speed, steering input, load conditions, and road surface state. This enhances safety, stability, and ride comfort and also enables remote diagnostics and predictive maintenance. These systems are designed to meet the demands of high-capacity transport, complex road environments, and the integrated safety, efficiency, and coordination requirements within advanced transportation ecosystems.

The importance of vehicle articulation systems in the transportation equipment system industry includes: (i) they substantially reduce the turning radius of high-capacity vehicles such as extra-long buses and articulated trucks, enhancing maneuverability and compatibility with stations and urban infrastructure; (ii) by providing anti-jackknifing control, angle limitation, and stability management, they mitigate rollover and instability risks, thereby safeguarding passengers and vehicle safety; (iii) they enable high-density operation of buses, BRT, and ART, increasing lane-based transport capacity and punctuality within existing road networks; (iv) they offer critical posture and load boundary conditions for electric drive, hybrid power, and thermal management systems, supporting overall energy optimization and component lifecycle management; and (v) through full-lifecycle monitoring and predictive maintenance, they reduce vehicle downtime and maintenance costs while improving overall vehicle availability.

INDUSTRY OVERVIEW

Value Chain of Vehicle Articulation Systems Industry

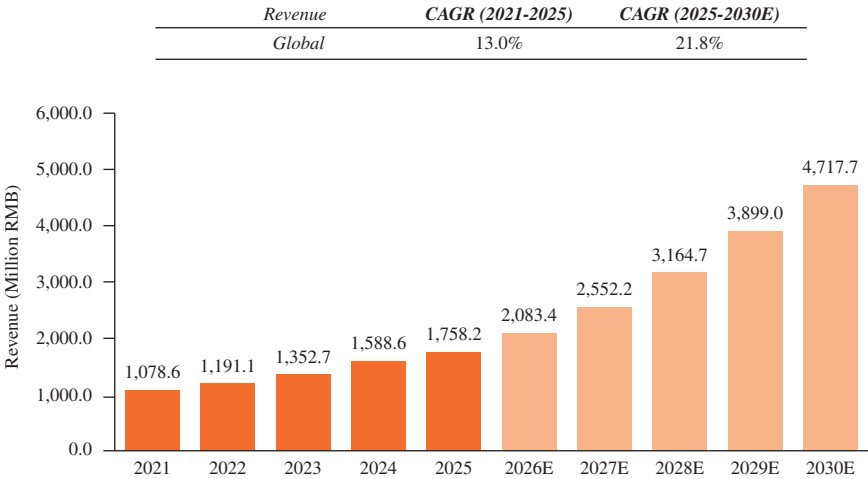
The value chain for vehicle articulation systems comprises upstream material and component suppliers, midstream vehicle articulation system manufacturers, and downstream applications.

Upstream material and component suppliers primarily provide materials such as profiles, castings and forgings, seals, and rubber, as well as electronic parts including sensors, controllers, and wiring harnesses. Midstream vehicle articulation system manufacturers are mainly responsible for the research and development, manufacturing, sales, and maintenance of vehicle articulation systems. Downstream applications primarily include urban public transportation, intercity logistics, and mainline freight transport.

Market Size of Global Vehicle Articulation Systems Industry

In recent years, driven by accelerated urbanization and growing demand for public transportation, the vehicle articulation systems industry has maintained steady growth. The market size of global vehicle articulation systems industry in terms of revenue increased from RMB1,078.6 million in 2021 to RMB1,758.2 million in 2025, representing a CAGR of 13.0%. In the future, as urbanization accelerates in emerging markets such as Southeast Asia and Latin America, infrastructure expansion and public transportation modernization are driving substantial demand for vehicle articulation systems. The market size of global vehicle articulation systems industry is expected to reach RMB4,717.7 million by 2030, with a CAGR of 21.8% from 2025 to 2030.

Market Size of Vehicle Articulation System Industry (Global), 2021-2030E



Source: Frost & Sullivan Analysis

Market Drivers of Global Vehicle Articulation Systems Industry

Urban Transport Capacity and Spatial Constraints. From 2021 to 2025, the global urbanization rate increased from 56.5% to 58.0% and is expected to reach 60.8% by 2030. The continued urbanization worldwide is driving growing demand for urban passenger transport, which coincides with increasingly constrained road space. Given the constraints on expanding road infrastructure and the driver workforce, enhancing per-vehicle capacity and lane efficiency has become an essential requirement. In recent years, BRT and ART have become the preferred solutions for cities with medium passenger flow to quickly improve public transport service levels and advance their low-carbon transition. These systems are favoured due to their cost effectiveness, rapid deployability, and lower carbon footprint. By utilizing dedicated lanes, signal priority, bay-style stations, and high-capacity articulated vehicles, they enable the rapid establishment of high-capacity urban corridors. Furthermore, digital dispatch systems significantly improve

INDUSTRY OVERVIEW

operational punctuality and efficiency. Globally, the total operational length of BRT reached approximately 5,900 kilometers in 2025, it is expected to grow to approximately 8,000 kilometers by 2030, with a CAGR of 6.3% during this period. In 2025, the global operational length of ART reached approximately 200 kilometers and it is expected to reach approximately 450 kilometers by 2030, with a CAGR of 17.6% during this period. Vehicle articulated vehicles achieve higher passenger capacity while maintaining a smaller turning radius, making them well-suited to meet the demands for peak-period throughput and schedule reliability in systems such as BRT and ART, as well as in airports, campuses, and transport hubs. This alignment is driving the broader adoption and integration of vehicle articulation systems.

Growing Expectations for Passenger Experience. The service-oriented transformation of public transportation has raised requirements for ride comfort. Meanwhile, the trend toward larger vehicle models and high-density operations during peak hours has made vehicle attitude control increasingly challenging. Articulation systems that dynamically adjust damping and centering stiffness based on scenarios including road conditions, speed, load, and turning radius effectively reduce in-vehicle vibration and roll-related discomfort, enhance the experience of both passengers and drivers, and thereby boost the brand value of vehicle operators and manufacturers.

Optimization of Total Lifecycle Costs. Vehicle operators are placing greater emphasis on per-unit vehicle costs and overall availability. Vehicle articulation systems equipped with sensing capabilities and remote diagnostics enable predictive maintenance, reduce unplanned downtime, and prevent excessive component wear. Despite a slightly higher initial installation cost, these systems deliver lower total lifecycle expenses and extended service life. In addition, Chinese manufacturers of vehicle articulation systems hold a distinct cost-performance advantage. A well-established local supply chain in China helps cut production costs and shorten delivery lead times. Combined with their responsive service capabilities, these strengths have unlocked substantial growth opportunities in overseas markets. This is particularly true for emerging economies where cost optimization is a priority, and where rapid deployment and maintenance responsiveness are emphasized, allowing Chinese market players to accelerate their market penetration.

Emerging Applications. In special scenarios such as mining, ports, cold regions and narrow road networks, vehicles are required to maintain a small turning radius and stable posture under operating conditions including low-adhesion surfaces, heavy loads, frequent turns and complex ramps. Meanwhile, emerging demands such as autonomous shuttle services, park shuttle systems and multi-module vehicles require higher vehicle maneuverability and controllability. Articulation systems with built-in redundancy and strong environmental adaptability can meet the requirements of complex scenarios and unmanned operation, thereby create new growth opportunities.

Future Opportunities of Global Vehicle Articulation Systems Industry

Electro-hydraulic Integration. As vehicles grow in size and operational intensity increases, articulation mechanisms need to maintain a small turning radius in constrained road networks while ensuring posture stability and safety redundancy under heavy loads and complex working conditions. Consequently, vehicle articulation systems are evolving from passive mechanical designs toward integrated electro-hydraulic architectures with sensing, actuation, and control. By incorporating multiple sensors for angle, load, temperature, and other parameters, these systems can adjust angle limits, return-to-center behavior, and damping in real time based on vehicle speed, steering input, load, and road conditions. This enables full-range control characterized by agility at low speed, stability at high speed, and automatic locking in emergencies.

Overseas Market Expansion of New Energy Buses. The overseas expansion of China’s new energy buses is creating significant development opportunities for domestic vehicle articulation system manufacturers. The rapid implementation of BRT and ART projects by Chinese complete vehicle manufacturers in regions such as Latin America, Southeast Asia, and Europe is driving the export of vehicle articulation systems as bundled components with complete vehicles. On the other

INDUSTRY OVERVIEW

hand, overseas operators prioritize total lifecycle cost and low-carbon performance, and show a preference for integrated electro-hydraulic articulation systems. Leveraging advantages in comprehensive supply chains and cost-performance ratio, Chinese market players can effectively shorten product introduction cycles and capture market share in the replacement and upgrade of vehicle articulation systems.

Lightweight and Durable Material Technology. Given the rise in operational intensity and growing pressure from energy consumption and costs, lightweight and durable materials will be widely adopted in the production of vehicle articulation systems. On the premise of ensuring load-bearing reliability, hybrid designs incorporating high-strength steel, aluminum alloy, and composite materials will be increasingly applied, combined with surface strengthening and low-friction coatings. This approach balances lightweight design, corrosion resistance, and service life, while materials continue to undergo iteration toward higher weather resistance, lower noise, and easier maintenance, thereby extending service life, reducing maintenance time, and cutting overall costs.

Entry Barriers of Global Vehicle Articulation Systems Industry

Technical Barriers. The articulation system is a highly coupled system integrating mechanics, hydraulics, electronic control, sensing, and control algorithms. It must not only achieve consistent dynamic responses across steering, braking, suspension, and vehicle stability systems, but also pass durability validation through bench testing, road testing, and trials under extreme climatic conditions. New entrants lacking cross-domain models and massive operating condition datasets will find it difficult to master the core technologies.

Talent Barriers. Manufacturers of vehicle articulation systems rely on cross-disciplinary engineering teams and experienced senior engineers, while also requiring comprehensive capabilities covering processes, quality control, and compliance. Such talents involve long training cycles and high turnover costs, and leading enterprises exhibit a distinct talent magnet effect. It is challenging for new entrants to attract talents and establish sufficient talent reserves in a short period.

Customer Resource Barriers. Vehicle manufacturers and operators place high importance on historical installation volume, application cases, and industry experience. They typically require multiple rounds of trial installation and long-duration road validation before selecting a supplier, which favours established companies with strong reputations. Lacking verifiable track records, new entrants often fail to meet the continuously rising expectations of customers. In contrast, companies that already serve leading clients generally find it easier to attract new business.

Supply Chain Barriers. Stringent requirements are imposed on the consistency and traceability of key raw materials and components. Meanwhile, enterprises need scale-based bargaining power to control costs and delivery lead times. New entrants lacking stable partners and global supply chain capabilities will find it hard to build reliable supply systems and cost advantages.

Capital Investment Barriers. In the vehicle articulation systems industry, enterprises must make substantial initial investments in production equipment, production line construction, and related infrastructure. They must also continuously invest in R&D to meet the growing requirement from vehicle manufacturers and operators for product performance and quality. These factors create significant capital investment barriers for new entrants.

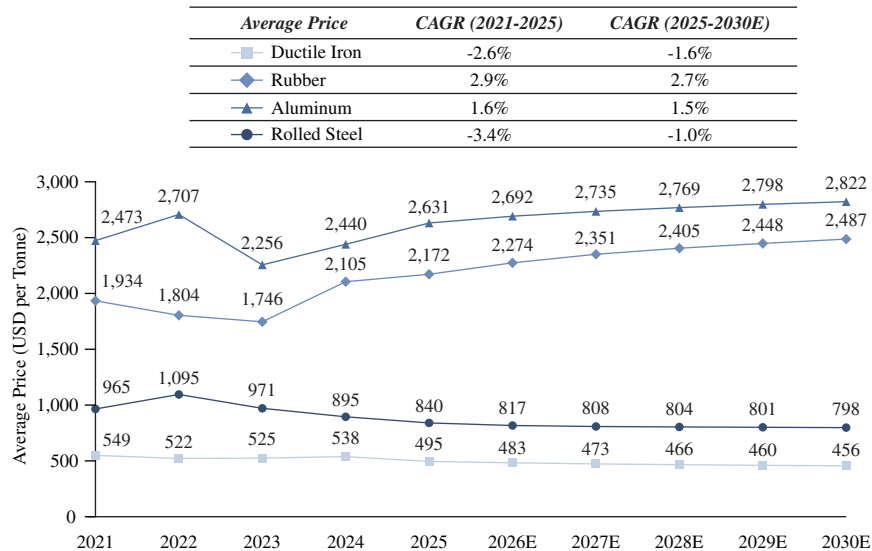
Raw Material Prices Analysis of Global Vehicle Articulation Systems Industry

The primary raw materials for vehicle articulation systems include ductile iron, rubber, aluminum, rolled steel and others. The prices of these raw materials are generally determined by manufacturing costs and are also influenced by factors such as the macroeconomic environment, supply-demand dynamics and international trade activities.

INDUSTRY OVERVIEW

In 2025, the average prices of ductile iron, rubber, aluminum and rolled steel reached USD495 per tonne, USD2,172 per tonne, USD2,631 per tonne and USD840 per tonne, with a CAGR of -2.6%, 2.9%, 1.6% and -3.4% from 2021 to 2025, respectively. By 2030, the average global prices of ductile iron, rubber, aluminum and rolled steel are expected to reach USD456 per tonne, USD2,487 per tonne, USD2,822 per tonne and USD798 per tonne, representing a CAGR of -1.6%, 2.7%, 1.5% and -1.0% from 2025 to 2030, respectively.

Average Price of Major Raw Materials (Global), 2021-2030E



Source: UN Comtrade; IMF; Frost & Sullivan Analysis

Competitive Landscape of Global Vehicle Articulation Systems Industry

The global vehicle articulation system industry has a limited number of market participants due to barriers to entry such as technology, talent, customer resources, and supply chains. As of December 31, 2025, there are approximately 10 vehicle articulation system manufacturers globally. In terms of revenue in 2025, the top three global vehicle articulation system manufacturers account for approximately 97.1% of the market share, among which our Group ranked second with a market share of approximately 10.8%.

The market size of vehicle articulation systems industry in China reached RMB450.1 million in 2025. In terms of revenue of vehicle articulation systems in China in 2025, our Group ranked second with a market share of approximately 30.0%.

Top Three Vehicle Articulation System Manufacturers in terms of Revenue (Global), 2025

Ranking	Company	Listing Status	Headquarter	Market Share (%)
1	Company A	Unlisted	Hessen, Germany	86.0%
2	Our Group	–	Jiangsu Province, China	10.8%
3	Company B	Unlisted	Emilia-Romagna, Italy	0.3%
Others				2.9%
Total				100%

INDUSTRY OVERVIEW

Notes:

- (1) Company A is a group established in 1946, engaging in the provision of articulation and gangway systems for buses and railway vehicles.
- (2) Company B is a group established in 1980, engaging in the provision of machine tool protections systems, transportation solutions and vibro-acoustic systems.

Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

CHINA’S COMMERCIAL VEHICLE THERMAL MANAGEMENT SYSTEM INDUSTRY

Definition and Overview of Commercial Vehicle Thermal Management System Industry

The commercial vehicle thermal management system is a system designed to sense, transfer, and regulate heat from key thermal sources and loads within a commercial vehicle. It encompasses cooling and heating circuits, heat pumps and air-conditioning units, waste heat recovery, electric water pumps and electronic valves, heat exchangers and thermal storage units, as well as control strategies based on model predictive and adaptive algorithms. Its objective is to achieve temperature regulation and efficiency optimization under all operating conditions and climate environments. The commercial vehicle thermal management system is primarily applied in buses, trucks, and construction machinery, serving as a critical technology to ensure vehicle safety, efficiency, and durability.

A commercial vehicle thermal management system typically includes: (i) electric drive thermal management system, which provides bidirectional heating and cooling control and efficiency optimization for power components such as motor stators/rotors and electric drive inverters. It maintains the winding, core, and power module junction temperatures within a safe window under varying speeds and loads, suppresses demagnetization and thermal failure, and balances energy consumption with reliability; (ii) battery thermal management system, which integrates thermal and safety management for battery packs, modules, and cells. It keeps cells within the optimal temperature range, reduces internal resistance and degradation rates, shortens fast-charging time, prevents thermal runaway propagation, and collaborates with the battery management system to achieve longevity-friendly and energy-optimal operation; and (iii) cabin thermal management system, which provides cooling, heating, dehumidification, and air-quality assurance for the passenger compartment through an integrated heat pump and air-conditioning system. By identifying operating conditions and predicting thermal loads, it dynamically allocates airflow and heat-exchange capacity, reducing energy consumption while ensuring comfort, visibility safety, range stability, and an enhanced riding experience.

A BEC-TMS refers to a coordinated solution that integrates the electric drive, battery, and cabin thermal management subsystems. Traditional commercial vehicle thermal management systems operate independently, occupying more space, consuming more energy, and lacking the ability to exchange or recover heat across components. In contrast, the BEC-TMS uses a unified electronic control unit and sophisticated valve-circuit design to coordinate the redistribution of battery waste heat, motor waste heat, and cabin heating demand. This enables comprehensive thermal management, significantly improving system efficiency, reducing energy consumption, and extending component lifespan.

In the field of transportation equipment system, the commercial vehicle thermal management system forms the foundation for safe and efficient operations. By ensuring the reliable functioning of core components, it directly enhances vehicle uptime and operational safety while preventing extreme risks such as battery thermal runaway. At the same time, optimized thermal management significantly reduces energy consumption, thereby extending driving range or lowering operating costs. Moreover, as part of the vehicle’s overall energy management architecture, the commercial vehicle thermal management system can collaborate with cloud-based dispatching platforms to dynamically adjust strategies based on real-time operating conditions and external environments.

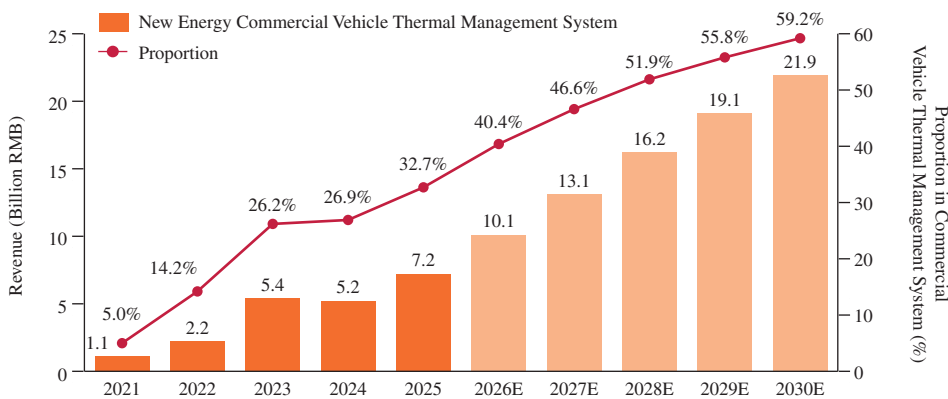
INDUSTRY OVERVIEW

Market Size of China’s New Energy Commercial Vehicle Thermal Management System Industry

The market size of the new energy commercial vehicle thermal management system industry in China in terms of revenue reached RMB7.2 billion in 2025, representing a CAGR of 60.0% from 2021 to 2025. By 2030, the market size of the new energy commercial vehicle thermal management system industry in China in terms of revenue is projected to reach RMB21.9 billion, with a CAGR of 24.9% from 2025 to 2030. With the continuous penetration of new energy commercial vehicles, the proportion of new energy commercial vehicle thermal management system in overall commercial vehicle thermal management system grew from 5.0% in 2021 to 32.7% in 2025, and is expected to further increase to 59.2% by 2030.

Market Size of New Energy Commercial Vehicle Thermal Management System Industry (China), 2021-2030E

Revenue	CAGR (2021-2025)	CAGR (2025-2030E)
New Energy Commercial Vehicle Thermal Management System	60.0%	24.9%

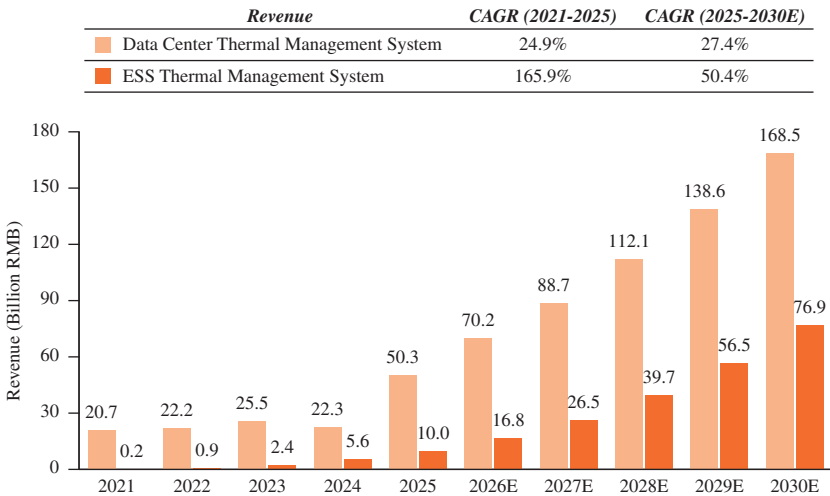


Source: China Association of Automobile Manufacturers; Frost & Sullivan Analysis

Manufacturers of new energy commercial vehicle thermal management systems can extend their technologies and products to broader application scenarios, such as data center thermal management and energy storage system (ESS) thermal management, as these applications share highly similar core thermal-management principles, including liquid-cooling technology, precise temperature control, and energy-efficiency optimization. The high-reliability and high-heat-flux cooling solutions accumulated by commercial vehicle thermal management system companies under complex operating conditions can effectively meet the demand for efficient and reliable heat dissipation in data centers and energy storage systems, enabling technological synergy and cross-sector market expansion. In 2025, the market size of data center thermal management system industry and ESS thermal management system industry in China in terms of revenue reached RMB50.3 billion and RMB10.0 billion, with a CAGR of 24.9% and 165.9% from 2021 to 2025, respectively. By 2030, the market size of data center thermal management system industry and ESS thermal management system industry in China in terms of revenue is expected to reach RMB168.5 billion and RMB76.9 billion, with a CAGR of 27.4% and 50.4% from 2025 to 2030.

INDUSTRY OVERVIEW

Market Size of Data Center and ESS Thermal Management System Industry (China), 2021-2030E



Source: China Academy of Information and Communications Technology; China Energy Storage Alliance; Frost & Sullivan Analysis

Market Drivers of China’s Commercial Vehicle Thermal Management System Industry

Favorable policies. In 2024, the Ministry of Transport and twelve other departments jointly issued the “Action Plan for Large-Scale Equipment Upgrades in the Transportation Sector (《交通運輸大規模設備更新行動方案》)”, which calls for accelerating the electrification of urban buses and promoting the orderly adoption of new energy commercial freight vehicles. Policy direction is driving commercial vehicle powertrains toward hybridization and low-carbon transformation, directly increasing the demand for thermal management of batteries, electric motors, and related systems. At the same time, commercial vehicles must operate under carbon-emission and energy-efficiency assessment frameworks. Efficient thermal management systems can significantly reduce cooling energy consumption, improve overall vehicle thermal efficiency, and slow battery degradation, making them a critical pathway to achieving low-carbon and energy-efficiency targets.

Rising penetration of new energy commercial vehicles. In recent years, China’s new energy commercial vehicle sector has grown rapidly. From 2021 to 2025, the penetration rate of new energy commercial vehicles increased from less than 5% to around 20%. As application scenarios continue to expand and penetration continues to rise, demand for thermal management systems grows accordingly. Compared with the per-vehicle value of thermal management systems in traditional fuel commercial vehicles, the per-vehicle value of thermal management systems in new energy commercial vehicles has increased by more than threefold. This creates substantial growth potential for the commercial vehicle thermal management system industry and enhances the cost-effectiveness of R&D and large-scale production.

Demand for adaptability in harsh operating conditions. Commercial vehicles operate in highly diverse and demanding environments, from long-haul logistics to mining operations, placing far higher requirements on thermal management systems than passenger vehicles. On one hand, high-voltage fast-charging technology improves energy-replenishment efficiency but requires thermal management systems with strong instantaneous heat-dissipation capability. On the other hand, all-climate adaptability is essential for commercial vehicles; reliable performance in extremely cold regions and stable operation in high-temperature environments both depend on robust thermal management systems. As a result, the demanding nature of commercial vehicle applications continues to drive technological advancements in commercial vehicle thermal management systems.

INDUSTRY OVERVIEW

Increasing downstream demand for data center and ESS. In recent years, the rapid development of the AI and new energy sectors has driven the large-scale expansion of data centers and the energy-storage industry. Against this backdrop, the requirements for operational stability and safety in data center and ESS continue to rise, further highlighting the critical role of thermal management system in ensuring reliable equipment performance and maintaining high energy-efficiency levels. As a result, commercial vehicle thermal-management system manufacturers with mature technological expertise are accelerating the extension of their capabilities into the data center and ESS sectors, creating new avenues for business growth.

Future Opportunities of China’s Commercial Vehicle Thermal Management System Industry

Integration of thermal management system. The BEC-TMS has evolved from a set of dispersed, independent modules into a highly integrated architecture, enabling unified management of thermal loads from the battery, electric drive, and cabin. This allows efficient heat circulation and on-demand thermal allocation, significantly reducing energy consumption and extending driving range. In addition, the BEC-TMS shortens OEM integration cycles, enhances economies of scale and component commonality, and facilitates rapid industry replication and cost reduction.

Improving intelligence in thermal management system. Artificial intelligence and big-data technologies are increasingly embedded in the commercial vehicle thermal management system. Leveraging intelligent algorithms and cloud-based data, the system can predict driving patterns, analyze real-time operating conditions and environmental changes, and dynamically adjust thermal management strategies. This enables refined energy management and personalized comfort control, further improving energy efficiency without increasing hardware costs.

Modularization of thermal management system. By integrating common components into standardized modules, the system can flexibly accommodate the diverse technical pathways and complex operating scenarios of commercial vehicles. Modular design also significantly shortens vehicle integration and validation cycles and enables rapid customization and scalability based on vehicle types and application scenarios.

Competitive Landscape of China’s New Energy Commercial Vehicle Thermal Management System Industry

China’s new energy commercial vehicle thermal management system industry is relatively concentrated. Leading companies have leveraged their first-mover advantages to accumulate expertise in core component development and system engineering, and they also possess strong technical capabilities in system integration. As of December 31, 2025, there were approximately 100 market participants in China’s new energy commercial vehicle thermal management system industry. Based on revenue in 2025, the top five new energy commercial vehicle thermal management system manufacturers accounted for around 50% of the market, among which our Group accounted for approximately 0.1%. As of the latest practicable date, our Group is among the few companies in China that have mastered BEC-TMS technology.

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB480,000. Founded in 1961, Frost & Sullivan is an independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent’s information and expressions against those of others: (i) detailed

INDUSTRY OVERVIEW

primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan’s own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global and China’s economy is likely to maintain steady growth in the next decade; (ii) global and China’s social, economic and political environment is likely to remain stable in the forecast period; and (iii) market drivers such as urban transport capacity and spatial constraints, growing expectations for passenger experience, optimization of total lifecycle costs, among others.

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

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to June 2008 when Mr. Hao, our founder, chairman of our Board and non-executive Director, established our Company in the Jiangsu Province and we launched our vehicle articulation systems business in the PRC. In December 2019, the entire equity interest in our Company was transferred from Mr. Hao’s wholly controlled entity to eKontrol, a joint stock company established in the PRC then majority owned by Mr. Hao. For details of eKontrol and the eKontrol Group, see “Relationship with our Controlling Shareholders”. Through the steady leadership of our senior management team, our Group continued to upgrade our technical capabilities, expand our sales network, and in 2025, we strategically extended our core capabilities into the TMS for new energy sector. In 2025, through the Reorganization, we were spun off from the eKontrol Group to streamline our organizational and governance structure. For details, see “— History and Development of our Company — Reorganization”.

OUR KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Event
2008	Our Company was established in the PRC by Mr. Hao and launched our vehicle articulation systems business in the PRC
2011	Our Company was recognized as a High and New Tech Enterprise (高新技術企業) by the Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳) (“ Jiangsu Science and Technology Department ”), the Jiangsu Provincial Department of Finance (江蘇省財政廳) and the State Taxation Administration of Jiangsu Province (國家稅務總局江蘇省稅務局)
2015	We passed the supplier qualification review of one of the world’s largest commercial vehicle manufacturers headquartered in Germany and gained international recognition over our products
2018	Our Company was recognized as a Jiangsu Provincial Engineering Technology Research Center (江蘇省工程技術研究中心) by the Jiangsu Science and Technology Department
2019	We were acquired by eKontrol and were consolidated in the accounts of the eKontrol Group
	Our ART articulation system was adopted in the world’s first commercially operated line of ART, located in the Sichuan Province
2021	Our Company was named as a Suzhou Famous Export Brand Product (蘇州市出口名牌產品) by the Suzhou Municipal Bureau of Commerce (蘇州市商務局)
	We were also recognized as a Suzhou Industrial Design Center (蘇州市工業設計中心) by the Suzhou Municipal Bureau of Industry and Information Technology (蘇州市工信局)
	We supplied vehicle articulation systems for the traffic support vehicles that were used in the 14th National Games of the PRC held in 2021

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
	We were further listed as a Jiangsu Province Three-Star Cloud Enterprise (江蘇省三星上雲企業) by the Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳) (“ Jiangsu Industry and IT Department ”)
2022	We passed the supplier qualification review and product testings of a leading brand in the global new energy vehicle industry headquartered in the Chinese mainland, further attesting our capabilities
2024	Our Company was recognized as a Jiangsu Specialized and New Small and Medium Enterprise (江蘇省專精特新中小企業) by the Jiangsu Industry and IT Department
	We were also named as a Suzhou Gusu High-Skilled Leading Talent (蘇州市姑蘇高技能領軍人才) by the Suzhou Municipal Human Resources and Social Security Bureau (蘇州市人力資源與社會保障局)
2025	We underwent the Reorganization to spin off from the eKontrol Group
	We tapped into the design, development and manufacturing of TMS for new energy sector

HISTORY AND DEVELOPMENT OF OUR COMPANY

Establishment in 2008

Our Company was established as a limited liability company under PRC Law on June 18, 2008. At the time of establishment, our Company was wholly owned by Ikarus Investment Limited (伊卡露斯投資有限公司) (previously known as Jointech Investment Limited (勁泰投資有限公司)) (“**Ikarus Investment**”), which was then wholly controlled by Mr. Hao.

Equity Transfer to eKontrol in 2019

In December 2019, Ikarus Investment entered into an equity transfer agreement with eKontrol, pursuant to which Ikarus Investment transferred its entire equity interest in our Company to eKontrol at a consideration of RMB55.8 million, which was determined with reference to our Company’s value of all shareholders’ equity as at August 31, 2019 and fully settled on March 4, 2020.

Upon completion of the equity transfer, our Company was wholly owned by eKontrol. At the time, eKontrol was owned as to 66.12% by Mr. Hao, 16.66% by Suzhou Kaichi Investment Partnership (Limited Partnership) (蘇州凱持投資合夥企業(有限合夥)) (“**Suzhou Kaichi**”), 2.72% by Suzhou Kairen, 2.72% by Ms. Hao Yun (郝韻), the daughter of Mr. Hao and 1.56% by Liu Shuangxian (劉雙先), a former director of eKontrol and an Independent Third Party as well as 10.22% by other investors who were Independent Third Parties.

Reorganization

Immediately before the Reorganization, our Company was a wholly owned subsidiary of eKontrol, which was then owned as to 59.04% by Mr. Hao, 14.88% by Suzhou Kaichi, 2.43% by Suzhou Kairen, 2.43% by Ms. Hao Yun and 21.22% by other investors that were Independent Third Parties (“**eKontrol Investors**”). At the time, Suzhou Kaichi was an employee incentive platform of eKontrol, the general partner of which was Mr. Zhong Gufa (鍾穀發), our executive Director.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Suzhou Kaichi had 46 limited partners, out of which, aside from Mr. Hao holding 69.70% of the partnership interests therein, none of the limited partners held more than 10.00% of the partnership interests therein. Suzhou Kairen was owned as to 99.00% by Mr. Hao and 1.00% by Ms. Hao Yun.

To streamline our organizational and governance structure, our Group underwent the Reorganization to be spun off from the eKontrol Group. On August 27, 2025, eKontrol entered into equity transfer agreements with Mr. Hao, Suzhou Kairen, Ms. Hao Yun and twelve of our [REDACTED] Investors, pursuant to which eKontrol transferred 79.68%, 2.43%, 2.43% and an aggregate of 15.46% of its equity interests in our Company to Mr. Hao, Suzhou Kairen, Ms. Hao Yun and the twelve [REDACTED] Investors, respectively, at a consideration of RMB44,618,711, RMB1,361,360, RMB1,361,360 and an aggregate of RMB8,658,569. The majority of the twelve [REDACTED] Investors are also the eKontrol Investors or their related parties. The consideration was determined based on the valuation of our Company as at June 30, 2025 as appraised by an independent valuer, as well as the fact that the purpose of such equity transfers was to achieve the spin-off of our Group, and the majority of the ultimate beneficial owners of our Company before and after the Reorganization were the same.

The consideration for the equity transfers to Mr. Hao, Suzhou Kairen and Ms. Hao Yun were fully settled by December 30, 2025. For further details on the equity transfers to the twelve [REDACTED] Investors, see “— [REDACTED] Investments.”

Upon the completion of the Reorganization, the shareholding structure of our Company was as follows:

Shareholder	Registered capital held	Approximate shareholding percentage
	(RMB)	
Mr. Hao	36,706,854	79.68%
Linyi Zhengzhi	1,457,885	3.16%
Suzhou Dayi	1,347,196	2.92%
Suzhou Kairen	1,119,962	2.43%
Ms. Hao Yun	1,119,962	2.43%
Huang Juan	1,049,612	2.28%
Suzhou Oriental	703,857	1.53%
Wuxi Guojing	685,844	1.49%
Suzhou Yikai	493,548	1.07%
Huafeng Group	332,322	0.72%
Suzhou Yihe	329,032	0.71%
Suzhou Qianrong Yingrun	270,707	0.59%
Wenzhou Fund	197,419	0.43%
Suzhou Qianrong Taizhen	189,993	0.41%
Ruian Industrial Fund	65,806	0.14%
Total	46,069,999	100.00%

Following the Reorganization, the eKontrol Group’s business focuses on 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, which is delineated from the businesses of our Group. For details, see “Relationship with our Controlling Shareholders — Interests of our Controlling Shareholders in other Businesses.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Conversion into a joint stock limited company

On November 7, 2025, our Company was converted from a limited liability company into a joint stock limited company, and our Company was renamed as JVS (Suzhou) Technologies Co., Ltd. (伊卡路斯(蘇州)科技股份有限公司). Upon completion of the conversion, the share capital of our Company became RMB46,069,999 divided into 46,069,999 Shares with a nominal value of RMB1.00 each.

Share transfers in December 2025

Pursuant to a share transfer agreement entered into between Mr. Hao and Suzhou Qianrong Yuanfeng Phase II dated December 2, 2025, Mr. Hao transferred 2,126,308 Shares to Suzhou Qianrong Yuanfeng Phase II for a consideration of RMB30,000,000, which was determined after arm’s length negotiations between the parties after taking into consideration of (i) our financial results, including historical earnings; (ii) the future prospects of our business; and (iii) Suzhou Qianrong Yuanfeng Phase II is a related party of our existing [REDACTED] Investors, namely, Suzhou Qianrong Yingrun and Suzhou Qianrong Taizhen. Given that these investors have been supportive to us all along, Mr. Hao agreed to transfer the Shares to Suzhou Qianrong Yuanfeng Phase II at a more favorable price per Share than the other transfers in December 2025. The consideration was fully settled on December 4, 2025.

Pursuant to a share transfer agreement entered into between Mr. Hao and Nongying Yongcai dated December 26, 2025, Mr. Hao transferred 614,267 Shares to Nongying Yongcai for a consideration of RMB10,000,000, which was determined after arm’s length negotiations between the parties after taking into consideration of (i) our financial results, including historical earnings; and (ii) the future prospects of our business. The consideration was fully settled on December 29, 2025.

Pursuant to a share transfer agreement entered into between Mr. Hao and Liyuan Jianxiao dated December 26, 2025, Mr. Hao transferred 614,267 Shares to Liyuan Jianxiao for a consideration of RMB10,000,000, which was determined after arm’s length negotiations between the parties after taking into consideration of (i) our financial results, including historical earnings; and (ii) the future prospects of our business. The consideration was fully settled on December 30, 2025.

Pursuant to a share transfer agreement entered into between Mr. Hao and Mr. Hong Jiahao (洪佳豪) dated December 27, 2025, Mr. Hao transferred 614,267 Shares to Mr. Hong Jiahao for a consideration of RMB10,000,000, which was determined after arm’s length negotiations between the parties after taking into consideration of (i) our financial results, including historical earnings; and (ii) the future prospects of our business. The consideration was fully settled on December 30, 2025.

For further details on the abovementioned share transfers, see “— [REDACTED] Investments.” For details on the shareholding structure of our Company following the abovementioned share transfers and as of the Latest Practicable Date, see “— Capitalization of our Company.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

The corporate information of our subsidiaries as of the Latest Practicable Date are set forth below:

Name of company	Date of establishment	Place of establishment	Interest of our Group as of the Latest Practicable Date	Principal business
JVS Beijing	March 2, 2009	PRC	100%	Sales of vehicle articulation system
JVS Vehicle Technology . . .	August 17, 2021	PRC	100%	Sales of vehicle articulation system
Yike Youneng . . .	September 29, 2025	PRC	71.80% ^(Note)	Development, manufacturing and sales of TMS for new energy sector

Note: As of the Latest Practicable Date, Yike Youneng was 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.

Our Company held majority equity interests in the above subsidiaries throughout the Track Record Period.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

The following table summarizes the key terms and other details of the [REDACTED] Investments in our Company made by our [REDACTED] Investors:

	Date of agreement	Amount of registered capital/numbers of Shares transferred	Total amount of consideration (RMB)	Date of full settlement of the consideration	Shareholding in our Company held by the [REDACTED] Investors immediately following completion of the [REDACTED]	Cost per Share (RMB)	[REDACTED] to the [REDACTED] ⁽¹⁾
Linyi Zhengzhi		RMB1,457,885	1,772,120	August 27, 2025	See “— Capitalization of Our Company” for the shareholding in our Company held by the [REDACTED] Investors immediately following completion of the [REDACTED].	1.22 ⁽²⁾	[REDACTED]
Suzhou Dayi		RMB1,347,196	1,637,571	August 28, 2025		1.22 ⁽²⁾	[REDACTED]
Ms. Huang Juan		RMB1,049,612	1,275,847	September 18, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Oriental		RMB703,857	855,567	August 29, 2025		1.22 ⁽²⁾	[REDACTED]
Wuxi Guojing		RMB685,844	833,672	August 27, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Yikai	August 27, 2025	RMB493,548	599,928	August 27, 2025		1.22 ⁽²⁾	[REDACTED]
Huafeng Group		RMB332,322	403,951	August 29, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Yihe		RMB329,032	399,952	August 27, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Qianrong Yingrun		RMB270,707	329,056	August 27, 2025		1.22 ⁽²⁾	[REDACTED]
Wenzhou Fund		RMB197,419	239,971	September 1, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Qianrong Taizhen		RMB189,993	230,944	August 29, 2025		1.22 ⁽²⁾	[REDACTED]
Ruian Industrial Fund		RMB65,806	79,990	August 29, 2025		1.22 ⁽²⁾	[REDACTED]
Suzhou Qianrong Yuanfeng Phase II	December 2, 2025	2,126,308 Shares	30,000,000	December 4, 2025		14.11	[REDACTED]
Nongying Yongcai	December 26, 2025	614,267 Shares	10,000,000	December 29, 2025		16.28	[REDACTED]
Liyuan Jianxiao	December 26, 2025	614,267 Shares	10,000,000	December 30, 2025		16.28	[REDACTED]
Mr. Hong Jiahao	December 27, 2025	614,267 Shares	10,000,000	December 30, 2025		16.28	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Basis of determining the consideration	The consideration for the [REDACTED] Investments under the Reorganization were determined based on the valuation of our Company as at June 30, 2025 as appraised by an independent valuer, as well as the fact that the purpose of the Reorganization was to achieve the spin-off of our Group. The consideration for the [REDACTED] Investments in December 2025 were based on arm’s length negotiations between —Mr. Hao and our [REDACTED] Investors. For details, see “— History and Development of our Company — Reorganization” and “— History and Development of our Company — Share transfers in December 2025”.
Use of proceeds	No proceeds were received by our Company in relation to the [REDACTED] Investments.
Strategic benefits to our Group . .	We believed that our Company could benefit from our [REDACTED] Investors’ deep industry insights and capital market expertise, which may provide us strategic guidance and recommendations. The investments made by the [REDACTED] Investors in our Company reflected their confidence in the business of our Group and served as an endorsement of our performance and future prospects.
Lock-up Period	Our [REDACTED] Investors are not subject to any contractual lock-up arrangements pursuant to the terms of their respective [REDACTED] Investments. Pursuant to the applicable PRC Law, within the 12 months following the [REDACTED], all existing Shareholders (including [REDACTED] Investors) cannot dispose of any of the Shares held by them.

Note:

- (1) The [REDACTED] to the [REDACTED] is calculated based on (i) the [REDACTED] of [REDACTED], being the mid-point of the [REDACTED] range; and (ii) the exchange rate of HK\$1.00: RMB0.8754.
- (2) The cost per Share is calculated based on (i) the total amount of consideration of the [REDACTED] Investment; and (ii) the amount of registered capital transferred converted into Shares on a RMB1:1 Share basis as a result of our Company’s conversion into a joint stock company on November 7, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Information about our [REDACTED] Investors

Linyi Zhengzhi

Linyi Zhengzhi is a limited liability company established in the PRC on March 10, 2005. As of the Latest Practicable Date, Linyi Zhengzhi was wholly owned by Shandong Zhengzhi Holding Group Co., Ltd. (山東正直控股集團有限公司), which was in turn owned as to 99.00% and 1.00% by Yin Xiaolong (殷小龍) and Yin Zhiyong (殷志勇), both Independent Third Parties, respectively.

Suzhou Dayi

Suzhou Dayi is a limited partnership established in the PRC on July 30, 2025. As of the Latest Practicable Date, the general partner of Suzhou Dayi was Zhang Jing (張靜), an employee of our Group and an Independent Third Party, holding 4.75% partnership interests therein. Suzhou Dayi had 27 limited partners, out of which, none held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors, all the limited partners of Suzhou Dayi were employees or former employees of eKontrol and, aside from Mr. Zhong Gufa, our executive Director, who held 9.74% of the partnership interests therein, all were Independent Third Parties.

Ms. Huang Juan

Ms. Huang Juan is a professional investor with extensive investment experience with a primary focus on technological innovation sectors such as automotive components, high-end equipment, and artificial intelligence. Ms. Huang Juan became acquainted with our Group through the introduction by Huafeng Group.

Suzhou Oriental

Suzhou Oriental is a limited liability company established in the PRC on May 22, 2009. As of the Latest Practicable Date, Suzhou Oriental was wholly owned by Suzhou Luzhi Group Co., Ltd. (蘇州市甬直集團有限公司), a wholly owned subsidiary of Suzhou Luzhi State-owned Assets Operation and Management Co., Ltd. (蘇州市甬直國有資產經營管理有限公司), which was in turn wholly owned by the Suzhou Wuzhong District Luzhi People’s Government (蘇州市吳中區甬直鎮人民政府).

Wuxi Guojing

Wuxi Guojing is a limited partnership established in the PRC on April 30, 2019. As of the Latest Practicable Date, the general partner of Wuxi Guojing (holding 0.73% partnership interests therein) was Wuxi Guojing Investment Management Co., Ltd. (無錫國經投資管理有限公司), which was in turn owned as to 55.00% and 45.00% by Wan Liyang (萬里揚), an Independent Third Party, and Wuxi Guojing Mingrui Enterprise Management Partnership (Limited Partnership) (無錫國經銘銳企業管理合夥企業(有限合夥)) (“**Wuxi Guojing Mingrui**”). The general partner of Wuxi Guojing Mingrui was Wan Liyang, holding 5.00% of the partnership interests therein.

Wuxi Guojing had 15 limited partners, out of which, Zhang Hongtao (張洪濤), an Independent Third Party, held 36.32% of the partnership interest therein. None of the other limited partners of Wuxi Guojing held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Wuxi Guojing were Independent Third Parties.

Suzhou Yikai and Suzhou Yihe

Suzhou Yikai is a limited partnership established in the PRC on March 29, 2023. As of the Latest Practicable Date, the general partner of Suzhou Yikai was Suzhou Yisheng Technology Partnership (Limited Partnership) (蘇州一盛科技合夥企業(有限合夥)) (“**Suzhou Yisheng**”),

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

holding 2.78% partnership interests in Suzhou Yikai. The general partner of Suzhou Yisheng was Suzhou Fengyi Yuanda Equity Investment Fund Management Co., Ltd. (蘇州峰毅遠達股權投資基金管理有限公司), holding 10.00% of the partnership interests therein, which was in turn owned as to 58.00% and 42.00% by Qian Wensheng (錢文勝) and Lu Qiwei (陸奇偉), both Independent Third Parties, respectively.

Suzhou Yikai had six limited partners, out of which, Suzhou Yihong Technology Partnership (Limited Partnership) (蘇州弈宏科技合夥企業(有限合夥)) (“**Suzhou Yihong**”) held 55.56% of the partnership interests therein. The general partner of Suzhou Yihong was Suzhou Yidian Capital Management Co., Ltd. (蘇州一典資本管理有限公司) and the only limited partner of Suzhou Yihong was AVIC Trust Co., Ltd. (中航信託股份有限公司) (“**AVIC Trust**”), holding 98.73% of the partnership interests therein. AVIC Trust was owned as to 84.42% by AVIC Investment Holdings Co., Ltd. (中航投資控股有限公司), which was in turn owned as to 73.56% by Avic Industry-Finance Holdings Co., Ltd. (中航工業產融控股股份有限公司) (“**Avic Industry-Finance**”). Avic Industry-Finance was controlled as to 86.75% by Aviation Industry Corporation of China (中國航空工業集團有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council. Aside from Suzhou Yihong, none of the limited partners of Suzhou Yikai held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Suzhou Yikai were Independent Third Parties.

Suzhou Yihe is a limited partnership established in the PRC on August 27, 2021. As of the Latest Practicable Date, the general partner of Suzhou Yihe was Suzhou Yisheng. Suzhou Yihe has nine limited partners, none of which held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Suzhou Yihe were Independent Third Parties.

Huafeng Group

Huafeng Group is a limited liability company established in the PRC on January 16, 1995. As of the Latest Practicable Date, Huafeng Group was owned as to 79.63%, 8.19%, 7.29% and 4.89% by You Xiaoping (尤小平), You Jinhuan (尤金煥), Hangzhou Ruihe Industrial Development Co., Ltd. (杭州瑞合實業發展有限公司) (“**Hangzhou Ruihe**”) and You Xiaohua (尤小華), respectively. You Xiaoping, You Jinhuan and You Xiaohua are Independent Third Parties. Hangzhou Ruihe was owned as to 51.00% and 49.00% by You Feiyu (尤飛宇) and You Feihuang (尤飛煌), both Independent Third Parties, respectively.

Suzhou Qianrong Yingrun, Suzhou Qianrong Taizhen and Suzhou Qianrong Yuanfeng Phase II

Suzhou Qianrong Yingrun is a limited partnership established in the PRC on March 14, 2018. As of the Latest Practicable Date, the general partner of Suzhou Qianrong Yingrun was Suzhou Qianrong Chuanghe Innovation Capital Management Co., Ltd. (蘇州乾融創禾創新資本管理有限公司) (“**Suzhou Qianrong Chuanghe**”). Suzhou Qianrong Chuanghe was owned as to 90.00% and 10.00% by Jiangsu Qianrong Capital Management Co., Ltd. (江蘇乾融資本管理有限公司) (“**Jiangsu Qianrong**”) and Suzhou Dongfang Chuanghe Private Equity Fund Management Co., Ltd. (蘇州東方創禾私募基金管理有限公司) (“**Suzhou Dongfang Chuanghe**”), respectively. Jiangsu Qianrong was wholly controlled by Suzhou Dingrong Investment Management Co., Ltd. (蘇州鼎融投資管理有限公司), which was in turn owned as to 51.00% and 49.00% by Ye Xiaoming (葉曉明) and Ye Xuanxi (葉玄羲), both Independent Third Parties, respectively. Suzhou Dongfang Chuanghe was wholly controlled by the Suzhou Wujiang District People’s Government State-owned Assets Supervision and Administration Office (蘇州市吳江區人民政府國營資產監督管理辦公室).

Suzhou Qianrong Yingrun had 15 limited partners, none of which held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Suzhou Qianrong Yingrun were Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Suzhou Qianrong Taizhen is a limited partnership established in the PRC on January 27, 2021. As of the Latest Practicable Date, the general partner of Suzhou Qianrong Taizhen was Suzhou Qianrong Chuanghe, holding 10.00% of the partnership interests therein. Suzhou Qianrong Taizhen’s only limited partner was Shanghai Taizhen Enterprise Management Partnership (Limited Partnership) (上海太真企業管理合夥企業(有限合夥)) (“**Shanghai Taizhen**”), holding 90.00% of the partnership interests therein. The general partner of Shanghai Taizhen was Ye Xiaoming, holding 85.00% of the partnership interests therein, and the only limited partner of Shanghai Taizhen was Ye Xuanxi, holding 15.00% of the partnership interests therein.

Suzhou Qianrong Yuanfeng Phase II is a limited partnership established in the PRC on September 17, 2025. As of the Latest Practicable Date, the general partner of Suzhou Qianrong Yuanfeng Phase II was Suzhou Qianrong Taiyuan Enterprise Management Consulting Partnership (Limited Partnership) (蘇州乾融太元企業管理諮詢合夥企業(有限合夥)) (“**Suzhou Qianrong Taiyuan**”). The general partner of Suzhou Qianrong Taiyuan was Jiangsu Qianrong.

Suzhou Qianrong Yuanfeng Phase II had 23 limited partners, out of which Suzhou Angel Investment Guidance Fund (Limited Partnership) (蘇州天使投資引導基金(有限合夥)) (“**Suzhou Angel Fund**”) held 38.00% of the partnership interests therein. The general partner of Suzhou Angel Fund was Suzhou Angel Venture Capital Guidance Fund Management Co., Ltd. (蘇州天使創業投資引導基金管理有限公司), which was in turn controlled as to 42.00% by Suzhou Innovation Investment Group Co., Ltd. (蘇州創新投資集團有限公司) (“**Suzhou Innovation**”), as to 38.00% by Suzhou Yuanfeng Capital Management Co., Ltd. (蘇州園豐資本管理有限公司) (“**Suzhou Yuanfeng**”) and as to 10.00% each by two Independent Third Parties, respectively. Suzhou Innovation was owned as to 91.67% by Suzhou International Development Group Co., Ltd. (蘇州國際發展集團有限公司), which was in turn wholly owned by the Suzhou Municipal Finance Bureau (蘇州市財政局). Suzhou Yuanfeng was controlled by the Suzhou Industrial Park Administrative Committee (蘇州工業園區管理委員會). Aside from Suzhou Angel Fund, none of the other limited partners of Suzhou Qianrong Yuanfeng Phase II held more than 30.00% of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Suzhou Qianrong Yuanfeng Phase II were Independent Third Parties.

Wenzhou Fund

Wenzhou Fund is a limited liability company established in the PRC on July 27, 2012. As of the Latest Practicable Date, Wenzhou Fund was indirectly wholly owned by the Wenzhou Municipal Finance Bureau (溫州市財政局).

Ruian Industrial Fund

Ruian Industrial Fund is a limited liability company established in the PRC on September 14, 2017. As of the Latest Practicable Date, Ruian Industrial Fund was wholly owned by Ruian Venture Capital Group Co., Ltd. (瑞安市創業投資集團有限公司) (“**Ruian Venture Capital**”), which was in turn owned as to 51.00% by Ruian State-owned Construction and Development Group Co., Ltd. (瑞安市國有建設發展集團有限公司) (“**Ruian State-owned Construction**”). None of the other shareholders of Ruian Venture Capital held more than 30.00% of the equity interests therein. Ruian State-owned Construction was controlled by the Ruian Municipal Finance Bureau (Ruian Municipal Government State-owned Assets Supervision and Management Office) (瑞安市財政局(瑞安市人民政府國有資產監督管理辦公室)).

Nongying Yongcai

Nongying Yongcai is a limited partnership established in the PRC on December 18, 2024. As of the Latest Practicable Date, the general partners of Nongying Yongcai were Ningbo Agricultural Bank Investment Management Co., Ltd. (寧波農銀投資管理有限公司) (“**Ningbo Agricultural**”) and Ningbo Talent Investment Co., Ltd. (寧波人才投資有限公司) (“**Ningbo Talent**”), each holding 0.64% of the partnership interests therein, respectively. Ningbo Agricultural was in turn ultimately

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

wholly owned by Agricultural Bank of China Limited (中國農業銀行股份有限公司), the shares of which are listed on the Stock Exchange (stock code: 1288) and the Shanghai Stock Exchange (stock code: 601288). Ningbo Talent was ultimately wholly controlled by the Ningbo Municipal People’s Government State-owned Assets Supervision and Administration Commission (寧波市人民政府國有資產監督管理委員會).

Nongying Yongcai had seven limited partners, out of which Ningbo Lvshun Group Co., Ltd. (寧波市綠順集團股份有限公司) (“**Ningbo Lvshun**”) held 38.46% of the partnership interests therein. To the best knowledge of our Directors, none of the shareholders of Ningbo Lvshun held 30.00% or more of the equity interests therein. Aside from Ningbo Lvshun, none of the other limited partners of Nongying Yongcai held 30.00% or more of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Nongying Yongcai were Independent Third Parties.

Liyuan Jianxiao

Liyuan Jianxiao is a limited partnership established in the PRC on November 17, 2022. As of the Latest Practicable Date, the general partner of Liyuan Jianxiao was Hunan Xiangjiang Liyuan Investment Management Co., Ltd. (湖南湘江力遠投資管理有限公司) (“**Xiangjiang Liyuan**”), which was in turn owned as to 56.22% by You Xinnong (游新農), an Independent Third Party. Xiangjiang Liyuan had 11 other shareholders, none of which held 30.00% or more of the equity interests therein, and, to the best knowledge of our Directors after all reasonable enquiries, all of which were Independent Third Parties.

Liyuan Jianxiao had five limited partners, out of which You Xinnong held 40.00% of the partnership interests therein. Aside from You Xinnong, none of the other limited partners of Liyuan Jianxiao held 30.00% or more of the partnership interests therein. To the best knowledge of our Directors after all reasonable enquiries, all the limited partners of Liyuan Jianxiao were Independent Third Parties.

Mr. Hong Jiahao

Mr. Hong Jiahao is a professional investor with extensive investment experience in China, especially in the fields of advanced manufacturing and new materials. Mr. Hong became acquainted with our Group through the introduction by Nongying Yongcai.

[REDACTED] Investors’ Special Rights and Compliance with the [REDACTED] Investment Guidance

No special rights were granted to our **[REDACTED]** Investors. On the basis that (i) the **[REDACTED]**, being the first day of **[REDACTED]** of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the **[REDACTED]** Investments, and (ii) no special rights of the **[REDACTED]** Investors will exist after the **[REDACTED]**, the Sole Sponsor confirms that the **[REDACTED]** Investments are in compliance with the **[REDACTED]** Investment Guidance (as defined in the Guide for New Listing Applicants issued by the Stock Exchange).

EKONTROL’S PREVIOUS A-SHARE LISTING APPLICATION

While our Company was a wholly owned subsidiary of eKontrol, eKontrol submitted a application for the listing of its securities on the STAR Market of the Shanghai Stock Exchange (上海證券交易所科創板) (the “**STAR Market**”), which was accepted by the Shanghai Stock Exchange in June 2023 (the “**A-Share Listing Application**”). However, having taken into account a number of factors, among others, the uncertainty of the listing timetable and the general market sentiment of the capital market at the time, eKontrol voluntarily withdrew its A-Share Listing Application in May 2024. To the best knowledge of our Directors, eKontrol had no disagreements or disputes with any professional parties involved in the A-Share Listing Application.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Following the withdrawal of eKontrol’s A-Share Listing Application, a majority of eKontrol’s shareholders agreed to spin-off our Group from the eKontrol Group to streamline our organizational and governance structure. We consider Hong Kong a suitable venue for [REDACTED] as our Group’s overseas operations make up a significant proportion of our business and we intend to expand into global markets to capture long-term development opportunities overseas. As the Stock Exchange offers direct access to overseas investors and international financing channels, we consider a [REDACTED] on the Stock Exchange to be aligned with our business and development strategies, allowing more domestic and international investors to have a better understanding and appreciation of our Group’s business.

To the best knowledge of our Directors, our Directors are not aware of any matters relating to eKontrol’s A-Share Listing Application which have been brought to their attention that would materially and adversely affect our Company’s suitability for the [REDACTED] or should be brought to the attention of the Stock Exchange and/or the prospective [REDACTED] in the [REDACTED]. Based on the due diligence work performed by the Sole Sponsor, nothing material has come to the attention of the Sole Sponsor that casts doubts on our Directors’ view disclosed above regarding eKontrol’s A-Share Listing Application.

FULL CIRCULATION

Our Company has applied for H-share full circulation to [REDACTED] an aggregate of [REDACTED] Unlisted Shares held by [REDACTED] existing Shareholders into H Shares, representing approximately [REDACTED] of the total issued Share capital of our Company immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For further details of the [REDACTED] of Unlisted Shares into H Shares, see “Share Capital”.

PUBLIC FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of [REDACTED] per [REDACTED] (being the low end of the indicative [REDACTED] range), our expected market capitalization upon the [REDACTED] is [REDACTED]; (ii) based on an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), our expected market capitalization upon the [REDACTED] is [REDACTED]; and (iii) based on an [REDACTED] of [REDACTED] per [REDACTED] (being the high end of the indicative [REDACTED] range), our expected market capitalization upon the [REDACTED] is [REDACTED]. As the expected market capitalization of our Shares at the time of [REDACTED] would not exceed [REDACTED], the minimum prescribed public float percentage applicable to our Shares is [REDACTED].

Of the [REDACTED] H Shares to be [REDACTED] from Unlisted Shares and [REDACTED] on the Stock Exchange following the completion of the [REDACTED]:

- (i) [REDACTED] H Shares, representing approximately [REDACTED] of the total issued Share capital of our Company immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as such Shares are held by Mr. Hao and Suzhou Kairen, the Controlling Shareholders and core connected persons of our Company; and

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (ii) [REDACTED] H Shares, representing approximately [REDACTED] of the total issued Share capital of our Company immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as such Shares are held by the remaining Shareholders who are not core connected persons of our Company upon the [REDACTED] and are not accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

Taking into consideration of the H Shares to be [REDACTED] pursuant to the [REDACTED], the public float of our Company will be approximately [REDACTED] upon the [REDACTED] (assuming the [REDACTED] is not exercised), which is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

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.

Pursuant to the applicable PRC Law, all of the Shares in issue prior to the [REDACTED] (including Shares held by the [REDACTED] Investors) are subject to a lock-up period of 12 months from the [REDACTED]. As such, H Shares held by all existing Shareholders upon the [REDACTED] shall not be counted towards the free float of the H Shares of our Company at the time of [REDACTED]. Based on (i) [REDACTED] initially available under the [REDACTED], representing approximately [REDACTED] of our total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised); (ii) [REDACTED] to be [REDACTED] to investors who are not core connected person of our Company and are not subject to any disposal restrictions under the [REDACTED], representing approximately [REDACTED] of our total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised); and (iii) the [REDACTED] per H Share, being the [REDACTED] of the indicative [REDACTED] range, our Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The capitalization of our Company as of the Latest Practicable Date and immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) is set out as follows:

Shareholder	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage
Mr. Hao	32,737,745	71.06%	[REDACTED]	[REDACTED]
Suzhou Qianrong				
Yuanfeng Phase II	2,126,308	4.62%	[REDACTED]	[REDACTED]
Linyi Zhengzhi	1,457,885	3.16%	[REDACTED]	[REDACTED]
Suzhou Dayi	1,347,196	2.92%	[REDACTED]	[REDACTED]
Suzhou Kairen	1,119,962	2.43%	[REDACTED]	[REDACTED]
Ms. Hao Yun	1,119,962	2.43%	[REDACTED]	[REDACTED]
Huang Juan	1,049,612	2.28%	[REDACTED]	[REDACTED]
Suzhou Oriental	703,857	1.53%	[REDACTED]	[REDACTED]
Wuxi Guojing	685,844	1.49%	[REDACTED]	[REDACTED]
Nongying Yongcai	614,267	1.33%	[REDACTED]	[REDACTED]
Liyuan Jianxiao	614,267	1.33%	[REDACTED]	[REDACTED]
Mr. Hong Jiahao	614,267	1.33%	[REDACTED]	[REDACTED]
Suzhou Yikai	493,548	1.07%	[REDACTED]	[REDACTED]
Huafeng Group	332,322	0.72%	[REDACTED]	[REDACTED]
Suzhou Yihe	329,032	0.71%	[REDACTED]	[REDACTED]
Suzhou Qianrong				
Yingrun	270,707	0.59%	[REDACTED]	[REDACTED]
Wenzhou Fund	197,419	0.43%	[REDACTED]	[REDACTED]
Suzhou Qianrong				
Taizhen	189,993	0.41%	[REDACTED]	[REDACTED]
Ruian Industrial Fund . . .	65,806	0.14%	[REDACTED]	[REDACTED]
Other public				
Shareholders	—	—	[REDACTED]	[REDACTED]
Total	46,069,999	100.00%	[REDACTED]	[REDACTED]

COMPLIANCE WITH PRC LAWS AND REGULATIONS

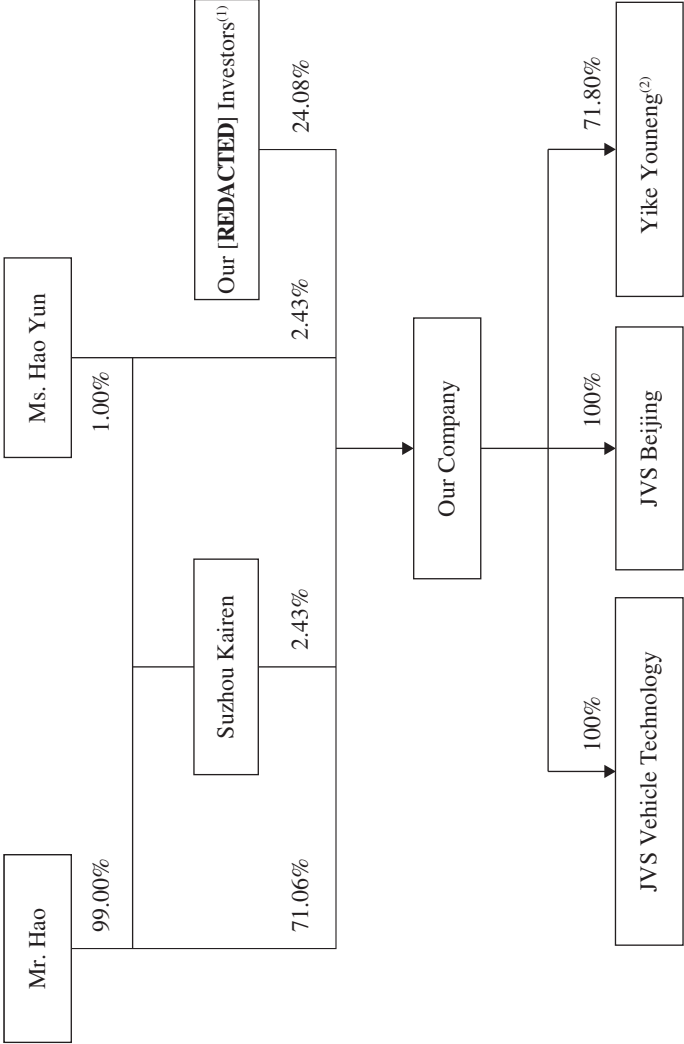
As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of SAMR and relevant authorities in respect of the equity transfers set out above in material aspects.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure immediately before the [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately before the [REDACTED]:



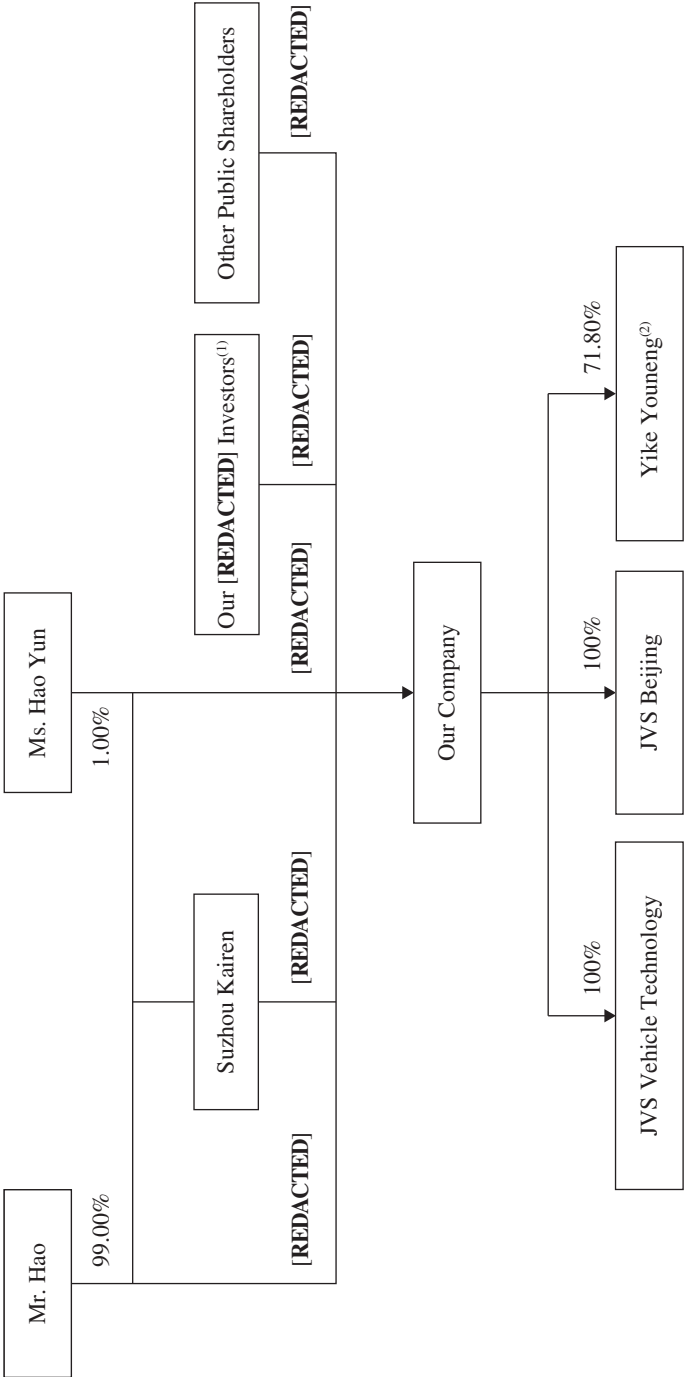
Notes:

- (1) For further details on our [REDACTED] Investors, see “— [REDACTED] Investments — Information about our [REDACTED] Investors.”
- (2) As of the Latest Practicable Date, Yike Youneng was owned as to 71.80%, 28.00% and 0.20% by our Company, Mr. Niu Zhen (紐震), our executive Director and deputy general manager of technology, and Ms. Liu Ji (劉記), a supervisor of Yike Youneng, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate structure immediately after the [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately following the completion of the [REDACTED], excluding any Shares to be [REDACTED] pursuant to the exercise of the [REDACTED]:



Notes:

- (1) For further details on our [REDACTED] Investors, see “— [REDACTED] Investments — Information about our [REDACTED] Investors.”
- (2) See the notes to “— Corporate Structure — Corporate structure immediately before the [REDACTED].”

REGULATORY OVERVIEW

We are subject to a variety of Chinese mainland laws, rules and regulations affecting many aspects of our business. This section sets out a summary of the major laws, regulations, rules and policies which may have material impact on our business and operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us and does not purport to be a comprehensive description of all such laws and regulations applicable to the business and operations of us and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of this document, which may be subject to change.

REGULATIONS RELATING TO THE INDUSTRY

The competent department of industry for the production of automobile components and parts is the MIIT.

In 1994, the National Development Planning Commission (the National Development and Reform Commission, the “NDRC” 國家發展和改革委員會) issued the Industrial Policies for the Automotive Industry (《汽車工業產業政策》) (the “1994 Automobile Policy”) as an overall policy guideline for the automotive industry in the PRC. Although the 1994 Automobile Policy does not have the force of law, it is the cornerstone of the overall regulatory regime of the PRC automotive industry. In 2004, the NDRC issued the Automotive Industry Development Policy (《汽車產業發展政策》) (which was amended in 2009) to replace the 1994 Automobile Policy.

In addition to the Automotive Industry Development Policy, the General Office of the State Council issued the Restructuring and Rejuvenation Programme of the Automotive Industry (《汽車產業調整和振興規劃》) in March 2009 (the “Programme”). The Programme affects the development of the automobile and automotive components and parts industries by: (a) Fostering the automobile consumption market through tax and other economic means; (b) Encouraging the mergers, acquisitions and reorganization of the key manufacturers of automotive components and parts to expand their scale and to increase their share in the domestic and overseas markets; (c) Encouraging the development of primary automotive components and parts which could improve the performances of the whole automobile, including anti-slip regulation system, suspension control, digitalized instruments and other electronic control systems; (d) Implementing automotive product export strategies; (e) Accelerating the construction of national export bases for automobiles and automotive components and parts.

REGULATIONS RELATING TO CORPORATION AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effect on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”) and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》)

REGULATORY OVERVIEW

and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities.

On December 30, 2019, the Ministry of Commerce of the PRC (the “MOFCOM”) and the State Administration for Market Regulation (the “SAMR”) jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “Negative List”), which were promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the “Encouraging Catalog”), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. According to the Negative List and the Encouraging Catalog, as of the Latest Practicable Date, our business does not fall within the scope of the Negative List and is not subject to special management measures.

Pursuant to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof.

REGULATIONS RELATED TO PRODUCTION

Quality of Product

The principal legal provisions governing product liability are set out in 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 promulgated on February 22, 1993, became effective on September 1, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018. The Product Quality Law is applicable to all activities of production and sales of any product within the territory in the PRC, and the producers and sellers shall be liable for product quality in accordance with the Product Quality Law.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (hereinafter referred to as “Civil Code”) enacted by the NPC on May 28, 2020, and implemented on January 1, 2021, producers or sellers shall be liable for any personal injury or property loss caused by defective products. Where a defective product causes damage to another person, the aggrieved party may claim compensation from the producer or seller. Where the product defect is caused by the producer,

REGULATORY OVERVIEW

the seller is entitled to recover damages from such producer after making compensation. Where the product defect is caused by the fault of the seller, the producer is entitled to recover damages from the seller after making compensation.

Production Safety

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) enacted by the SCNPC on June 29, 2002, which was last amended on June 10, 2021 and implemented on September 1, 2021, the emergency management authority of the State Council implements the comprehensive national supervision and administration of work safety, while production and operating entities are required to enforce such national standards or industry standards as legally formulated to ensure work safety, and establish the sound employee work safety accountability system and work safety regulations and systems. Production and operating entities that fail to comply with work safety conditions are prohibited from engaging in any production and operation activities. Furthermore, employees of production and operating entities shall be provided with work safety education and training sessions, ensuring that they are in possession of the required work safety knowledge and provided with personal protection equipment that aligns with the national or industrial standards.

REGULATIONS RELATING TO THE IMPORTATION AND EXPORTATION OF THE GOODS

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and amended on April 6, 2004, November 7, 2016, December 30, 2022 and December 27, 2025, the competent authorities for foreign trade under the State Council shall take charge of all foreign trading activities at the country level in accordance with this law, and foreign trade operators are no longer required to register with effect from December 30, 2022. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

The Customs Law of the PRC (《中華人民共和國海關法》) was promulgated by the SCNPC on January 22, 1987 and effective from July 1, 1987, and last amended on April 29, 2021, stipulate that the customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise may be imposed fines by the customs.

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the "GACC") on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入“多證合一”改革的公告》) jointly issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant

REGULATORY OVERVIEW

to procedures of “Integrating Multiple Certificates into One” and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

REGULATIONS RELATING TO THE MANAGEMENT OF LEASE HOUSING

Pursuant to (a) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019 and took effect on January 1, 2020, and (b) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

REGULATIONS RELATING TO DATA SECURITY

Regulations relating to Cybersecurity, Data Security and Privacy Protection

Cybersecurity and Data Security

China has enacted various laws and regulations with respect to internet security and protection of personal information from any inappropriate collection activities, abuse or unauthorized disclosure. Cybersecurity and data security in the PRC are regulated and restricted from a national security standpoint.

On November 7, 2016, the SCNPC promulgated the PRC Cyber Security Law (《中華人民共和國網絡安全法》), which was amended on October 28, 2025, and became effective on January 1, 2026. The Cyber Security Law highlights that any individual or organization shall not endanger cyber security, or engage in any illegal activities that, by making use of the network, endanger the national security, economic order and social order, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. Any internet information service provider that violates any provision or requirement in the Cyber Security Law may be subject to warnings, confiscation of illegal income, fines, revocation of business permits or licenses, closure of websites, and even criminal liability.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The Data Security Law provides that “data” refers to any recording of information by electronic or other means. Data processing includes the collection, storage, use, processing, transmission, availability and disclosure of data, etc. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, provides for a national security review procedure for those data activities which may affect national security, and imposes export restrictions on certain data and information.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”) published the Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022. Pursuant to Article 7 of the Cybersecurity Review Measures, any network platform operator with personal information of more than one million users shall apply to the Cyber Security Review Office for cyber security review prior to listing abroad.

REGULATORY OVERVIEW

In accordance with the Cybersecurity Review Measures, we are not applicable to the declaration of cyber security review, on the basis that: (i) Based on the consultation with China Cybersecurity Review, Certification and Market Regulation Big Data Center (the agency entrusted by the Cyber Security Review Office to carry out the specific work of cyber security review), Hong Kong is not included in the definition of “abroad” hereof and [REDACTED] in Hong Kong is not in the scope of “listing abroad”, which is not required to apply for cyber security review; (ii) We have not been identified as a critical information infrastructure operator or network platform operator, nor have we received any notification regarding the identification of network facilities and information systems as critical information infrastructure, nor have we received any notification from regulatory agencies such as national or local cyberspace authorities requiring the fulfillment of network security review obligations; (iii) We have not received any inquiries, notifications, warnings or penalties from the national or local cybersecurity and information technology commission office or certification center regarding network security review.

On September 24, 2024, the CAC published the Administrative Regulations on Cyber Data Security (《網絡數據安全管理條例》), or the Cyber Data Security Regulations, which became effective on January 1, 2025. Among other things, the Cyber Data Security Regulations prescribe that cyber data processors processing personal information of over ten million individuals shall fulfill certain requirements for processing important data and require cyber data processors to take certain precautionary measures, such as identifying important data and conducting annual risk assessment. Furthermore, the Cyber Data Security Regulations allow cyber data processors to provide personal information overseas only if it is strictly necessary for fulfilling statutory obligations.

Protection of Personal Information

Pursuant to Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) that was issued by the NPC on May 28, 2020 and took effect on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which came into force on November 1, 2021 and integrates the scattered rules with respect to personal information rights and privacy protection. The PRC Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. Personal information, as defined in the PRC Personal Information Protection Law, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The PRC Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation. Furthermore, the PRC Personal Information Protection Law also provides for the rights of natural persons whose personal information is processed, and takes special care of the personal information of children under 14 and sensitive personal information.

REGULATORY OVERVIEW

REGULATIONS RELATING TO PRC TAXATION

Enterprise Income Tax (“EIT”)

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, as well as the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the “Implementation Rules”), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and amended on April 23, 2019 and on December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC or are established under foreign laws but whose actual management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. High and New Technology Enterprises that require key support are subject to the reduced EIT Rate of 15%.

Dividend Tax

Pursuant to the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) (the “Individual Income Tax Law”) promulgated by the Standing Committee of the National People’s Congress (the “NPCSC”) on September 10, 1980, as last amended on August 31, 2018 and the latest amendment effective on January 1, 2019, and the Regulations on the Implementation of the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法實施條例》) promulgated by the State Council on January 28, 1994, as last revised on December 18, 2018 and the latest revision effective on January 1, 2019 (the “Implementation Regulations of the Individual Income Tax Law”), individual investors shall pay individual income tax at a rate of 20% on dividend income received from enterprises within China (regardless of whether the place of payment is within China), which shall be withheld and paid by enterprises in China, except for the income exempted from tax stipulated in international tax treaties and agreements signed by the PRC government, as well as other tax-free income and tax reductions stipulated by the State Council.

Under the EIT Law and its Implementation Rules, non-resident enterprises are subject to enterprise income tax on their China-sourced income, including dividends and other equity investment returns derived from Chinese enterprises. However, where a non-resident enterprise does not maintain an establishment or place of business in China, or where such income is not effectively connected with its establishment or place of business in China, such income shall be subject to enterprise income tax at a reduced rate of 10%. The tax payable by non-resident enterprises in such cases shall be withheld at source, with the payer of the income acting as the withholding agent.

Pursuant to the Circular of State Taxation Administration (“STA”) on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid 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》) issued on November 6, 2008, when Chinese resident enterprises distribute dividends to H-share holders which are overseas non-resident enterprises for 2008 and subsequent years, enterprise income tax will be withheld and paid at a uniform rate of 10%.

REGULATORY OVERVIEW

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006 (the “Arrangement”), the PRC government may tax dividends paid by Chinese companies to Hong Kong residents in accordance with PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the withholding tax shall not exceed: (a) 5% of the gross amount of the dividends if the beneficial owner is a company that directly holds at least 25% of the capital of the paying company; or (b) 10% of the gross amount in all other cases. According to 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 (《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 to the Arrangement”) that came into effect on December 6, 2019, notwithstanding the provisions of other terms of the Arrangement, if, after taking into account all relevant facts and circumstances, it can be reasonably determined that one of the main purposes of any arrangement or transaction that directly or indirectly brings about the benefits of the Arrangement is to obtain the benefits, the benefits shall not be granted in connection with the relevant income, unless it can be confirmed that the benefits under such circumstances is consistent with the purposes and objectives of the relevant provisions of the Arrangement.

In addition, pursuant to the Notice of STA on Issues Concerning the Application of Dividend Clauses of Tax Treaties (《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》) issued on February 20, 2009, where a Chinese resident enterprise distributes dividends to a Hong Kong resident and such Hong Kong resident (being the dividend recipient) is the beneficial owner of the dividends, the Hong Kong resident shall be entitled to receive the dividends. Such dividends may benefit from the treatment agreed under the Arrangement, whereby the income tax payable by the Hong Kong resident in the PRC shall be calculated at the tax rate specified in the Arrangement. Should the tax rate stipulated in the Arrangement exceed the rate prescribed under the domestic tax laws of the PRC, the taxpayer may still opt to be taxed in accordance with the domestic tax laws of the PRC.

Tax Treaties

Non-Chinese resident investors who live in countries that have signed double taxation agreements with China or who live in Hong Kong, or the Macau Special Administrative Region can enjoy preferential tax rates on dividends from Chinese companies. China has entered into double taxation avoidance arrangements with Hong Kong and the Macao Special Administrative Region respectively, and has entered into double taxation avoidance agreements with several other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the U.S. Non-Chinese resident enterprises that have obtained preferential tax rates under relevant tax treaties or arrangements may apply to the Chinese tax authorities for a refund of the difference between the withholding tax and the tax calculated based on the preferential tax rates stipulated in the relevant tax treaties or arrangements. The application is subject to approval by the Chinese tax authorities.

Taxes Related to Share Transfers

Pursuant to the Individual Income Tax Law and the Implementation Regulations of the Individual Income Tax Law, income from the transfer of property (including income from the transfer of securities, equity, and partnership property shares among individuals) is subject to individual income tax at a rate of 20%. According to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) jointly issued by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 (Cai Shui Zi [1998] No. 61), starting from January 1, 1997, individual income tax will continue to be exempted on the income obtained by individuals from transferring shares of listed companies.

REGULATORY OVERVIEW

Pursuant to the EIT Law and the Implementation Rules, non-resident enterprises shall pay enterprise income tax on their income derived from China (including income from the transfer of equity investments in Chinese enterprises). For a non-resident enterprise having no office or establishment in China, or if an office or establishment has been established in China but the income obtained has no actual connection with the office or establishment, the enterprise income tax shall be levied at a reduced rate of 10%. The above-mentioned income tax payable by non-resident enterprises shall be withheld at source, and the income payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for payment at the time it is paid or due for payment.

Value-added Tax (“VAT”)

The major PRC law and regulation governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017 which has been replaced by the Law of the People’s Republic of China on Value-Added Tax (《中華人民共和國增值稅法》) adopted and promulgated on December 25, 2024 and effective as of 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 Ministry of Finance (財政部) (the “MOF”), came into effect on the same day and revised on December 15, 2008 and October 28, 2011. 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. Depending on the taxable acts of the general taxpayers, the applicable VAT rates are 13%, 9%, 6% and 0%, respectively. The Notice of the MOF and the STA on the Adjustment of the Value-added Tax Rate (《財政部、國家稅務總局關於調整增值稅稅率的通知》), which was jointly issued by the MOF and the STA on April 4, 2018 and became effective from May 1, 2018, adjusted the VAT rates for relevant taxable acts of general taxpayers originally subject to the tax rates of 17% and 11% to 16% and 10%, respectively.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in the PRC is the Foreign Exchange Administration Regulations (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996 and amended on April 1, 1996. On January 14, 1997 and August 5, 2008, the State Council amended the Foreign Exchange Administration Regulations. According to the Foreign Exchange Administration Regulations, the capital account items shall not be exchanged freely and Renminbi under the capital account are still subject to PRC government approvals from, or registration with, the State Administration of Foreign Exchange (the “SAFE”) and other relevant institutions and require approvals.

Pursuant to the Regulation of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated on June 20, 1996 by the PBOC and became effective on July 1, 1996, the Foreign-invested Enterprises (the “FIE”) may exchange or remit foreign currencies only at those banks authorized to conduct foreign exchange business, after providing valid commercial supporting documents and, for capital account item transactions, obtaining approvals from the SAFE.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues concerning the Capital Management of Domestic Enterprises’ Overseas Listing (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by the PBOC and SAFE on December 24, 2025, a domestic company shall, within 30 working days from the first trading day of its overseas listing or the completion of the over-allotment option, apply to a bank within the provincial-level/municipalities with independent planning status where it is registered for overseas listing registration. The use of proceeds shall be consistent with the purposes disclosed in this document or other public documents.

REGULATORY OVERVIEW

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) announced by SAFE and effective on June 9, 2016, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) revised thereon, announced and effective on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

Pursuant to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated and effective on April 10, 2020 by the SAFE, provided that the use of funds is genuine, compliant and in line with the existing regulations for the management of the use of income under capital accounts, eligible enterprises will be allowed to use the income under capital accounts such as capital funds, foreign debt and income from overseas listing for domestic payments without having to provide materials proving authenticity to the banks on a case-by-case basis beforehand.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, and the Implementation Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) (State Council Order No. 651, effective from September 15, 2002 and amended on April 29, 2014 and came into effect on May 1, 2014), the Trademark Office (the Trademark Review and Adjudication Board of Trademarks throughout the country and the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce under the State Council shall be responsible for handling trademark disputes. And in accordance with the 2018 institutional reform, relevant trademark functions have been integrated into the China National Intellectual Property Administration (CNIPA).

Registered trademarks refer to trademarks that have been approved and registered by the Trademark Office, which include commodity trademarks, service trademarks, collective marks and certification marks. The trademark registrant shall enjoy an exclusive right to use the trademark, which shall be protected by laws and regulations. Any visible mark in the form of word, graphic, alphabet, number, 3D (three-dimension) mark, color combination, sound and a combination of these

REGULATORY OVERVIEW

elements that can distinguish the commodities of the natural person, legal person or other organizations from those of others can be registered as a trademark. Trademark for which an application is filed for registration shall be distinctively as to be distinguishable and shall not go against the legitimate right previously obtained by others. A trademark registrant is entitled to tag the words “Registered Trademark” or a sign indicating that it is registered.

The period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided in accordance with applicable laws.

Any of the following acts shall be an infringement upon the right to exclusive use of a registered trademark: (a) use of a trademark identical to a registered trademark on the same type of commodities without licensing by the trademark registrant; (b) use of a trademark similar to a registered trademark on the same type of commodities without licensing by the trademark registrant, or use of a trademark identical or similar to the registered trademark on similar commodities which easily causes confusion; (c) sale of commodities which infringe upon exclusive rights to use registered trademarks; (d) forgery or unauthorized manufacturing of labels of other’s registered trademark or sale of forged or unauthorized labels of other’s registered trademark; (e) change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market; (f) intentionally facilitating infringement of other’s exclusive rights to use trademarks, assisting others in implementation of infringement of exclusive rights to use trademarks; or (g) causing harm to other’s exclusive rights to use registered trademarks. In the event of infringement of the registered trademark above that leads to disputes, the parties concerned shall settle such disputes through negotiations; where no negotiation is prospective or fails, the trademark registrant or any interested party may file a lawsuit before the People’s Court or request the administrative department for industry and commerce for handling.

Patents

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, last amended on October 17, 2020 and became effective 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》), which was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, “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 20 years, the duration of a patent right for “utility model” is 10 years, and the duration of a patent right for “design” is 15 years, from the date of application. According to the Patent Law, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in compliance with provisions of the relevant international treaty participated by the PRC.

REGULATORY OVERVIEW

In the event that a dispute arises due to a patent being exploited without the prior authorization of the patentee, that is to say an infringement upon the patent right of the patentee, then it shall be settled through consultation involving both parties. In the event that one or both parties are unwilling to submit to consultation, or if the consultation fails, then the patentee or any interested party may initiate legal proceedings in the People’s Court or request the patent administrative department to handle the matter.

In the event that the patent administrative department, when handling the matter, believes the infringement is established, it may order the infringing party to cease the infringement with immediate effect. If the infringing party is not satisfied with the ruling, it may, within 15 days from the date of receiving the notification of the order, initiate proceedings in the People’s Court in accordance with the Law of the People’s Republic of China on Administrative Proceedings. It limits the infringing party neither takes legal action at the expiration of the time limit nor ceases the infringement, the patent administrative department may request from the People’s Court a compulsory execution of the aforementioned order. The patent administrative department may, upon the request of both or either of the parties, conduct mediation in respect of the amount of compensation for the damage caused by the infringement upon the patent right. If the mediation fails, the parties may initiate legal proceedings in the People’s Court in accordance with the Civil Procedure Law of the People’s Republic of China.

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 and last amended on January 30, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

The term “copyright” shall include but not be limited to the following personal rights and property rights: (a) the right of publication, i.e. the right to decide whether or not to make a work available to the public; (b) the right of authorship, i.e. the right to affix one’s name to a work to indicate the author’s identity; (c) the right of revision, i.e. the right to revise one’s work against to revise one’s work; (d) right to preserve the integrity of work, i.e. the right to protect a work from distortion or tampering; (e) the right of reproduction, i.e. the right to make one or more copies of one’s work through such means as printing, photocopying, rubbing, making an audio recording, making a video recording, duplicating a recording, digitization of photographic reproduction, etc.; (f) the right of distribution, i.e. the right to provide the original or reproduction of one’s work to the public by means of sale or gift; (g) the right of rent, i.e. the right to put the original copy or replicas of art works and photographic works on public display; (h) the right of exhibition, i.e. the right to put the original copy or replicas of art works and photographic works on public display; (i) the right of performance, i.e. the right to put up a public performance of a work and publicly broadcast performance of a work through various means; (j) other rights to which a copyright owner is entitled. An author’s rights of attribution, revision and integrity shall continue in perpetuity.

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated on December 20, 2001 and amended on January 8, 2011 and January 30, 2013 and came into force on March 1, 2013, protects the rights and interests of the computer software copyright holders and encourages the development of software industry and information economy. In the PRC, software developed by Chinese citizens, legal persons or other organizations are automatically protected immediately after its development, whether published or not. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. A registration certificate issued by the software registration institution is a preliminary proof of the registered items.

REGULATORY OVERVIEW

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 Ministry of Industry and Information Technology of the PRC (the "MIIT") on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

REGULATIONS RELATING TO LABOUR AND SAFETY

Pursuant 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 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.

The PRC Employment Promotion Law (《中華人民共和國就業促進法》), which became effective on January 1, 2008 and was amended on April 24, 2015, requires that individuals have equal employment opportunities, both in hiring and in employment terms, without discrimination on the basis of ethnicity, race, gender, religious belief, communicable disease or rural residency. Under this Law, enterprises are also required to provide employees with vocational training. Administrative authorities at the county level or above are responsible for implementing policies to promote employment.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》), amended on December 20, 2010 and came into effect on January 1, 2011, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》), implemented on a trial basis on January 1, 1995, the Decisions on the Establishment of a Unified Basic Old-age Insurance Programme for Urban Workers of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》), issued on July 16, 1997, the Decisions on the Establishment of a Unified Medical Insurance Programme for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》), promulgated on December 14, 1998, the Unemployment Insurance Measures (《失業保險條例》), promulgated on January 22, 1999, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated, amended on March 24, 2019 and came into effect on the same date, and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), implemented on July 1, 2011, last amended on December 29, 2018 and came into effect on the same date, enterprises are obliged to provide their employees in the PRC with pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Enterprises must apply for social insurance registration with local social insurance agencies and pay premiums for their employees. If an enterprise fails to pay the required premiums on time or in full amount, the authorities in charge will demand the enterprise to settle the overdue amount within a stipulated time period and impose a daily overdue fine equivalent to 0.05% of the overdue amount. If the overdue amount is still not settled within the stipulated time period, an additional fine with an amount of one to three times the overdue amount will be imposed.

REGULATORY OVERVIEW

Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which became effective on April 3, 1999, as amended on March 24, 2002 and March 24, 2019, a unit (including a foreign investment enterprise) shall undertake the registration with the administrative centre of housing provident funds and pay the funds for their staff. If an employer, in violation of the aforesaid regulations, fails to undertake registration or to open the housing provident funds account for its employees, the administrative centre of housing provident funds will impose an order for completion within prescribed time limit; if such employer further fails to process within the aforesaid time limit, a fine ranging from RMB10,000 to RMB50,000 will be imposed. On the other hand, if a unit, in violation of the aforesaid regulations, fails to pay or to fully pay the housing provident funds, the administrative centre of housing provident funds will impose an order for payment within a prescribed time limit; if such unit still fails to make payment within the time limit, the centre shall have the right to apply for compulsory enforcement in court.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE CONTROL

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment is empowered to establish national environmental quality and emission standards, and to oversee China’s environmental protection framework. Local environmental protection authorities may develop local standards that are more stringent than the national standards. In such cases, relevant enterprises must comply with both the national standards and the more rigorous local standards.

In accordance with the Administrative Measures for Pollution Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on January 10, 2018, which was last amended on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions and other production and operating entities shall be subject to the key administration of pollutant discharge permits, simplified administration and management of pollution discharge registration based on the amount of pollutants generated, pollutant discharge amount, the extent of environmental impacts and other factors. Enterprises, public institutions and other production and operating entities (hereinafter referred to as “Discharge Entities”) that are subject to the administration of pollutant discharge permits as required by law shall apply for and obtain pollutant discharge permits in accordance with the law, and discharge pollutants in accordance with the provisions of the pollutant discharge permits, in which case no pollutant discharge is permitted without a pollutant discharge permit. Enterprises, public institutions and other production and operating entities (hereinafter referred to as “Registered Discharge Entities”) that are required by law to fill in the pollution discharge registration form shall register their pollution discharge on the national pollutant discharge permit management information platform. Discharge Entities shall apply for a pollutant discharge permit from the ecological and environmental department of the local People’s government at or above the municipal level in the region where their production and operation premises are located prior to occurrence of the actual pollution discharge. Registered Discharge Entities shall fill in the pollution discharge registration form on the national discharge permit management information platform prior to occurrence of the actual pollution discharge, and the registration number and return receipt will be generated immediately after their submissions, which will be maintained in their own custody. Registered Discharge Entities shall be responsible for the truthfulness, accuracy and completeness of the reported information. The pollution discharge registration form takes effect from the date when the registration number is received, the effective term of which shall proceed in accordance with the relevant laws and regulations

Environmental Impact Appraisal

Pursuant to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and effective from October 1, 2017, a construction employer shall, based

REGULATORY OVERVIEW

on the environmental impact of the construction project, submit either an environmental impact report, an environmental impact statement, or file a registration form. For construction projects requiring an environmental impact report or statement, the construction employer must submit the respective document to the competent environmental protection administrative department for approval prior to commencement of construction. Where the environmental impact assessment documents have not been lawfully examined and approved by the approval authority, the construction employer is prohibited from commencing construction. Pursuant to 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 last amended on December 29, 2018, any construction project that may have an impact on the environment requires the preparation of either a report, a statement, or a registration form concerning such environmental impacts, with the specific requirement determined by the significance of the potential environmental effects.

Fire Control

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people’s governments shall be responsible for implementation. The fire control design of construction projects must comply with national technical standards for fire control. Construction is prohibited if the fire control design has not undergone statutory examination or has failed such examination. Furthermore, completed construction projects cannot be put into use or operation if they have not passed fire safety inspection or fail to meet fire safety requirements upon inspection. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the MOHURD on April 1, 2020 and effective on June 1, 2020, and amended on August 21, 2023 and effective on October 30, 2023, a fire prevention design examination and acceptance system applies specifically to special construction projects, while other projects are subject to a record-filing and spot check system.

REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, “overseas investment” means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and its provincial counterparts have promulgated regulations stipulating that overseas investments by enterprises shall be subject to either recordation or confirmation management, depending on the specific circumstances of the investment. Overseas investments involving sensitive countries or regions, or sensitive industries, shall be subject to confirmation management. Other overseas investments shall be subject to recordation management. Where an overseas enterprise established through such investment undertakes further overseas reinvestment, the investing enterprise shall report to the competent commerce department upon completion of the relevant overseas legal procedures.

REGULATORY OVERVIEW

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of the 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”) and relevant supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the “Overseas Offering and Listing”), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (a) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (b) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (c) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedures or if the filing documents submitted contain misrepresentation, misleading statements or material omissions, such PRC company may be subject to orders for rectification, warnings, and fines. In addition, its controlling shareholders, actual controllers, the persons directly in charge, and other directly responsible personnel may also be subject to fines.

Pursuant to the Overseas Listing Trial Measures, issuers undertaking overseas offerings and listings are required to fulfill reporting obligations following the occurrence of major post-listing events. Where an overseas offering and listing is classified as an indirect overseas offering and listing by a PRC domestic enterprise, the issuer shall submit a detailed report to the CSRC within three business days after the occurrence and public disclosure of any of the following events: (a) any change in control; (b) being subjected to investigation, sanctions or other regulatory measures by overseas securities regulators or relevant authorities; (c) any change in listing status or transfer between listing segments; or (d) voluntary or compulsory delisting. Besides, where any material change in the issuer’s principal business operations following its Overseas Offering and Listing results in the issuer no longer falling within the scope of the record-filing requirements, the issuer shall submit a special report accompanied by a legal opinion issued by a PRC law firm to the CSRC within three working days after the occurrence of such change, providing a detailed explanation of the relevant circumstances. Pursuant to the Overseas Listing Trial Measures, PRC domestic enterprises conducting Overseas Offering and Listing activities must strictly comply with PRC laws, administrative regulations, and relevant provisions concerning foreign investment, state-owned assets, industry regulation, and outbound investment. Such enterprises shall not disrupt domestic market order, nor shall they compromise national interests, public interests, or the lawful rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (a) formulate its articles of association, improve its internal control system and standardize its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (b) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall

REGULATORY OVERVIEW

not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provisions of personal information and important data.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (a) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (b) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (c) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (d) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (e) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Pursuant to the Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《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》) by Domestic Enterprises jointly promulgated by the CSRC, the National Administration of State Secrets Protection, and the National Archives Administration of China on February 24, 2023, during the overseas securities offering and listing activities of domestic enterprises, the domestic enterprises involved, as well as securities companies and securities service institutions providing corresponding services, must strictly comply with the relevant laws and regulations of the People’s Republic of China and the requirements of these Provisions. They shall enhance the legal awareness regarding the protection of state secrets and the strengthening of archives administration, establish and improve systems for confidentiality and archives work, adopt necessary measures to fulfill their responsibilities for confidentiality and archives management, and shall not divulge any state secrets or work secrets of state organs, nor harm national or public interests. If a domestic enterprise, either directly or through its overseas listed entity, provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals any documents or materials that involve state secrets or work secrets of state organs, it shall, according to the law, report to the competent authorities with the power of examination and approval for approval and file a record with the administrative department for secrecy protection at the corresponding level.

H-share Full Circulation

“Full circulation” means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (the “Guidelines for the Full Circulation”), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing

REGULATORY OVERVIEW

procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

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

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for “Full Circulation” of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》), which were subsequently amended on June 2025 with the revised version taking effect on June 30, 2025, and which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On September 20, 2024, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股“全流通”業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

BUSINESS

OVERVIEW

Who We Are

We are a global leader in the provision of vehicle articulation systems. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, according to Frost & Sullivan. Our products provide technological support for the electrification and intelligentization upgrade of transportation equipment, delivering reliable articulation systems for commercial operations in public transit and specialized vehicles.

During the Track Record Period, we primarily generated revenue from sales of vehicle articulation systems, including (i) sales of VAS products and (ii) sales of windshield systems, which showed an increasing trend. For the year ended December 31, 2025, our revenue from vehicle articulation systems amounted to RMB203.3 million, representing 91.5% of our revenue, which was primarily driven by strong and rising demand for our vehicle articulation systems in both domestic and overseas markets in 2025. In 2025, we had tapped into the production and sale of TMS for new energy sector and generated revenue of RMB3.7 million. We also generated revenue from certain other sources, including sales of other industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

During the early development of urban public transportation and BRT systems in the Chinese mainland, vehicle articulation systems, being the core component affecting vehicle safety and operational reliability, had long been monopolized by several overseas manufacturers. The industry faced widespread challenges including high procurement costs, lengthy delivery cycles, and inadequate localized service responses. Addressing these industry pain points, we successfully developed and industrialized a vehicle articulation system with proprietary intellectual property rights, achieving domestic substitution for this critical technology in the Chinese mainland. Leveraging deep understanding of diverse application scenarios, a comprehensive product portfolio covering all vehicle types, and flexible, efficient production and delivery models, we rapidly established a leading position in the domestic market in the Chinese mainland with significant technical barriers and strong market presence.

As transportation equipment continues to evolve toward electrification and intelligentization, leveraging nearly 18 years of engineering experience, technological accumulation, and a solid customer base, we have strategically extended our core capabilities into TMS for new energy sector. We are one of the few providers of TMS for commercial vehicles in China that possess core technologies for BEC-TMS. We will pursue the dual-wheel drive (雙輪驅動) development strategy of securing overseas growth with vehicle articulation systems and expanding revenue potential with TMS for new energy sector, forming a clear and balanced long-term growth structure. See “— Development Strategies.”

BUSINESS

Leveraging nearly 18 years of industry expertise, we have accumulated substantial technological capabilities and brand recognition, backed by an outstanding track record:



No. 2 globally

We were the second largest vehicle articulation system manufacturer in the world in terms of revenue in 2025



Pioneering articulation in global transit

We had achieved the highest global sales of vehicle articulation systems for ART — one of the world’s most advanced smart rail transit systems — in 2025



Extensive coverage

Offering articulation systems for all types of articulated vehicles, we achieved full coverage of all major articulated bus manufacturers in the Chinese mainland



One of the few companies

We are one of the few companies in the Chinese mainland that possess core technologies for BEC-TMS for commercial vehicles

Stable and High-Quality Customer Base

We have established long-term, stable partnerships with mainstream vehicle manufacturers and transportation operators in China and overseas. As of the Latest Practicable Date, we had achieved full coverage of all major articulated bus manufacturers in the Chinese mainland and continuously cooperated with 26 globally renowned bus industry clients, forming a customer network spanning multiple countries and regions. Among the 26 globally renowned bus industry clients, our vehicle articulation system products achieved a repurchase rate exceeding 80%, demonstrating the high level of trust and sustained recognition earned through our technical reliability, product consistency and delivery stability.

Exclusive Core Technologies and Engineering Capabilities

Through long-term dedication to the transportation equipment sector, in engineering practice, we have accumulated vast operational data, scenario-based application experience and systematic proprietary intellectual property. We have built a dynamic technological barrier with continuous evolutionary capabilities.

We are among the world’s few suppliers of vehicle articulation systems possessing the following core technological capabilities, which collectively form highly secure and reliable system-level solutions, establishing significant technological barriers to other potential players in the market:

- in-house R&D and mass production capabilities for articulation mechanisms, hydraulic systems, and windshield systems;
- proportional electro-hydraulic control technology;
- in-house R&D for ACU attitude sensing algorithms with mass production capabilities for both hardware and software; and

BUSINESS

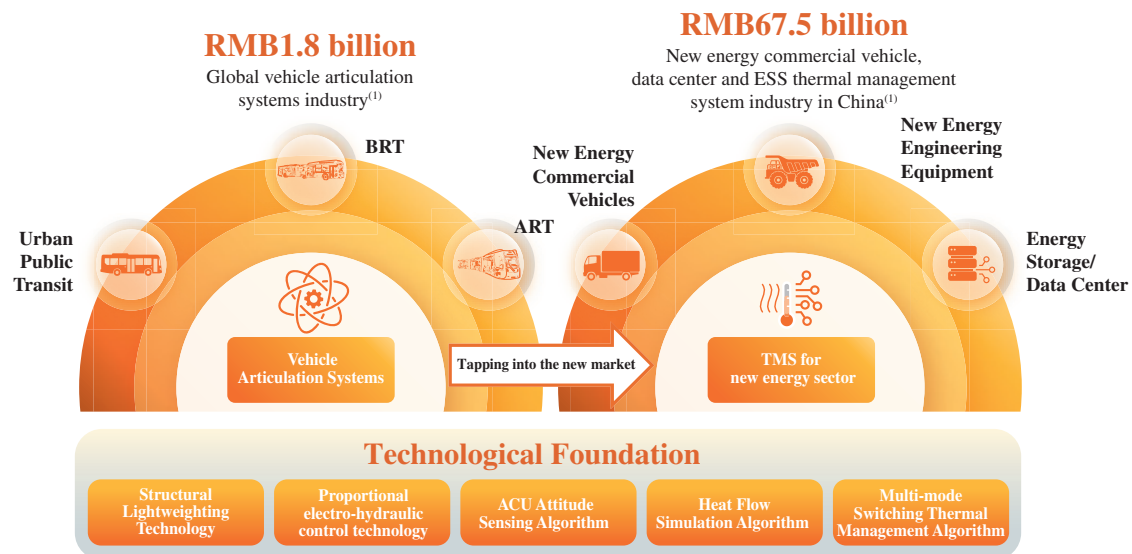
- proprietary structural lightweighting technology.

We have also developed a multi-mode thermal management control algorithm with dynamic mode switching. Based on “gas-liquid-solid” multiphase thermal-flow simulation algorithm, we designed proprietary heat dissipation structures and heat transfer isolation solutions. This has established technological barriers for our TMS for new energy sector, laying the foundation for commercial implementation.

Capturing Global Market Opportunities With Diverse Application Scenarios

According to Frost & Sullivan, the global market size for the transportation equipment system industry reached RMB3.6 trillion in 2025. In recent years, the global vehicle articulation systems industry has maintained steady growth driven by accelerating urbanization and rising public transit demand. In terms of revenue, the global market size for the vehicle articulation systems industry expanded from RMB1,078.6 million in 2021 to RMB1,758.2 million in 2025, achieving a CAGR of 13.0%. Looking ahead, accelerated urbanization in emerging markets such as Southeast Asia and Latin America will drive substantial demand for vehicle articulation systems through infrastructure expansion and public transport modernization. The market size of global vehicle articulation systems industry is projected to reach RMB4,717.7 million by 2030, with a CAGR of 21.8% from 2025 to 2030.

In China, high procurement costs and delayed service responses have long constrained the development of high-capacity public transit equipment. Leveraging nearly 18 years of continuous R&D and commercial deployment, our low-maintenance, cost-effective vehicle articulation systems have progressively replaced foreign brands. Our vehicle articulation systems have been installed in over 10,000 vehicles, with a cumulative operational mileage exceeding 8 billion kilometers, and are widely deployed in urban public transit, BRT, ART, and light rail systems, serving as a critical component for high-capacity public transportation equipment. Amid the growth of the global transportation industry, our core products have been integrated into the supply chains of leading vehicle manufacturers as key systems for electrified and intelligent vehicle models, supporting the scaled expansion of our overseas business and laying the foundation for us to seize global market growth opportunities. As of the Latest Practicable Date, our TMS for new energy sector have been applied to transportation equipment and are expected to be applied to high-heat-density scenarios for infrastructure such as energy storage and data centers.



Notes:

- (1) Market size in terms of revenue in 2025 in the Chinese mainland.

BUSINESS

Expansion of Our Business to the International Market

The global articulated bus industry, historically dominated by a few European and American enterprises controlling core powertrains and vehicle integration, is undergoing profound restructuring driven by the maturation and scale-up of electric propulsion systems. Unlike traditional fuel-based systems, electrification introduces distinct structural complexities, technological pathways and supply chain synergies, creating competition opportunities for Chinese bus and chassis manufacturers. Chinese electric articulated buses and chassis exports have grown at a CAGR of over 20% from 2021 to 2025, gaining traction in overseas high-capacity public transit due to superior cost-performance, reliability and integration — providing favorable conditions for our vehicle articulation systems’ global promotion.

Leveraging diversified export channels — including integration with Chinese vehicle manufacturers’ vehicle and chassis exports as well as direct sales to overseas vehicle manufacturers — our vehicle articulation systems are accelerating globalization, transitioning from product exports to technological embedment in international markets. Capitalizing on this window from China’s bus electrification and internationalization, we expect scaled overseas penetration and expansion of our products with proven quality, modularity, safety, stability and maturity. Our overseas expansion will follow a project-driven, demonstration-led and steady progression principle.

Our Path Forward

We will pursue a dual-wheel drive (雙輪驅動) development strategy, strengthening growth certainty through the global expansion of our vehicle articulation systems while leveraging TMS for new energy sector as the second growth curve to unleash growth potential. Vehicle articulation systems represent our mature business with proven large-scale commercialization, forming the core of current operating performance and cash flows. We will target regions with concentrated overseas vehicle manufacturers and public transit customers, advancing market penetration while building localized capacity to enhance delivery efficiency, service responsiveness, and reduce cross-border logistics costs and lead times. Our TMS for new energy sector is pioneering in new energy commercial vehicles and engineering machinery. Positioned as our key new track, sustained R&D and iteration of our TMS for new energy sector will drive commercialization, fostering fresh growth engines.

COMPETITIVE STRENGTHS

Leading and renowned vehicle articulation systems provider, favorably positioned to capture future market opportunities

We are a key player in the electrification and intelligentization of transportation equipment, with business spanning vehicle articulation systems and TMS for new energy sector, establishing strong market influence within transportation equipment systems. According to Frost & Sullivan, we ranked among the world’s few leading vehicle articulation system enterprises. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, demonstrating our leadership and prominent brand reputation in the vehicle articulation system industry. In terms of revenue in 2025, we were the fastest-growing vehicle articulation system brand among the top three players in the world. We are favorably positioned to capture opportunities in the fast-growing vehicle articulation system market and solidify our market position.

Leveraging our leadership across these application domains, our brand has gained widespread industry recognition. We have been designated as National High and New Tech Enterprise, Jiangsu Specialized and New “Little Giant” Enterprise, Suzhou Industrial Design Center, Suzhou Export

BUSINESS

Famous Brand Product and Suzhou Well-Known Trademark. We have been awarded the Suzhou Science and Technology Progress Award, the China Urban Passenger Transport Enterprise Credit Product Award and the China Road Transport Cup — Best Bus Component Award.

Comprehensive and proprietary core technologies establishing system-level technical barriers

As a leader in core transportation equipment technologies, years of dedicated development have established our core capabilities and technical barriers in vehicle articulation systems and TMS for new energy sector.

In the field of vehicle articulation systems, we have developed a system-level solution integrating structural lightweighting technology, ACU attitude sensing algorithms, proportional electro-hydraulic control technology, and control coordination. This addresses the operational demands of high-capacity public transport vehicles under heavy loads, frequent steering and complex operating conditions. We master core technologies including mechanics optimization (力學優化) of articulated structures, kinematic and dynamic modeling, durability design of critical components and system-level coordinated control. This enables us to significantly enhance vehicle safety and operational reliability while ensuring manoeuvrability and stability. These technologies require long-term operation under real-world conditions with continuous optimization, exhibiting high engineering complexity and system coupling characteristics, which could not be easily replaced by standardized components or short-term technical accumulation, forming substantial technical barriers.

As of the Latest Practicable Date, we held 105 authorized patents in the Chinese mainland and overseas, including 52 invention patents, 51 utility model patents and two design patents. We maintain a well-structured, experienced technical team whose core members possess deep expertise in transportation equipment. We emphasize interdisciplinary collaboration and closed-loop engineering, establishing a feedback mechanism spanning R&D, testing, validation and operational data to continuously enhance product maturity and reliability.

Broad customer coverage and strong loyalty, driving sustainable performance growth

Through years of dedicated work in the global transportation equipment system sector, we have established long-term, stable partnerships with leading enterprises worldwide. In 2023, 2024 and 2025, our revenue derived from the Chinese mainland accounted for 63.8%, 73.5% and 73.8%, respectively; and our revenue derived from overseas accounted for 36.2%, 26.5% and 26.2% of our revenue, respectively.

Domestic Market. We have established cooperative relationships with renowned domestic bus manufacturers in the Chinese mainland, maintaining our position in their supply chains. Benefiting from the rapid growth in Chinese bus exports and our stable domestic partnerships, we have secured a steady stream of orders from domestic bus manufacturers. Our domestic customers have incorporated our vehicle articulation systems as critical components of their vehicle products, which are exported to over 20 countries and regions including Europe, South America, Africa, and Asia.

Overseas Markets. We actively expand into international markets. As of the Latest Practicable Date, our products had been successfully exported to regions including Europe, Asia and South America. Overseas revenue accounted for over 26% of our total revenue in 2025. Our market share overseas continues to grow. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, according to Frost & Sullivan. Utilizing our deep understanding of the technical standards and usage habits of different markets, we provide customized solutions that meet local requirements, successfully entering technically demanding overseas markets and demonstrating our products' international competitiveness. As of the Latest Practicable Date, we had maintained continuous cooperation with 14 internationally renowned bus industry clients and secured qualification as a supplier for 26

BUSINESS

globally renowned bus industry clients. We primarily adopt an Ex Works delivery model, where customers arrange their own transportation and bear all associated costs and risks, reflecting our strong position within the industrial chain.

Alongside our global market expansion, our product performance and service capabilities have fostered strong customer loyalty. Numerous traditional fuel-powered articulated bus manufacturers accumulated during our operational history continue to steadfastly choose our vehicle articulation systems amid the rapid evolution of new energy technologies. This strong customer loyalty underpins our sustained performance growth and increasing order volumes. Among the 26 globally renowned bus industry clients we have cooperated with, our vehicle articulation system products achieved a repurchase rate exceeding 80%.

We continuously enhance our global after-sales service system. We are in the process of establishing a service network covering major international markets and assembling a professional technical support team. This ensures timely responses to diverse customer needs, elevating satisfaction while strengthening customer loyalty.

Comprehensive product matrix and thorough performance validation for rapid responses to diverse demands

We possess outstanding product development capabilities. Through a comprehensive product portfolio, exceptional performance and customized services, we meet the diverse needs of transportation equipment clients.

We have established a comprehensive product portfolio of vehicle articulation systems. This allows us to tailor articulation systems to different vehicle types, operating environments, and customer requirements, ensuring suitable products for diverse client needs. Our products cover diverse vehicle types including urban buses, BRT systems and ART vehicles. We are one of the few brands offering articulation systems for all types of articulated vehicles. This diversified product portfolio enables us to provide complete articulation system solutions for urban public transportation.

Our vehicle articulation systems deliver outstanding performance with industry-leading adaptability, high load capacity, lightweight design and low-maintenance operation. Our products meet operational demands across diverse regions and user entities, performing exceptionally in all climatic conditions. For frigid regions, we developed low-temperature adaptation solutions ensuring reliable operation at -40°C. For high-temperature/humidity areas, specialized heat dissipation solutions guarantee reliability at 85°C. For high-altitude environments, we designed unique sealing and pressure-balancing systems. This multi-scenario capability enables our products to serve public transportation worldwide. Our vehicle articulation systems utilize novel specialty materials and lightweight technologies, achieving approximately 21% weight reduction while maintaining equivalent load-bearing capacity. Making use of our proportional electro-hydraulic control technology, our products deliver low-maintenance performance. For example, a renowned Chinese vehicle manufacturer's ART system incorporated our IK69 series vehicle articulation system, which facilitated smooth operation of ultra-long multi-section buses formations while meeting vehicle turning radius requirements.

In order to adapt to evolving customer needs, we continuously iterate and innovate our products. We have established a robust product iteration mechanism to continuously enhance the performance of our vehicle articulation systems. From the initial IK19 series to the latest IK69 series, our products have achieved significant advancements in key metrics such as weight reduction, reliability and service life. Compared to earlier models, the new generation achieves an over 30% weight reduction and an over 60% increase in maximum static load capacity, better meeting modern public transportation demands for safety, reliability and total lifecycle cost optimization.

BUSINESS

Scalable manufacturing and supply chain capabilities

We possess highly efficient mass production capabilities, with self-developed and self-produced core components ensuring autonomy and control. Through a meticulous supply chain management system and a comprehensive quality control system, we have established strong advantages in both quality and cost.

Efficient Production and Manufacturing Capabilities. As of December 31, 2025, our Suzhou production facilities spanned 15,272 sq.m., housing comprehensive production and testing capabilities from precision machining of core components to assembly of complete systems. Specializing in precision component machining and power electronics assembly, our workshops produce vehicle articulation systems with a designed production capacity of 1,800 units in 2025. The production cycle of our vehicle articulation systems, from order placement to inspection and storage, is typically around 30 days, which is below the industry average.

Core Component Self-Reliance. We have established a highly autonomous R&D and manufacturing system centered on critical systems and core components. We possess independent design and manufacturing capabilities for key hardware and software, including precision components, hydraulic systems, hinge mechanisms, windshield systems, ACU attitude sensing modules and new energy thermal management modules. This enables end-to-end self-reliant manufacturing — from conceptual design and engineering development to prototype validation and mass production. By independently controlling key technological pathways and core manufacturing processes, we effectively ensure product performance stability and reliability, enhance system integration efficiency and rapid iteration capabilities, and establish formidable technical and manufacturing barriers. This provides a solid foundation for our core competitiveness.

Refined Supply Chain Management System. As of the Latest Practicable Date, we had established a comprehensive global supply chain system, maintaining close cooperative relationships with 87 suppliers worldwide. Through meticulous management and sustained collaboration, we have built a solid foundation of trust with upstream suppliers, ensuring consistent raw material quality and timely delivery.

Comprehensive Validation and Quality Control System. We have implemented TS16949, ISO22163, ISO9001, and ISO14001 quality and environmental management systems, with our products certified under the EU E-MARK standard. Utilizing advanced laboratories and testing equipment, we conduct comprehensive product validation, achieving digital management and control throughout the production process to ensure consistent and stable product quality.

Leveraging close supplier partnerships, technological innovation, and efficient large-scale production, we have achieved intensive raw material procurement, enhanced production efficiency, and effectively reduced material costs per unit. Benefiting from China’s comprehensive and efficient industrial chain system, we have gained significant production cost advantages over international competitors, which further enhances our competitiveness and provides our products with a strong cost advantage.

Stable management and technical team with sustained innovation and commercialization capabilities

Our management and operations team possesses keen industry insight, deep technical expertise and a global perspective. The core management team brings over 20 years of extensive industry experience, enabling them to navigate market trends and drive technological and product evolution. This leadership possesses transferable expertise in strategic planning, R&D, supply chain management and customer development.

BUSINESS

Mr. Hao Qingjun (郝慶軍), our founder, controlling shareholder and chairman of our Board of Directors, brings over 36 years of experience in the transportation equipment sector. With a global perspective and extensive international commercial vehicle industry resources, he is the primary driver of our long-term strategic direction and core technology development. Mr. Hao has long focused on critical systems within transportation equipment. During the early rapid development phase of China’s BRT systems and high-capacity public transit systems, he recognized the pivotal role of vehicle articulation systems as core safety components for overall vehicle performance. He spearheaded the strategic development and independent R&D of related key technologies, establishing our leading market position in this field. With the accelerated development of new energy transportation equipment, Mr. Hao further extended our existing engineering capabilities into the field of TMS for new energy sector. He built a comprehensive technical platform covering key vehicle systems, enabling our continuous expansion across multiple application scenarios.

Mr. Ma Chunbo (馬春波), our deputy general manager of technology, possesses over 30 years of experience in R&D and engineering management for critical transportation equipment systems. He has long focused on technological innovation and engineering applications for vehicle articulation systems. Mr. Ma led the development of the ART articulation system, dual-ball joints and lightweight articulation product series, driving their large-scale adoption. During the R&D process, his team overcame key engineering challenges by designing lightweight articulated structures that meet stringent load-bearing and safety requirements, and achieving high airtightness in windshield systems under complex steering and vibration conditions. These breakthroughs significantly enhanced product safety, reliability, and lifecycle economics. These technological achievements have become integral components of our vehicle articulation system products, providing robust support for maintaining our technological competitiveness in high-capacity public transportation systems.

Mr. Niu Zhen (鈕震), our executive Director and deputy general manager of technology, possesses nearly two decades of technical expertise in power electronics and fluid/thermal management. He has long been engaged in R&D and engineering management for key systems in new energy commercial vehicles. Mr. Niu accurately grasps the development trends of thermal management technology for new energy commercial vehicles, leading the construction of our overall technical architecture of TMS for new energy sector and leading the formulation of product technology roadmaps. During the R&D process, his team achieved breakthroughs in overcoming technical challenges related to the BEC-TMS’s coordination of multiple heat sources and complex operating conditions. The resulting technological achievements have been successfully applied in new energy commercial vehicles and specialized equipment.

Under the leadership of our core management team, we have built a team with extensive management and technical expertise in transportation equipment and new energy-related fields, covering key positions in R&D, operations, marketing and business strategy. We emphasize professional development and mid-to-long-term incentives. Through standardized R&D processes, project management systems, and talent pipeline development, we continuously enhance team execution and stability, providing robust talent support for sustained business growth.

DEVELOPMENT STRATEGIES

Leveraging our long-term accumulation in core technologies, engineering capabilities, and commercial applications, we will steadily advance our medium-to-long-term development strategy across five key directions: international market expansion, technological iteration leadership, scenario-based depth expansion, talent team building and smart manufacturing upgrades. This approach will continuously broaden our competitive advantages and establish enduring competitive barriers.

BUSINESS

Adhering to the Path of International Development to Seize Long-Term Overseas Opportunities

We position internationalization as one of our core mid-to-long-term strategies. We are transitioning from “multiple project-based overseas expansion” to “systematic international business.” In 2023, 2024 and 2025, our revenue derived from the Chinese mainland accounted for 63.8%, 73.5% and 73.8%, respectively; and our revenue derived from overseas accounted for 36.2%, 26.5% and 26.2% of our revenue, respectively. Our overseas expansion strategy mainly consists of the following initiatives:

- ***Establishing an International Marketing Matrix to Enhance Global Market Coverage.*** We continuously advance the construction of an international marketing matrix system centered on key overseas markets. By combining regional market segmentation with deep cultivation of key clients, we are progressively forming a market expansion network covering key regions such as South America, Southeast Asia, Central Asia and Europe. At the implementation level, we expect to achieve this initiative through (i) establishing regional market manager mechanism, (ii) strengthening collaborations with overseas vehicle manufacturers, public transport operators and system integrators, and (iii) enhancing local market insight and project acquisition capabilities. We will continuously improve response efficiency and customer retention in overseas markets to lay the groundwork for sustained expansion of core products.
- ***Building an International Talent Pool to Strengthen Overseas Business Foundations.*** We place high priority on building an international talent system, which is a critical pillar for the sustainable development of our overseas business. On one hand, we continuously recruit professionals with international market experience to fill key positions in market expansion, project management, engineering technology, and after-sales service. On the other hand, we promote the effective replication of core technologies and management expertise within overseas teams through internal development and cross-regional collaboration. By building a multi-tiered, versatile international talent pool, the Company is progressively developing organizational capabilities aligned with overseas business growth, enhancing cross-cultural and cross-regional project execution and collaboration.
- ***Enhancing Overseas After-Sales Service Systems to Support Long-Term Operational Needs.*** To enhance operational support for overseas projects, we are concurrently advancing the construction of international after-sales service networks. We will develop an after-sales management system, including system setup and internal training. By establishing online after-sales service channels, we can more efficiently support overseas customers’ daily operational and maintenance needs, shorten fault response times, and elevate overall customer satisfaction.

As our overseas business expands, we will progressively refine our after-sales service system across major markets. We plan to recruit after-sales personnel with professional technical skills and service experience to support worldwide after-sales service requirements. This will establish long-term service capabilities aligned with product delivery, enhancing the sustainability of our overseas business and strengthening customer loyalty.

We intend to apply approximately [REDACTED] of the [REDACTED] from the [REDACTED] to finance this strategy. The remainder will be funded by our internal resources. See “Future Plans and [REDACTED] — [REDACTED]” for details.

BUSINESS

Expanding Application Scenarios and Market Boundaries

Leveraging existing technological capabilities and customer bases, we will continuously broaden product application scenarios to build diversified growth trajectories.

For our vehicle articulation systems, while consolidating our strengths in existing applications such as BRT and ART, we will actively expand into new domains of transportation equipment system. This includes deploying high-capacity buses within urban multi-dimensional transportation networks and extending smart rapid transit lines to meet the demands for intensive and intelligent urban transportation development.

For our TMS for new energy sector, while deepening our expertise in transportation equipment, we will fully extend into high-heat management scenarios for infrastructure such as energy storage and data centers. We will develop integrated thermal management solutions tailored to different application environments, cultivating new growth drivers.

We intend to apply approximately [REDACTED] of the [REDACTED] from the [REDACTED] to finance this strategy. The remainder will be funded by our internal resources. See “Future Plans and [REDACTED] — [REDACTED]” for details.

Building a Professional Talent System to Strengthen Long-Term Development Foundations

Talent is the core driving force behind our long-term development. We will continuously refine our talent strategy to build a multidisciplinary team with professional expertise and an international perspective. Focusing on core domains such as vehicle engineering, power electronics, and new energy thermal management, we expect to attract high-end technical talent with engineering experience through market-driven incentive mechanisms. Through internal incubation mechanisms and mid-to-long-term incentive arrangements, we will cultivate core personnel with business acumen and market expansion capabilities, enhancing the organization’s sustained innovation capacity.

We intend to apply approximately [REDACTED] of the [REDACTED] from the [REDACTED] to finance this strategy. The remainder will be funded by our internal resources. See “Future Plans and [REDACTED] — [REDACTED]” for details.

Continuous Technology Iteration to Build the Core Technological Edge

We regard technological innovation as the core driver of long-term development. Through high-frequency, precision-driven product iterations, we continuously widen the technological gap with competitors. Our technology iteration strategy mainly consists of the following initiatives:

- ***Establishing a Rapid Iteration Mechanism Driven by Market Demand.*** By accumulating data through multiple channels — including frontline customer feedback, overseas market validation, and extreme condition testing — we have established a closed-loop mechanism of “demand-R&D-validation-optimization.” This enhances the alignment between technological development and real-world application scenarios.
- ***Continuously Optimizing Product Performance and System Capabilities.*** Adhering to the R&D philosophy of “developing one generation while pre-researching the next,” we focus on two core areas: vehicle articulation systems and TMS for new energy sector. We continuously advance R&D efforts in key directions such as new material applications, lightweight structural design, electro-hydraulic integrated architectures with active sensing and control capabilities, function integration, and energy efficiency enhancement, steadily improving the comprehensive performance of our products in terms of safety, reliability, and full-lifecycle economics.

BUSINESS

- ***Exploring Industry-Academia-Research Collaborative Innovation.*** We will explore collaborations with national research institutes and universities worldwide. Through joint R&D platforms and collaborative technical breakthroughs, we plan to integrate our technological achievements to accelerate the industrialization of research outcomes, ensuring the advanced nature of our core technologies.

We intend to apply approximately [REDACTED] of the [REDACTED] from the [REDACTED] to finance this strategy. The remainder will be funded by our internal resources. See “Future Plans and [REDACTED] — [REDACTED]” for details.

Upgrading the Smart Manufacturing System to Enhance Scalable Delivery Capabilities

To support sustained business expansion, we will continuously optimize our manufacturing system and digital capabilities. By adding specialized production lines, recruiting production managers with advanced manufacturing expertise and cultivating a multi-skilled workforce, we will establish a flexible production system to elevate overall production capacity for key products.

We will introduce advanced precision machining, assembly, and testing equipment to implement data-driven management throughout the production process, thereby improving efficiency and quality stability. We will continuously advance our digital infrastructure through integrating core business data across procurement, R&D, production, and sales to enhance R&D decision-making, quality control, and market demand forecasting capabilities.

We intend to apply approximately [REDACTED] of the [REDACTED] from the [REDACTED] to finance this strategy. The remainder will be funded by our internal resources. See “Future Plans and [REDACTED] — [REDACTED]” for details.

OUR BUSINESS MODEL

We are a global leader in the provision of vehicle articulation systems. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, according to Frost & Sullivan.

We design, develop, manufacture and sell a diverse and expanding portfolio of vehicle articulation systems to cater to the distinct and evolving needs and preferences of our customers in both the domestic and overseas markets. During the Track Record Period, we primarily generated revenue from (i) sales of VAS products comprising the articulation turntable and its associated windshield system, available as either complete sets or individual components to meet customers’ requirements; and (ii) sales of windshield systems, which are offered as standalone products for specialized applications.

We have strategically expanded into the thermal management sector with the development of TMS for new energy sector. Our BEC-TMS integrates thermal control for the battery, electric drive, and cabin. It is currently deployed in engineering equipment applications such as mining equipment. In 2025, we had generated revenue of RMB3.7 million from the sale of TMS for new energy sector. We also derived revenue from other sources, including sales of other industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

BUSINESS

The following table sets forth a breakdown of our revenue by product/service category, in absolute amounts and as percentages of total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Vehicle articulation systems						
– VAS products	80,847	61.1	73,129	51.6	188,646	84.8
– Windshield systems	8,217	6.2	53,556	37.9	14,694	6.7
Subtotal	89,064	67.3	126,685	89.5	203,340	91.5
TMS for new energy sector . .	–	–	–	–	3,717	1.7
Others ⁽¹⁾	43,241	32.7	14,938	10.5	15,273	6.8
Total	132,305	100.0	141,623	100.0	222,330	100.0

Note:

- (1) Primarily consists of sales of industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

We have achieved significant growth and profitability. Our revenue increased by 7.0% from RMB132.3 million in 2023 to RMB141.6 million in 2024, and further increased by 57.0% to RMB222.3 million in 2025. Our profit for the year increased by 9.6% from RMB25.5 million in 2023 to RMB28.0 million in 2024, and further increased by 139.3% to RMB66.9 million in 2025.

We have experienced consistently strong and rising demand for our vehicle articulation systems, as reflected in the increase in our sales volumes during the Track Record Period, primarily due to (i) the continued expansion of China’s bus export industry; (ii) our overseas marketing initiatives in regions such as Eastern Europe, Central Asia and South America, which have contributed to increased international sales; and (iii) our commitment to continuous product innovation, which has enabled us to deliver solutions that combine innovative value with cost-efficiency.

OUR PRODUCTS

Vehicle Articulation Systems

Our Group is a comprehensive solution provider specializing in the integrated design, R&D, production and sale of vehicle articulation systems. In 2023, 2024 and 2025, our revenue from vehicle articulation systems segment amounted to RMB89.1 million, RMB126.7 million and RMB203.3 million, representing 67.3%, 89.5% and 91.5% of our revenue, respectively. This significant increase during the year ended December 31, 2025 was primarily driven by strong and rising demand for our vehicle articulation systems in both domestic and overseas markets in 2025.

BUSINESS

Our vehicle articulation system comprises the articulation turntable and the windshield system as its main components. This system connects the front and rear compartments of multi-section passenger vehicles, serving as a critical component for driving safety and handling stability. The articulation turntable system is installed between the front and rear chassis of the vehicle, undertaking critical functions such as vehicle steering, force transmission and coordinated attitude control, which involves the application of technologies in the fields of mechanical engineering, materials science, control theory, fluid mechanics and data science. Its ultimate goal is to create a system that is both “solid as a rock” and “flexible as a joint,” achieving a perfect balance between dynamic complexity, structural reliability and comfort throughout the vehicle’s entire lifecycle. The windshield system serves as a flexible connection unit between the front and rear vehicle compartments, designed to achieve vehicle-wide sealing, safety protection and coordinated movement.

We have an extensive product portfolio of vehicle articulation systems that integrate hydraulic and electronic control components into the mechanical framework, which can actively adjust angle limits, self-centering, and damping in response to variables such as vehicle speed, steering input, load conditions, and road surface state. To meet the vehicle weight requirements of new energy articulated buses, we have developed the lightweight articulation system. To address the load requirements of the articulation system under vehicle overloading conditions, we have pioneered the development of the three-spherical-hinge articulation system. Our articulation systems have been widely applied in passenger transit fields such as urban public transport, BRT and ART.

Our vehicle articulation systems possess the following performance advantages and characteristics:

- Low-maintenance, high reliability, and high load-bearing capacity.
- Coverage of all public transit vehicle types, including urban buses, BRT, ART and railway vehicles.
- Provision of comprehensive end-to-end solutions and technical support regarding the application of articulation systems for bus manufacturers.

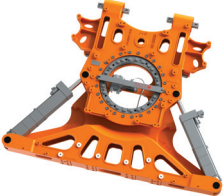
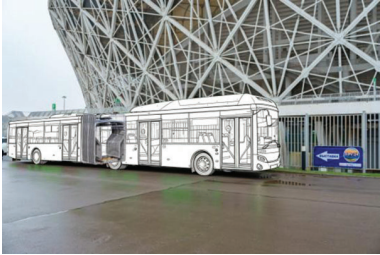
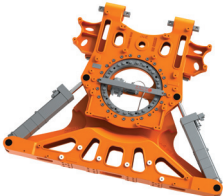
During the Track Record Period and up to the Latest Practicable Date, our vehicle articulation systems had been sold in China and overseas, as well as passed rigorous performance and fatigue testing and obtained multiple certifications and approvals from internationally authoritative certification bodies, such as EMC certification, EU CE certificate and E/e-Mark certification. As a testament to the stability and safety of our vehicle articulation systems, according to Frost & Sullivan, the world’s first ART and SRT have adopted our IK69 series articulation system, effectively satisfying the turning radius requirements of ultra-long multi-section passenger vehicles.

VAS products

VAS products, comprising the articulation turntable and its associated windshield system, are available for purchase either as complete sets or as separate components according to customers’ needs. During the Track Record Period, our revenue from VAS products was primarily derived from sales of such complete sets. In 2023, 2024 and 2025, the sales volumes of our vehicle articulation systems as complete sets were 618 units, 595 units and 1,351 units, respectively. During the Track Record Period, the selling prices of our vehicle articulation systems were generally in the range of approximately RMB110,000 to RMB190,000 per unit.

BUSINESS

The following table sets forth the product pictures, application scenarios and descriptions of major product series available under our VAS products.

Our products	Application scenario	Description
<i>VAS products for buses (公交車輛)</i> 18-meter and 27-meter Bus Articulation System (Model IK29B) 	 The articulation system is engineered for deployment on 18-meter and 27-meter rear-drive articulated buses operating across a broad range of urban and suburban transit environments. Typical application scenarios include BRT, intercity express routes, airport shuttle services and high-density urban corridors.	This product is designed for 18-meter rear-drive articulated buses, suitable for articulated buses with floor heights ranging from 380 to 1,200 mm. It is also compatible with 27-meter articulated buses where both the second and third sections feature single-axle configurations. The product offers high load-bearing capacity and reliability, with a maximum static load of 35 kN. Equipped with an electro-hydraulic multi-damping or a proportional control hydraulic system, it ensures safe and stable vehicle operation.
18-meter Bus Articulation System (IK29HL Lightweight Model) 	 The articulation system is engineered for deployment on 18-meter rear-drive articulated buses operating across a broad range of urban and suburban transit environments. Typical deployment scenarios include metropolitan BRT networks, intercity express routes, airport shuttle services and high-density urban corridors.	This product is designed for 18-meter rear-drive articulated buses, serving as the optimal lightweight solution for low-floor articulated buses with a floor height of 380-400 mm. It offers high load-bearing capacity and reliability, supporting a maximum static load of 35 kN while weighing only 558 kg. Equipped with an electro-hydraulic multi-damping or a proportional control hydraulic system, it ensures safe and stable vehicle operation.

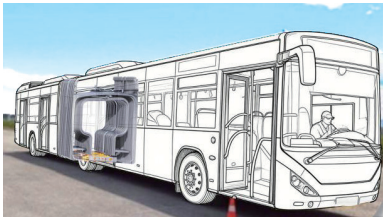
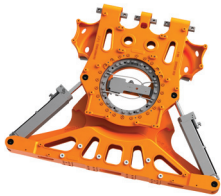
BUSINESS

Our products

Application scenario

Description

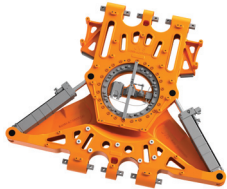
18-meter Bus Articulation System (Ik29BE Heavy-Duty)



The articulation system is engineered for deployment on 18-meter rear-drive articulated buses operating across a broad range of urban and suburban transit environments. Typical deployment scenarios include metropolitan BRT networks, intercity express routes, airport shuttle services, and high-density urban corridors.

This product is designed for 18-meter rear-drive articulated low-floor buses. Featuring high load-bearing capacity with a maximum static load of 50 kN, it is primarily used for articulated buses with heavier curb weights, such as pure electric models. Equipped with an electro-hydraulic multi-damping or a proportional control hydraulic system, it ensures smooth, safe, and reliable vehicle operation.

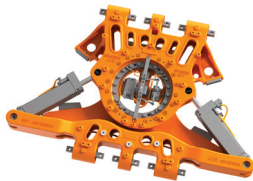
ART Articulation System (IK69B Type)



The product is engineered for deployment on 32-meter and 35-meter ART along dedicated or semi-dedicated urban corridors, providing metro-comparable capacity without requiring conventional rail infrastructure.

This product is designed for 32-meter or 35-meter ART, consisting of three or four carriages connected via articulated systems, with each adjacent pair of carriages equipped with one set of the systems. The articulation distance of this system is 1800 mm, with a minimum floor height achievable at 380 mm. The product boasts high load-bearing capacity, supporting a maximum static load of 35 kN. Both front and rear ends feature ball joints, ensuring operational flexibility. Equipped with a proportional control hydraulic system, the articulation system delivers smooth, safe, and reliable vehicle operation.

SRT Articulation System (IK69S Short Articulation Type)



This product is designed specifically for deployment on 32-meter and 35-meter SRT vehicles operating within dedicated or semi-dedicated urban corridors, capable of providing metro-comparable capacity without the need for traditional rail transit infrastructure.

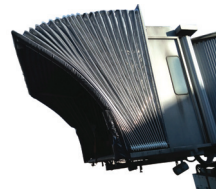
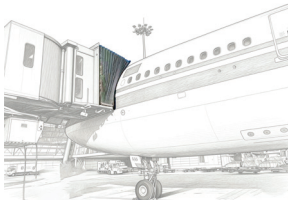
This product is designed for 32-meter or 35-meter SRT. The articulation system features a 1400 mm articulation distance, maximizing usable interior space. It offers high load-bearing capacity with a maximum static load of 30 kN and employs lightweight design principles. Weighing 585 kg, the product incorporates ball joints at both ends to ensure operational flexibility. Equipped with a proportional control hydraulic system, it delivers smooth, safe, and reliable vehicle operation.

BUSINESS

Windshield systems

Our windshield systems are also offered as standalone products for specialized applications, such as passenger boarding bridge canopies and camping shelters, providing versatile protection and enclosure solution for our customers. In 2023, 2024 and 2025, the sales volumes of our windshield systems were 231 units, 1,853 units and 508 units, respectively. During the Track Record Period, the selling prices of our windshield systems were generally in the range of approximately RMB28,300 to RMB46,200 per unit.

The following table sets forth the product pictures, application scenarios and descriptions of major products available under our windshield systems.

Our products	Application scenario	Description
Windshield systems applied in other scenarios  	 	Made of high-strength aluminum frames and Hypalon fabric, our windshield systems offer tensile strength, elongation, weather resistance and flame retardancy with customized design, which are supplied as a standalone ancillary product to accommodate specialized applications. This product is used for accommodating specialized applications, such as passenger boarding bridge canopies and camping shelters.

TMS for New Energy Sector

We have strategically expanded into the thermal management sector with the development of TMS for new energy sector. Our BEC-TMS integrates thermal control for the battery, electric drive, and cabin. It is currently deployed in engineering equipment applications such as mining equipment.

We are among the few enterprises in China to achieve commercial-scale deployment of TMS for new energy sector in the mining equipment sector. Our solution delivers high integration and low-maintenance operation, overcoming the limitations of traditional split-type systems — such as low efficiency, bulkiness, poor adaptability, and high operational costs. We are actively expanding our product applications into emerging downstream sectors, including energy storage and data centers. In 2025, we had generated revenue of RMB3.7 million from the sale of TMS for new energy sector.

BUSINESS

The following table sets forth the product picture, application scenario and description of major product under our TMS for new energy sector.

Our product	Application scenario	Description
BEC-TMS 	 Our BEC-TMS has been applied in mining trucks as of the Latest Practicable Date.	We had launched our commercial deployment of a BEC-TMS in 2025. This system integrates battery, electric drive, and cabin thermal management into a single unified architecture. Currently, this system has been applied in engineering equipment sectors such as mining equipment.

Others

Leveraging our production capabilities in precision component machining and power electronics assembly, we also engaged in the manufacture and sale of various industrial machinery components, spare parts, and scrap materials during the Track Record Period, thereby enhancing our production efficiency, optimizing capacity utilization and broadening our revenue base. 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.

In addition, given the low-maintenance nature of our vehicle articulation systems, we typically provide maintenance services to customers on an on-demand basis when required. We charge customers on a per-service basis for these services. Such services ensure sustained operational reliability, extend product lifespan and support the safe and efficient performance of customers’ vehicles.

OUR TECHNOLOGICAL CAPABILITIES

Technological capabilities underpins our product development and witnesses our success to date. Over the years, we have gained extensive experience and data in core technical solutions for smart transportation, developing unique proprietary know-how in vehicle articulation systems and TMS for new energy sector.

Vehicle Articulation Systems

We are among the few global suppliers possessing comprehensive R&D capabilities across articulation mechanisms, hydraulic systems, folding bellows and control systems. In particular our vehicle articulation systems offer the following technological advantages.

- *Active Stability Control:* our articulation unit integrates sensors, controllers and actuators, deeply integrated with the vehicle’s electronic control systems. Utilizing advanced control algorithms, it monitors vehicle status in real-time and actively applies precise damping or torque to suppress instability phenomena such as fishtailing, jack-knifing and snaking. This achieves millisecond-level steering response and synchronization.

BUSINESS

- *Ride Comfort & Protection*: to address the pitch and vertical displacement occurring during operation, our system utilizes electronic and hydraulic controls to absorb and compensate for these complex compound movements. This prevents excessive stress transfer to the vehicle frame during travel on rough terrain or high-speed cornering — mitigating structural fatigue and component failure — and serves as the core of our active safety assurance.
- *Structural Integrity & Lightweighting*: as the critical pivot for force transmission, the structural integrity of the articulation system is vital for passenger safety. Addressing the lightweighting requirements of new energy articulated vehicles, we leveraged material science and advanced Finite Element Analysis (FEA) to launch a next-generation lightweight articulation system. This design maintains an exceptionally high fatigue safety factor even under hundreds of thousands of load cycles.
- *High-Performance Windshield Systems*: the windshield systems must accommodate complex multi-dimensional relative movements — vertical, horizontal, and yaw — between the front and rear sections. Even micro-level manufacturing or installation deviations can be amplified over long-term operation, leading to abnormal wear, noise, or seal failure. Our windshield systems achieve high precision in mechanical interfacing and kinematic coordination with the articulation unit and vehicle body, offering superior flexibility. We utilize materials with ultra-high mechanical strength and tear resistance, combined with excellent weatherability and lightweight properties.
- *Digital Twin & Predictive Maintenance*: we have established a management system based on big data and IoT. By deploying sensors at critical points within the articulation system, we monitor vibration, temperature and stress/strain data in real-time. Utilizing digital twin technology for lifespan prediction and fault diagnosis, we enable predictive maintenance to maximize operational efficiency and safety.

TMS for New Energy Sector

For our TMS for new energy sector, leveraging accumulated empirical data from operating scenarios and heat-source components, we have developed a multi-mode switching thermal-management algorithm. Based on a “cooling + heating” modular design and leveraging our expertise in thermal flow simulation, we employ a proprietary heat dissipation system and thermal isolation structures. This establishes a formidable technical barrier for our high-efficiency BEC-TMS, addressing the thermal control requirements of battery systems, electric drive systems and passenger compartments. This solution encompasses multi-heat-source coupling analysis and heat exchange structure design. In particular, our TMS for new energy sector offers the following technological advantages: (i) a system-level thermal architecture adopting multi-physics analysis to manage rising power densities, achieving balance between heat dissipation efficiency and system integration in constrained spaces, and multi-heat source coordination through a unified architecture and control strategy to align thermal needs across power systems, batteries, power electronics, and other critical equipment, thereby reducing localized overheating and redundant cooling; (ii) robust performance under harsh conditions enabled by advanced modeling, simulation, reliability verification and system-level testing across high/low temperatures, high humidity and dust, enhancing stability and long-term reliability; and (iii) an energy efficiency-safety balance via integrated trade-off mechanisms and dynamic thermal parameter management, boosting safety and stability in high-power scenarios while minimizing energy consumption in efficiency-sensitive applications such as data centers.

BUSINESS

Case Studies

Case 1

Our customer is Turkey’s largest domestic bus manufacturer. Having maintained the leadership in the Turkish bus market for 16 consecutive years, it holds significant market influence in the local public transportation sector.

In 2020, there was a public tender to procure 161 units of 18-meter low-floor articulated buses to serve the BRT routes in a Turkish city. The project attracted bids from major domestic and international bus manufacturers, including our Turkish customer. Most competing models featured European-branded articulation systems, intensifying market competition.

To address issues regarding reliability, maintenance cost, and adaptability observed in the Turkish city’s existing fleet during long-term operation, we conducted systematic research and analysis on local climate conditions, road infrastructure, operational intensity, and driving habits during the project’s preliminary phase. Based on these insights, we implemented targeted adaptive upgrades and engineering optimizations to our vehicle articulation system, ensuring superior alignment with the city’s high-intensity public transit demands.

Leveraging our extensive engineering experience and technological expertise in vehicle articulation systems, our solution demonstrated outstanding performance in system safety, operational stability, product consistency, and technical maturity. Additionally, the system’s high level of integration and modularity significantly enhanced overall vehicle system compatibility and simplified post-deployment maintenance.

Ultimately, our vehicle articulation system earned high recognition from both the Turkish customer and Turkish public transport operator. Competing against multiple leading international suppliers, we successfully secured the entire order for 161 units. The successful implementation of this project has established a benchmark for the large-scale application of our vehicle articulation system in overseas markets, laying a solid foundation for our continued expansion into international markets.

Case 2

Our customer is a renowned Chinese manufacturer of rail transit equipment. Their independently developed ART system represents the world’s first new medium-capacity transit solution, integrating the technical characteristics of rail and road transportation. This hybrid innovation places higher demands on vehicle system integration and component performance.

In May 2017, we signed a technical agreement with the Chinese customer for the articulation system of their ART trains. The three-car, two-axle vehicle configuration requires a dual-side ball-and-socket articulation system integrated with electronic control and hydraulic damping systems to ensure high load-bearing capacity, high stability, and meet complex operational demands. At that time, only a handful of companies in the market provided articulation products primarily based on pure mechanical structures, which lacked the safety, stability, and dynamic control necessary for ART.

Drawing on our extensive experience in full-vehicle applications, deep expertise in articulation mechanism design, and mature electro-hydraulic proportional control technology, we developed a bespoke vehicle articulation system for ART. Featuring a dual-side triple-ball joint structure and electro-hydraulic proportional control, this system excels in high load-bearing capacity, torsional resistance, operational smoothness, and system safety. Our vehicle articulation system not only supports the stable operation and turning requirements of long passenger trainsets, but also integrates seamlessly with the Chinese customer’s autonomous driving technology.

BUSINESS

By the first half of 2018, our vehicle articulation system had successfully completed vehicle assembly, operational tests and validation in collaboration with the Chinese customer, entering active service outstanding performance metrics. Following a request from the Chinese customer for further optimization, we successfully developed an upgraded product with a shortened articulation distance by the end of 2019, which was subsequently adopted for mass application.

By 2025, the Chinese customer had deployed our vehicle articulation systems on 149 ART trains in actual operation. This successful implementation validates the technical maturity and reliability of our vehicle articulation system within innovative transportation equipment, further solidifying our leadership in the high-end transportation articulation market.

OUR CUSTOMERS

During the Track Record Period, we sold our vehicle articulation systems primarily to commercial vehicle manufacturers in domestic and overseas markets. The revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB99.1 million, RMB106.4 million and RMB179.2 million, accounting for 74.9%, 75.1% and 80.6% of our total revenue in 2023, 2024 and 2025, respectively. The revenue from our largest customer for each of the year during the Track Record Period amounted to RMB33.8 million, RMB59.0 million and RMB107.1 million, accounting for 25.6%, 41.6% and 48.2% of our total revenue for the respective years. We typically settle with our five largest customers with bank transfer.

Top Five Customers

The table below sets out the details of our top five customers for each year during the Track Record Period:

For the year ended December 31, 2023

Customer	Transaction amount (RMB'000)	Percentage to total revenue of our Group	Year of commencement of business relationship	Credit terms	Settlement method	Major products/ services purchased
eKontrol	33,834	25.6%	2020	30 days to 90 days	Bank transfer	Others (industrial products)
Customer A ⁽¹⁾ . .	24,225	18.3%	2014	60 days	Bank transfer	Vehicle articulation system
Customer B ⁽²⁾ . .	18,515	14.0%	2018	Full prepayment for articulation systems and 90 days for other industrial products	Bank transfer	Vehicle articulation system
Customer C ⁽³⁾ . .	12,297	9.3%	2016	30 days	Bank transfer	Vehicle articulation system
Customer D ⁽⁴⁾ . .	10,185	7.7%	2017	30 days	Bank transfer	Vehicle articulation system
Total	99,056	74.9%				

BUSINESS

For the year ended December 31, 2024

Customer	Transaction amount	Percentage to total revenue of our Group	Year of commencement of business relationship	Credit terms	Settlement method	Major products/ services purchased
	(RMB'000)					
Customer A ⁽¹⁾ . .	58,969	41.6%	2014	60 days	Bank transfer	Vehicle articulation system
Customer B ⁽²⁾ . .	18,707	13.2%	2018	Full prepayment for articulation systems and 90 days for other industrial products	Bank transfer	Vehicle articulation system
Customer E ⁽⁵⁾ . .	12,240	8.6%	2024	Full prepayment	Bank transfer	Vehicle articulation system
Customer F ⁽⁶⁾ . .	8,505	6.0%	2013	Full prepayment or 30 days	Bank transfer	Vehicle articulation system
Customer G ⁽⁷⁾ . .	7,930	5.7%	2024	Full prepayment	Bank transfer	Vehicle articulation system
Total	106,351	75.1%				

For the year ended December 31, 2025

Customer	Transaction amount	Percentage to total revenue of our Group	Year of commencement of business relationship	Credit terms	Settlement method	Major products/ services purchased
	(RMB'000)					
Customer H ⁽⁸⁾ . .	107,066	48.2%	2014	Full prepayment or 30 days	Bank transfer	Vehicle articulation system
Customer A ⁽¹⁾ . .	32,319	14.5%	2014	60 days	Bank transfer	Vehicle articulation system
Customer B ⁽²⁾ . .	23,544	10.6%	2018	Full prepayment for articulation systems and 90 days for other industrial products	Bank transfer	Vehicle articulation system and spare parts
Customer I ⁽⁹⁾ . . .	8,396	3.8%	2017	Full prepayment	Bank transfer	Vehicle articulation system and spare parts
eKontrol	7,881	3.5%	2020	30 days to 90 days	Bank transfer	Others (industrial products)
Total	179,206	80.6%				

Notes:

- (1) Customer A is a group of companies engaged in the production and sales of motor vehicles and automotive parts, design and manufacturing of special equipment, and sales of new energy vehicles under the common control of a company, including (i) a listed company located in central China and incorporated in 1997 with a registered capital of approximately RMB2,213.94 million; (ii) a branch company of (i) located in central China and incorporated in 2012.
- (2) Customer B is a company located in Belarus and incorporated in 2015. Its principal business mainly involves wholesale trading of automotive parts, components and accessories.
- (3) Customer C is a listed company located in Turkey and incorporated in 1963 with a registered capital ceiling of TRY3.0 billion. Its principal business mainly involves the manufacturing and trading of minibuses and trailers.

BUSINESS

- (4) Customer D is a group of companies engaged in the research and sales of transportation infrastructure and new energy equipment under the common control of a company, including (i) a company located in central China and incorporated in 2020 with a registered capital of RMB400.0 million; (ii) a company located in eastern China and incorporated in 2002 with a registered capital of approximately RMB7,103 million; and (iii) a company located in central China and incorporated in 2007 with a registered capital of approximately RMB2,484 million.
- (5) Customer E is a company located in eastern China and incorporated in 2022 with a registered capital of RMB1.0 million. Its principal business mainly involves import and export of goods and technologies, sales of metal materials, automotive parts, plastic products, chemical products, generators, kitchenware, and new energy vehicles.
- (6) Customer F is a listed company located in eastern China and incorporated in 1994 with a registered capital of approximately RMB592.9 million. Its principal business mainly involves the production of road motor vehicles, sales of buses and electric vehicles, manufacturing of automotive parts, operation of EV charging infrastructure, and import and export of goods and technology.
- (7) Customer G is a company located in eastern China and incorporated in 2019 with a registered capital of RMB1.4 million. Its principal business mainly involves the wholesale of automotive and motorcycle parts, sales of batteries, valves, and chemical products, import and export of goods and technology, software development, property management, freight transport, and technical services.
- (8) Customer H is a group of companies engaged in the manufacturing, assembly, development, and maintenance of buses and automotive parts, processing trade, and sales of transportation equipment and instruments under the common control of a company, including (i) a company located in eastern China and incorporated in 1992 with a registered capital of RMB640.0 million; and (ii) a company located in eastern China and incorporated in 1998 with a registered capital of RMB755.41 million.
- (9) Customer I is a company located in Belarus and incorporated in 1973. Its principal business mainly involves the development and production of trolleybuses, trams, and electric buses.

To the best of our knowledge after reasonable inquiry, save for eKontrol, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. To the best of the knowledge of our Directors after reasonable inquiry, save for eKontrol, none of our Directors, Supervisors, their respective close associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period.

For each year during the Track Record Period, the majority of our revenue was derived from our five largest customers through the sales of vehicle articulation systems. There is a concentration in our customer base for each year during the Track Record Period primarily because our customers typically place orders with us based on the availability and progress of their manufacturing projects, resulting in higher order volumes from certain customers in years when they had more projects on hand. According to Frost & Sullivan, such customer concentration is an inherent characteristic of the automotive industry due to significant capital requirements and stringent technological thresholds, which naturally result in a consolidated market landscape.

We believe that the likelihood of any material adverse change in or termination of our business relationship with our five largest customers in each year during the Track Record Period customers is low, considering that (i) we have partnered with most of these customers for long periods of time and have established mutually beneficial relationships with them; (ii) we are involved in the very beginning of their product development process to develop the end products together, which enables us to gain a unique and deep understanding of their demands and preferences, giving us competitive advantages as compared to our competitors; (iii) during the Track Record Period and as of the Latest Practicable Date, we did not have any material disputes with our customers; and (iv) we have maintained good business relationships, and currently, there is no indication or sign from them that our existing relationship will materially adversely change in the near future. For risks associated with our key customers, see “Risk Factors — Our high customer concentration exposes us to risks and may subject us to significant fluctuations or declines in revenue.”

BUSINESS

Seasonality

We experience seasonal fluctuations in our operations. Sales of our products are generally low in January and February, particularly around the Spring Festival holidays when manufacturing activities of our downstream industry slowdown, leading to a decrease in purchases of our products. During the Track Record Period, our customers were mainly commercial vehicle manufacturers, many of which were suppliers of transportation equipment for transportation projects across the world. Subject to the procurement cycle of these customers, our product deliveries are typically concentrated in the third and fourth quarters of the year. As such, sales of our products are relatively higher in the second half of the year. According to Frost & Sullivan, this seasonal pattern is consistent with the industry norm.

Pricing Strategies

We set the prices for our products based on a variety of factors, including our production costs, prices for competing products, the complexity of the manufacturing process and market demand. We apply similar criteria when setting the prices for our products for different customers according to annual budget target, except we would also take into consideration the estimated purchase volumes and market competition for the relevant product. Such cost-plus basis pricing has allowed us to be less affected by the fluctuation in raw material prices and attain a relatively stable gross profit margin. We evaluate our product prices regularly, and usually determine when and how to adjust product prices based on the evaluation results.

We determine the payment terms for each customer according to the customer’s credit history, financial condition and business relationship with us. For customers with whom we have established relationships, we generally grant credit periods of no more than 90 days. For more details on credit terms granted to customers, please refer to “Financial Information — Selected Key Items Of Consolidated Statement Of Financial Position — Trade and Bills Receivables.”

Customer Service and Warranty

In our ongoing efforts to maintain customer satisfaction and improve our products and services, we have a high-quality after-sales team to provide comprehensive after-sales service. We have a dedicated team in the Chinese mainland to provide before- and after-sales services to our customers. They can diagnose issues and identify the solutions for the customers’ problems.

We typically offer a standard product warranty to customers of our products. For our vehicle articulation systems, our warranty period is generally up to 24 months or 200,000 km of driving distance from acceptance. For our TMS for new energy sector, the warranty period is generally 48 months upon acceptance. During the warranty period, for any product quality issue, we will make repair or replacement free of charge under certain conditions. For product damage beyond the warranty period, out of the warranty coverage or caused by the customer’s own improper operation, we will provide repair service with charge. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, product recalls, product liability claims, warranty expenses or customer complaints that adversely affected our business.

Marketing Activities

We are committed to maintaining and enhancing our brand reputation through marketing activities to systematically showcase our products. Our marketing and promotion strategies are dynamic and focus on communication and collaboration with industry partners. We actively participate in industry forums, technical conferences and exhibitions, and use these platforms to present our latest products. In addition, we work closely with industry media to release information on technological innovations, product upgrades and application developments, ensuring continuous exposure and effective communication of our brand information.

BUSINESS

OUR SUPPLIERS

We primarily source raw materials from our qualified suppliers located in the Chinese mainland. Our panel of qualified suppliers consists of suppliers which have passed our internal quality review. In addition, we generally source from no more than five suppliers for each type of raw materials. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues with our suppliers that materially affected our operations and there was no material disruption to the manufacturing of our products due to supply shortage.

In 2023, 2024, and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB15.1 million, RMB31.5 million, and RMB53.8 million, respectively, accounting for 27.6%, 54.8% and 52.9% of our total purchases for each of the same periods. Purchases from our largest supplier for each of the year during the Track Record Period amounted to RMB3.3 million, RMB14.6 million and RMB24.1 million, accounting for 6.1%, 25.4% and 23.7% of our total purchases for the respective years.

Top Five Suppliers

The table below sets forth the details of our top five suppliers for each year during the Track Record Period:

For the year ended December 31, 2023

Supplier	Transaction amount (RMB'000)	Percentage to total purchase of our Group	Year of commencement of business relationship	Credit terms	Payment method	Major products/services purchased
Supplier A ⁽¹⁾ . .	3,312	6.1%	2022	30 days to 60 days	Bank transfer or acceptance	Aluminum extrusions
Supplier B ⁽²⁾ . .	3,090	5.6%	2019	60 days	Bank transfer or acceptance	Rubber parts
Supplier C ⁽³⁾ . .	3,045	5.6%	2023	30 days	Bank transfer or acceptance	Electronic parts
Supplier D ⁽⁴⁾ . .	2,917	5.3%	2022	30 days	Bank transfer or acceptance	Metal parts
Supplier E ⁽⁵⁾ . .	2,737	5.0%	2015	60 days	Bank transfer	Metal parts
Total	15,101	27.6%				

For the year ended December 31, 2024

Supplier	Transaction amount (RMB'000)	Percentage to total purchase of our Group	Year of commencement of business relationship	Credit terms	Payment method	Major products/services purchased
Supplier F ⁽⁶⁾ . .	14,553	25.4%	2011	60 days	Bank transfer or acceptance	Rubber parts
Supplier G ⁽⁷⁾ . .	7,533	13.1%	2023	30 days	Bank transfer or acceptance	Aluminum extrusions
Supplier E ⁽⁵⁾ . .	3,936	6.9%	2015	60 days	Bank transfer	Metal parts
Supplier A ⁽¹⁾ . .	3,132	5.5%	2022	30 days to 60 days	Bank transfer or acceptance	Aluminum extrusions
Supplier H ⁽⁸⁾ . .	2,296	4.0%	2017	60 days	Bank transfer or acceptance	Metal parts
Total	31,450	54.8%				

BUSINESS

For the year ended December 31, 2025

Supplier	Transaction amount (RMB'000)	Percentage to total purchase of our Group	Year of commencement of business relationship	Credit terms	Payment method	Major products/services purchased
eKontrol	24,067	23.7%	2020	60 days	Bank transfer	Components for in-motion charging systems ⁽⁹⁾
Supplier F ⁽⁶⁾	10,698	10.5%	2011	60 days	Bank transfer or acceptance	Rubber parts
Supplier E ⁽⁵⁾	7,873	7.7%	2015	60 days	Bank transfer	Metal parts
Supplier H ⁽⁸⁾	5,980	5.9%	2017	60 days	Bank transfer or acceptance	Metal parts
Supplier A ⁽¹⁾	5,138	5.1%	2022	30 days to 60 days	Bank transfer or acceptance	Aluminum extrusions
Total	53,756	52.9%				

Notes:

- (1) Supplier A is a company located in eastern China and incorporated in 2008 with a registered capital of RMB1.0 million. Its principal business mainly involves the production and sale of chemical raw materials and products (excluding hazardous materials).
- (2) Supplier B is a company located in eastern China and incorporated in 2008 with a registered capital of approximately USD4.2 million. Its principal business mainly involves the production of rubber parts, plastic parts, mold parts, and shock absorbers as well as the sale of rubber products, metal products, plastic products, mold parts, injection molding tools, and industrial shock absorbers.
- (3) Supplier C is a company located in eastern China and incorporated in 2021 with a registered capital of approximately RMB77.9 million. Its principal business mainly involves the manufacturing and trading of motors, pumps, fans, new energy systems, IoT devices, and industrial control equipment.
- (4) Supplier D is a company located in eastern China and incorporated in 2021 with a registered capital of RMB10.0 million. Its principal business mainly involves provision of technical services, AI and IoT software development, smart hardware sales, manufacturing of general equipment and industrial robots, as well as sales of machinery, electronic products, and medical devices.
- (5) Supplier E is a company located in eastern China and incorporated in 2010 with a registered capital of approximately RMB47.6 million. Its principal business mainly involves ferrous metal casting, machining and sales of mechanical parts and components, provision of technical services, as well as import and export of goods.
- (6) Supplier F is a company listed on the Beijing Stock Exchange, located in eastern China and incorporated in 2001 with a registered capital of approximately RMB130.0 million. Its principal business mainly involves the research and development of new materials, manufacturing and processing of rubber products and industrial tapes, road freight transport, and import and export of goods and technologies.
- (7) Supplier G is a company located in eastern China and incorporated in 2016 with a registered capital of RMB20.0 million. Its principal business mainly involves the research and development of new energy technologies, processing and the sales of non-ferrous metals and metal materials, metal cutting services, and import and export of goods and technologies.
- (8) Supplier H is a company located in eastern China and incorporated in 2017 with a registered capital of RMB2.1 million. Its principal business mainly involves the research and development, manufacturing, and the sales of mechanical parts.
- (9) We purchased components for in-motion charging systems from eKontrol in 2025. For details, see “— Our Suppliers — Overlapping of Major Customer and Supplier.”

To the best of our knowledge after reasonable inquiry, save for eKontrol, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. To the best of the knowledge of our Directors after reasonable inquiry, save for eKontrol, none of our Directors, Supervisors, their respective close associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

BUSINESS

Overlapping of Major Customer and Supplier

One of our major customers, eKontrol, was also our supplier during the Track Record Period. We sold to and purchased from eKontrol primarily because we were formerly part of the same corporate group and maintained a cooperative relationship underpinned by our differentiated technological strengths. Our Directors have confirmed that all of our sales to and purchases from eKontrol were conducted in the ordinary course of business under normal commercial terms. The terms of our agreements with eKontrol are substantially the same as those with our other customers and suppliers. During the Track Record Period, our sales and purchases with eKontrol were neither connected with nor conditional with each other. Apart from eKontrol, there was no overlap in any other major customers or suppliers for each year during the Track Record Period.

During the Track Record Period, we sold industrial machinery components to eKontrol primarily because, as compared to the eKontrol Group which mainly engaged in the production of power systems, we have more advanced technical capabilities in precision component machining and power electronics assembly. We recorded gross profit for the industrial machinery components we sold to eKontrol during the Track Record Period. In 2023, 2024 and 2025, the gross profit derived from sales to eKontrol amounted to RMB5.2 million, RMB0.5 million and RMB1.2 million, respectively, and the gross profit margin derived from the corresponding sales was 15.4%, 11.4% and 15.6%, respectively. In 2023, 2024 and 2025, revenue from the sales to eKontrol contributed approximately 25.6%, 3.3% and 3.5% of our total revenue, respectively. The revenue contribution of sales to eKontrol was relatively higher in 2023 primarily because we received a substantial one-off order for industrial machinery components from the eKontrol Group in 2023, 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.

In 2023, 2024 and 2025, our purchases from eKontrol primarily included purchases of products consisting of raw materials related to in-motion charging systems, in the aggregate amount of nil, RMB0.2 million and RMB24.1 million, respectively. When we were a subsidiary of eKontrol, our technical team participated in developing the in-motion charging system. We recognized the strong synergy of such system with our existing business and took early strategic steps to position ourselves in this field. eKontrol does not possess any technical personnel in the field of in-motion charging system subsequent to our spin-off from the eKontrol Group. In 2023, 2024 and 2025, purchases from eKontrol contributed approximately nil, 0.3% and 23.7% of our total purchase, respectively.

We expect to continue our sales to and purchases from eKontrol after the [REDACTED]. For details, see “Continuing Connected Transactions.”

Agreements With Suppliers

We generally enter into long-term framework supply agreements with our suppliers. Set forth below are the key terms of the supply agreements we typically enter into with such suppliers.

- *Pricing.* The procurement price is based on supplier quotations accepted by us, with suppliers required to submit detailed cost breakdowns covering items such as raw materials, packaging and logistics.
- *Logistics.* Our suppliers are generally responsible for arranging delivery of raw materials to locations designated by us.
- *Payment.* Payment is due within 60 days from the accounts payable booking date, which occurs on the 28th of each month.

BUSINESS

- *Quality assurance.* We require our suppliers' quality control system to be audited and certified to the ISO9001 standard by an accredited independent third party.
- *Return arrangements.* We are entitled to return the products if the raw materials are defective, and the suppliers are responsible for any fees or other losses incurred by the return.

Supply Chain Management

Responsible sourcing and sound supply chain management are essential for us to ensure reliable product quality and sustainability along our supply chain. We have established a supply chain approval process, through which suppliers must provide relevant qualifications or certifications, such as their business licenses, production and operation licenses, among others, and demonstrate legal compliance with environmental and social policies prior to approval. If the suppliers are not compliant with the applicable laws and regulations regarding safety and quality or commit misconducts, we may terminate our contracts with them.

Logistics and Warehouse

We mainly rely on qualified third-party logistics service providers for the transportation of equipment and raw materials. We primarily adopt an Ex Works delivery model for our products, where products that have passed quality inspections are stored at our warehouses and are collected directly by our customers, who arrange their own transportation and bear all associated costs and risks.

Inventory Management

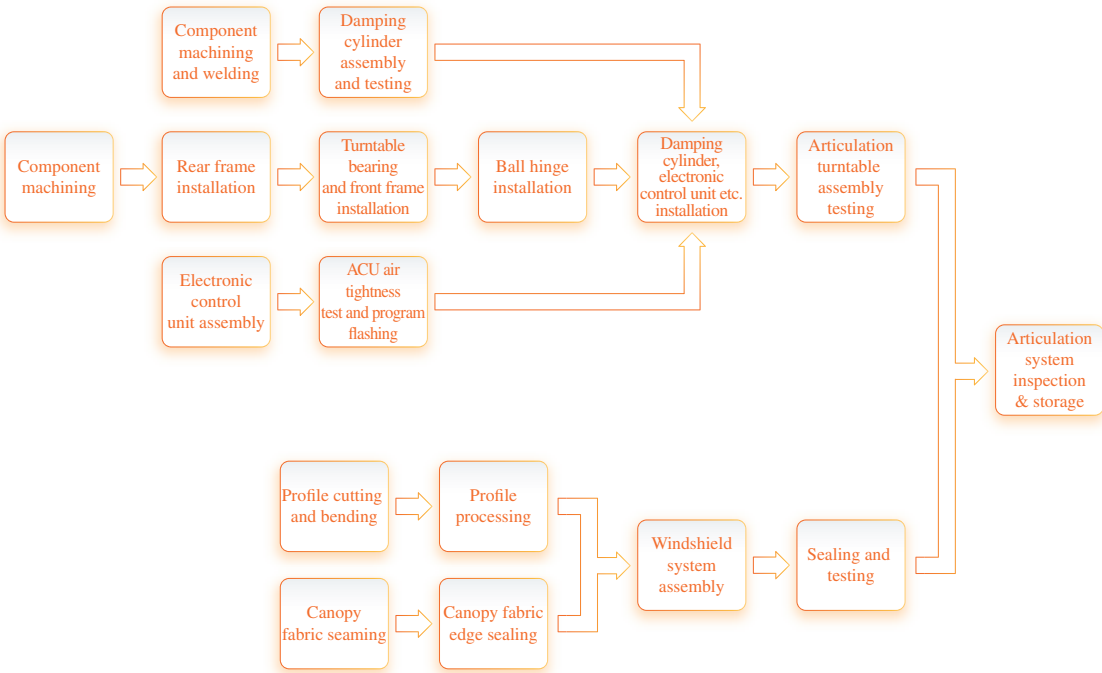
Our inventories consist of raw materials, work-in-progress, and finished products. Our products are generally sold on a first-in-first-out basis. To reduce the risk of inventory backlogs, we regularly review our inventory level. We also conduct regular physical inventory counts and stock checks to identify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

BUSINESS

MANUFACTURING

Our Manufacturing Process

The following chart illustrates the key production process for our vehicle articulation systems.



The table below sets forth the major steps of the production process applicable to our vehicle articulation systems.

<i>Turntable bearing and front frame installation (轉盤軸承及前架安裝)</i> . . .	Install the bearing and hoist the front frame with an automatic tightening machine to tighten the bolts, achieving a torque of 300±20N.m and monitoring an angle of 50°~125°.
<i>Articulation turntable assembly testing (鉸接盤總成測試)</i>	The articulation plate is hoisted onto the end-of-line test bench, positioned by automatic fixtures and quickly connected to wiring. A PLC-based, multi-sensor system runs a cyclic test, simulating vehicle conditions, monitoring key parameters and automatically generating a report with curves, results, timestamps and serial numbers.
<i>Hydraulic damper cylinder assembly and testing (液壓阻尼缸裝配及測試)</i> .	Sensors, seals, pistons, rods, end caps and oil lines are assembled using pressing and tightening equipment that monitors force, displacement and torque. Units then proceed to oil filling and performance testing, with all test data linked to serial numbers for full process traceability.

BUSINESS

ACU air tightness test and program flashing (電控單元氣密檢測及程序刷寫)

The ACU is placed in a dedicated fixture for automatic pressurization and leak testing, with results uploaded in real time. Qualified units move to the programming station, where software flashing and integrity checks are performed, followed by automated functional testing, all records being traceable by serial number.

Windshield system assembly (風檔系統裝配)

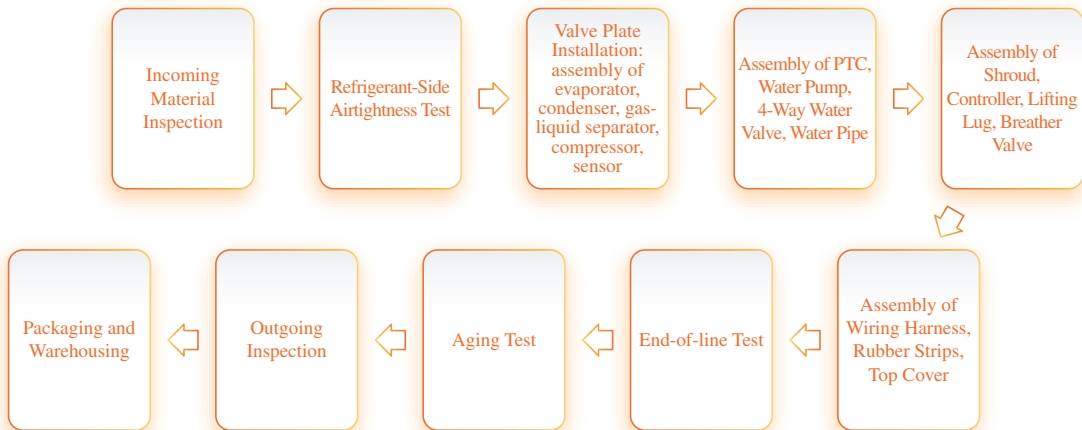
Aluminium profiles are bent and machined, and the canopy fabric is cut, joined and sewn before assembly on a dedicated station. Profiles and fabric are assembled according to process requirements. Fabric-to-profile gap and tension are monitored to ensure proper tensioning and a smooth appearance.

Windshield system sealing and testing (風檔系統密封及測試)

Assembled windshield systems are transferred to a dedicated sealing workstation and fixed with special tooling. After curing, air-tightness and rain tests are conducted to verify sealing performance, with all operation and test records stored against the part serial number.

The production cycle of our vehicle articulation systems, from order placement to inspection and storage, is typically around 30 days.

The following chart illustrates our production process for our TMS for new energy sector.



The table below sets forth the major steps of the production process applicable to our TMS for new energy sector.

Refrigerant-Side Airtightness Test (冷媒側氣密測試)

Preparation: Install the test fixture onto the TMS high- and low-pressure filling ports (加注口). Then power on the airtightness tester and open the nitrogen cylinder valve (氮氣罐).

BUSINESS

Testing: Select the appropriate program and press the start button to begin the test. The test pressure is set at 15 bar, which is maintained for 5 minutes. The test passes if the pressure remains stable with no change and stays above 13 bar.

End-of-line Test (下線測試) Our testing system integrates high-voltage electrical safety tests, thermal performance calibration, intelligent communication calibration and Manufacturing Execution System (MES) traceability to achieve fully automated testing and pass/fail determination, ensuring highly reliable, precise and consistent end-of-line quality control.

The production cycle of our TMS for new energy sector, from order placement to packaging and warehousing, is typically around 40 days.

We have established a series of cost control measures including centralized procurement, energy consumption management, and lean operations. Such measures have helped us attain considerable cost reductions through more efficient use of resources.

Quality Control

Under our end-to-end quality management system (全流程質量管理體系), we are certified under international quality management systems such as ISO 9001, IATF 16949 (automotive), and ISO 22163 (railway systems), ensuring standardized and systematic quality management processes. We impose rigorous quality control standards at various stages of our manufacturing process. Materials and components are systematically tested at various stages of our manufacturing process to ensure that they meet our technical specifications. These tests help ensure excellent and stable performance of our products. For details of the various testing conducted, please see “— Manufacturing — Our Manufacturing Process.”

Furthermore, we have applied advanced inspection equipment and technologies in our quality control processes, such as windshield test bench, articulation turntable test bench, rain test bench, airtightness test instrument and vehicle-level integration test.

Our Manufacturing Facilities

As of December 31, 2025, we operated two production bases located at Jiangsu Province with a total GFA of 15,272 sq.m. and designed production capacity of 1,800 units of vehicle articulation systems and 1,575 units of TMS for new energy sector for the year ended December 31, 2025. The table below sets forth the location, primary products produced and GFA of our production facilities.

Facility name	Location	Primary products produced	GFA (sq.m.)
Wujiang production base (吳江生產基地)	FOHO New and High-Tech Industrial Development Zone, Jiangsu Province (江蘇省汾湖高新技術產業開發區)	Vehicle articulation systems	14,062
Wuzhong production base (吳中生產基地)	Wuzhong District, Suzhou City, Jiangsu Province (江蘇省蘇州市吳中區)	TMS for new energy sector and others	1,210

BUSINESS

Production Capacity and Utilization

The following table sets forth the designed annual production capacity, production volume and utilization rate of our manufacturing facilities for the production of vehicle articulation systems and TMS for new energy sector during the Track Record Period.

Product	For the year ended December 31,								
	2023			2024			2025		
	Designed production capacity	Actual production volume	Utilization rate ⁽³⁾	Designed production capacity	Actual production volume	Utilization rate ⁽³⁾	Designed production capacity	Actual production volume	Utilization rate ⁽³⁾
	(Units)	(Units)	(%)	(Units)	(Units)	(%)	(Units)	(Units)	(%)
Vehicle articulation systems ⁽¹⁾	1,800	591	32.8	1,800	641	35.6	1,800	1,353	75.2
TMS for new energy sector ⁽²⁾	–	–	–	–	–	–	1,575	300	19.0

Notes:

- (1) The designed production capacity of vehicle articulation systems as complete sets for the relevant year is calculated (i) based on the bottleneck production capacity at the gantry machining of front and rear frames stage and (ii) assuming the production lines operate two shifts of eight working hours each per day and 225 days per year. According to Frost & Sullivan, the bottleneck production capacity is the key basis for calculating the designed production capacity in the automotive industry.
- (2) The designed production capacity of TMS for new energy sector for the relevant year is calculated (i) based on bottleneck production capacity at the aging test stage and (ii) assuming the production lines operate eight working hours per day and 225 days per year.
- (3) The utilization rate is calculated by dividing the actual production volume by the designed production capacity for the period indicated.

To further expand our manufacturing capacity to meet the growing market demand for our vehicle articulation systems and tap into the markets of TMS for new energy sector, we plan to expand our production lines. We expect the new production lines to commence operation in the next five financial years. See “Future Plans and [REDACTED] — [REDACTED].”

Critical machinery and equipment

We procure equipment and machinery which we believe is essential to promoting production stability, product quality and cost competitiveness for our business. We endeavor to streamline our production process and increase automation, digitalization, reliability and cost efficiency.

We procure and own all the critical production equipment and machinery used in the production process of our vehicle articulation systems and TMS for new energy sector. We source our critical production machinery and equipment from domestic and international suppliers. For the production of our vehicle articulation systems and TMS for new energy sector, we calculate depreciation on our critical production machinery and equipment under our property, plant and equipment using the straight-line method over their estimated useful lives of ten years. As of the Latest Practicable Date, the remaining service life of such critical machinery and equipment for the production of our vehicle articulation systems and TMS for new energy sector was approximately 3.3 years on average.

BUSINESS

The table below sets forth certain details of the critical machinery and equipment used in the production of our vehicle articulation systems and TMS for new energy sector as of December 31, 2025:

Critical machinery and equipment	Function
Gantry machine (龍門加工機) . . .	Large precision machine for five-sided machining of big parts in one setup. Features smart controls, thermal compensation, and in-process measurement. Ensures IT6-level accuracy with real-time data analysis.
Robot welding equipment (機器人 焊接設備)	Automated six-axis robot station with positioner and sensors. Tracks welds in real time and records process data. Produces reliable, high-quality welds on complex parts.
Cutting bed (刀裁床)	High-speed cutter for flexible materials up to 50mm thick. Uses smart software and vacuum hold for $\pm 0.05\text{mm}$ precision.
Windshield test bench (風擋綜合測試台)	Tests motion flexibility with 0.1mm precision. Replicates real-world paths and generates standard reports.
Articulation turntable test bench (鉸接盤性能測試台)	Runs automated cycles to check performance under vehicle conditions. Compares data to standards and issues traceable reports.
Rain test bench (淋雨測試台) . . .	Simulates rain and wash conditions for seal testing. Fully automates clamp, spray and filter cycles.
DC 0-800V programmable power supply (DC 0~800V可編程高壓 直流電源)	Programmable high-voltage source (0-800V) for component testing. Offers stable output with full protections. Supports end-line and aging tests.
Airtightness test instrument (氣密 性測試儀器)	Automates leak checks on cooling circuits. Calculates rates, judges results, and stores data. Meets automotive reliability standards.

RESEARCH AND DEVELOPMENT

As of December 31, 2025, our research and development team consists of specialists in six research and development fields including vehicle technology, mechanical engineering, software control, power electronics, fluid mechanics and material science. As of December 31, 2025, our research and development team had 23 members with a range of three to 35 years of relevant experience.

Our research and development expenses were RMB6.1 million, RMB6.2 million and RMB10.1 million for 2023, 2024 and 2025, respectively, accounting for 4.6%, 4.4% and 4.5% of our revenue during the respective years.

INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. Our intellectual property rights primarily consist of trademarks, copyrights, patents and domain names. As of the Latest Practicable Date, we had 44 registered trademarks, one copyright, 105 patents and one

BUSINESS

domain name. See “Appendix IV Statutory and General Information — Further Information About Our Business — Our Material Intellectual Property Rights.” We also protect our intellectual property rights through a series of confidentiality agreements or provisions with all of our employees. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements and commercial agreements we enter into.

In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual properties, and (iii) timely registration, filing and application for ownership of our intellectual properties.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material actual or, to the best of our knowledge after reasonable inquiry, pending disputes or claims for infringement upon third parties’ intellectual property rights in the Chinese mainland. There had been no actual or, to the best of our knowledge after reasonable inquiry, pending dispute relating to infringement upon our intellectual property rights by third parties during the Track Record Period and up to the Latest Practicable Date. See “Risk Factors — Risks Relating to Our Business and Industry — We may face claims of infringement on know-how and intellectual property rights by third parties which, if resolved unfavorably, could result in the loss of rights and the obligation to pay damages.”

EMPLOYEES

Recognizing human capital as a core asset, our Group employs strategic recruitment and incentive programs to drive our growth. We source candidates based on their experience and technical skills aligned with our business goals. We offer market-competitive remuneration, including salaries, bonuses, and subsidies, alongside ongoing training to enhance employee performance. Compensation is structured around qualifications and merit. Consequently, we have experienced no material issues in staff recruitment or retention during the Track Record Period. We had a total of 139 employees as of December 31, 2025. The following table sets forth the numbers of our employees located in the Chinese mainland categorized by function as of December 31, 2025.

Function	Number
Management and administration (管理中心)	11
Research and development (研發中心)	23
Sales and marketing (營銷中心)	7
Production and manufacturing (製造中心)	98
Total	139

We place great emphasis on attracting, retaining, training and developing qualified employees. We have built a dual-track talent acquisition system, recruiting high potential young talents through on-site recruiting at universities to build a pipeline for our sustained growth, and posting advertisements on mainstream recruitment and employment platforms to bring in seasoned professionals to meet the demands of our business expansion during the Track Record Period. This approach keeps our talent pipeline optimally structured and dynamically balanced. We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

We have established a comprehensive core-talent protection framework. We enter into standard labor contracts with all employees in compliance with applicable laws and regulations, clearly defining the rights and obligations of both parties to ensure compliant and stable employment relationships. In addition, to protect our trade secrets and intellectual property, we sign standard confidentiality and non-compete agreements with key personnel in certain positions.

BUSINESS

In addition to direct employment, we may use third-party human resources companies from time to time to provide staff members to us in order to maintain appropriate staffing levels. We typically enter into agreements with such human resources companies for a period of one year. Under such agreements, the human resources companies typically charge us monthly service fees and are responsible for arranging outsourced staff to work in our agreed locations. We are entitled to request replacement of such outsourced staff if they materially breach or fail to meet our standards. Third-party human resources companies are generally responsible for paying the social insurance and housing provident funds for outsourced staff. To maintain quality control in our manufacturing process, we implement strict oversight measures for outsourced staff. The third-party human resources company shall provide training on safety measures and operating procedures for first-time workers, and we will conduct further training and assessment based on our specific labor requirements. We also provide standardized operating procedures to outsourced staff and conduct regular evaluations on their adherence to our safety code and quality benchmarks. We believe that the engagement of outsourced staff enhances our operational flexibility while streamlining recruitment-related expenditures. As advised by the PRC Legal Advisor, our arrangement with third-party human resources companies in respect of outsourced staff does not constitute labor dispatch under The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) because such arrangement does not involve features of labor dispatch, in particular, (i) the outsourced staff are instructed by the third-party human resources companies to provide relevant services to us in accordance with the scope of work agreed between us and the third-party human resources companies, and (ii) the third-party human resources companies are primarily responsible for settling salary payments with the outsourced staff. As advised by the PRC Legal Advisor, such arrangement is in compliance with all the applicable PRC Law in all material aspects. As of December 31, 2025, we engaged 42 outsourced staff, who served as our manufacturing, logistics and canteen workers.

During the Track Record Period, we also entered into labor dispatch agreements with third-party employment agents for positions in our in-house canteen. The terms of our current labor dispatch agreements with the employment agents are valid for one year in general. Pursuant to the labor dispatch agreements, we typically pay monthly service fees to the employment agent, and the employment agent provide suitable dispatched staff to work under our instruction. The employment agents are responsible to arrange for the social insurances and other welfare conditions of the dispatched staff as required by the PRC Law. As of December 31, 2025, we engaged six dispatched staff, who served as our in-house cleaning and canteen staff. Our Directors confirmed that the number of dispatched staff utilized by our Group did not exceed 10% of the total number of our workers and therefore was in compliance with the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) in all material respects during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, after reasonable inquiry, our Directors confirmed that we had not discovered any third-party human resources companies that did not fulfill their obligations or had made material underpayments; neither had there been any disqualification of, or termination of collaboration with, third-party human resources companies due to incidents of non-compliance with relevant laws and regulations or breaches of agreements by them.

Social Insurance and Housing Provident Funds

Background

According to the relevant PRC Law, we are required to make contributions to social insurance and housing provident fund for the benefit of our employees in the Chinese mainland. During the Track Record Period and as of the Latest Practicable Date, we did not make full contribution to the social insurance and housing provident funds for some of our employees in accordance with the relevant PRC Law. The shortfall of social insurance and housing provident fund contributions amounted to approximately RMB2.3 million, RMB2.4 million and RMB2.7 million, in 2023, 2024 and 2025, respectively.

BUSINESS

We were unable to make full social insurance and housing provident funds for the relevant employees, primarily because (i) certain employees were unwilling to pay the social insurance and housing provident fund contributions in full as it requires additional contributions from the employees; and (ii) certain employees prefer participation in the rural social security contribution plans in their residential places or their hometowns.

Potential Legal Consequences

As advised by our PRC Legal Advisor, pursuant to relevant PRC Law, (i) the under-contribution of social insurance within a prescribed period may be subject to an overdue charge of 0.05% of the delayed payment amount per day and the competent authority may further impose a fine of one to three times of the overdue amount if such payment is not made within the stipulated period; and (ii) in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period. An application may be made to a People’s Court for compulsory enforcement if the payment of the outstanding housing provident fund contributions is not made after the expiration of the time limit. During the Track Record Period and up to the Latest Practicable Date, no administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance contributions and housing provident funds contributions, nor had we received any order or been informed to settle the deficit amount.

On July 31, 2025, the Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in 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)》) (the “**New Judicial Interpretation**”), which took effect on September 1, 2025. Article 19(1) of the New Judicial Interpretation stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Further, the relevant employee has the right to terminate the labor contract pursuant to Article 38(3) of the Labor Contract Law. For details, see “Regulatory Overview — Regulations Relating to Labour and Safety.” As of the Latest Practicable Date, we had not received any notice from the relevant government authorities or any claim or request from these employees in this regard. Our Directors are of the view that the New Judicial Interpretation would not have a material adverse effect on our business, financial condition or results of operations. Pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018 by the Ministry of Human Resources & Social Security, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises’ historical social insurance arrears without permission.

Our PRC Legal Advisor has advised us that, according to the interviews with the relevant competent regulatory authorities, provided there are no material adverse changes in the current regulatory policies and the implementation policies of the competent authorities, the likelihood that we would be subject to (i) centralized collection of historical shortfall of social insurance and housing provident fund contributions required by relevant government authorities on their initiative or (ii) material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions during the Track Record Period for our employees, is remote. We undertake to make timely payments for the deficient amount and overdue charges as soon as requested by the competent governmental authorities.

In view of the above, our Directors are of the view that such non-compliance did not and will not have a material adverse impact on our Group on the grounds that: (i) as advised by our PRC Legal Advisor, based on the interviews with relevant authorities and the relevant regulatory policies and the facts stated above, provided there are no material adverse changes in the current regulatory policies and the implementation policies of the competent authorities, the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident

BUSINESS

fund contributions or being subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote; (ii) there were no material disputes between our employees and us regarding the social insurance or housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date; (iii) we had not been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date; (iv) during the Track Record Period and as of the Latest Practicable Date, we had not received any notification from the relevant authorities in the Chinese mainland requiring us to pay shortfalls or the penalties with respect to social insurance and housing provident funds; (v) during the Track Record Period and as of the Latest Practicable Date, we had neither experienced any disagreement from relevant social insurance or housing provident fund authorities with respect to such contributions; and (vi) one of our Controlling Shareholders, Mr. Hao, has undertaken to fully indemnify us against any liability or penalty arising from the under-contribution of social insurance and housing provident funds.

Remedial Measures

We have taken the following internal control measures to ensure compliance with the social insurance and housing provident fund contribution requirements under the relevant laws and regulations to the extent practicable:

- *Training.* Strengthen the training of our personnel, including training on various compliance-related topics for our employees;
- *Internal control measures.* Establish an internal control team to monitor our ongoing compliance with the social insurance and housing provident fund contributions regulations and oversee the implementation of any necessary measures;
- *Increasing awareness of developments in the law.* Regularly keep abreast of the latest developments in PRC Law relating to social insurance and housing provident funds; and
- *External counsel.* Consult external legal counsel for advice on relevant PRC Law.

PROPERTIES

Leased Properties

As of the Latest Practicable Date, we leased seven properties in two cities with a total GFA of approximately 23,237.9 sq.m. primarily used for our manufacturing facilities and office space. Our leases generally have a term ranging from approximately one to three years. We generally consider renewing the leases upon their expiry based on our business needs. Rents under our leases are generally in fixed sum.

As of December 31, 2025, each of our property interests had a carrying amount less than 15% of our consolidated 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 (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings.

BUSINESS

Non-registration of Lease Agreement

As of the Latest Practicable Date, we had not completed lease registration for one of the properties we leased in China primarily used for warehousing with an aggregate GFA of approximately 435 sq.m., representing approximately 1.9% of the total leased GFA of our leased properties primarily used for production, office and warehousing, primarily due to the difficulty of procuring the relevant lessor’s cooperation to register its lease. As advised by our PRC Legal Advisor, the lack of registration for the lease contract will not affect the validity or the binding effect of the lease contract over contracting parties under PRC Law. As the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative burden, we were not able to complete the registration of the lease agreement mentioned above. We have adopted internal policies that (i) request our employees to proactively coordinate with lessors to complete the registration for all of our lease agreements and (ii) require our employees to complete the registration of lease agreements in instances in which lessors are willing to cooperate in such procedures.

As advised by our PRC Legal Advisor, the relevant authorities in the Chinese mainland may request us to complete the registration, and if we still fail to do so, we may be imposed a fine ranging from RMB1,000 to RMB10,000 for such lease agreement. The aggregate amount of maximum fine will be approximately RMB10,000, which our Directors believe will not have any material adverse impact on our business, financial condition or results of operations.

As of the Latest Practicable Date, in relation to the leased property that had not completed lease registration, we have not been required by the relevant local housing administrative authority to complete the registration, nor been penalized or fined by the relevant authority.

Based on the foregoing, our Directors believe that the lack of registration for the lease agreement does not constitute material nor systemic non-compliance of us, and the non-registration of the lease agreement described above will not materially affect our business and results of operation. As such, we did not make any provisions in connection with the lease agreement without registration during the Track Record Period and up to the Latest Practicable Date.

As part of our enhanced internal policies, our lease agreements are required to be registered with relevant authorities. As the registration of a lease agreement requires the cooperation of the lessor, upon the execution of lease agreements, we would proactively request and assist the lessors or other relevant parties with registration and filing of lease agreements. We will regularly review registration status of our leases and remind the lessors who have not completed the registration to fulfill the relevant obligations.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. In addition to providing social security insurance for our employees as required by PRC Law, we also provide supplemental commercial medical insurance for some of our employees. We maintain a comprehensive general liability insurance covering products liabilities arising from obligations in relation to bodily injury and property damage. In line with general market practice, we do not maintain any business interruption insurance, which is not mandatory under PRC Law. We do not maintain key-man life insurance or insurance policies covering damages to our IT infrastructure or information technology systems. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to risks associated with our products and may lack sufficient insurance coverage for such claims. We may not be able to obtain adequate insurance for losses and liabilities arising from various operational risks and hazards to which we are exposed.”

BUSINESS

DATA SECURITY AND PRIVACY

Customers data that we obtain mainly consists of the following: (i) basic contact information necessary for business communication, such as the name, phone number and email address of the customer’s designated contact person; and (ii) sales-related data, including contracts, purchase orders, invoice details and delivery addresses. All the aforesaid information is provided by the customers during the ordinary course of business.

The protection of privacy and data security is one of our highest priorities. We have established a comprehensive system to regulate our data processing activities. We have developed internal rules, policies and protocols to govern data security and how we may use and share data, to preserve individual personal information and privacy. These rules, policies and protocols guide the strategy of our information security and compliance initiatives, prescribe a hierarchical data classification and management system, clarify the management and compliance requirements applicable to the full data processing cycle and for cybersecurity and information system security, mandate trainings for related personnel and prescribe data security and compliance risk assessment and audit procedures. We have set up an emergency response mechanism for information security incidents. All our personnel are required to strictly follow such internal rules, policies and protocols. We pay close attention to risk management relating to our IT system, as storage and protection of corporate data and related information is critical to us. To ensure data security, we have adopted industry-standard practices and technical measures to prevent unauthorized access, disclosure, or misuse.

We attach great importance to data security and privacy protection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of operating or transaction data in the Chinese mainland.

LICENSES, APPROVALS AND PERMITS

As advised by our PRC Legal Advisor, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material for our operations in the Chinese mainland and such licenses, approvals and permits are valid and effective. Our PRC Legal Advisor has advised us that there is no material legal impediment to renewing business licenses for our PRC subsidiaries provided that we comply with the relevant legal requirements and submit the relevant applications in accordance with the requirements and schedule prescribed by the applicable PRC Law.

The following table sets out details of the material licenses, approvals and permits currently held by us:

License/Permit	Holder	Grant date	Expiry date
Foreign Trade Operator Registration Form (對外貿易經營者備案登記表)	Our Company	July 28, 2021	Not applicable
Customs Declaration Entity Filing Certificate (報關單位備案證明)	Our Company	November 7, 2008	Not applicable
Road Transport Operation Permit (道路運輸經營許可證)	Our Company	March 21, 2023	April 14, 2031
Customs Declaration Entity Filing Certificate (報關單位備案證明)	JVS Vehicle Technology and JVS Beijing	August 26, 2021	Not applicable

BUSINESS

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.”

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that would have a material adverse effect on our business, financial condition and results of operations.

INTERNATIONAL SANCTIONS RELEVANT TO CERTAIN BUSINESS ACTIVITIES OF THE GROUP

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive orders, legislation or other government means, implemented measures that impose economic sanctions against certain countries, regions or targeted industry sectors, groups of companies or persons, and/or organizations within such countries and regions.

During the Track Record Period, we made certain historical transactions with Sanctioned Targets, namely: (i) sales of vehicle articulation systems to Sanctioned Target customers, and (ii) using an account at a Sanctioned Target bank to receive sales proceeds from certain Russian customers of our vehicle articulation systems, of which two such customers were Sanctioned Targets. Our transactions with Sanctioned Targets amounting to approximately RMB34.9 million in aggregate, representing approximately 7.0% of our total revenue during the Track Record Period.

Evaluation of our Group’s International Sanctions risk exposure

Our International Sanctions Legal Advisor has performed, among other procedures, the following steps which it considers necessary to evaluate our International Sanctions risk exposure:

- (a) reviewing transaction documents provided by us for our sales to the Sanctioned Customers during the Track Record Period and up to the Latest Practicable Date;
- (b) reviewing the Group’s customer and supplier lists for the Track Record Period and up to the Latest Practicable Date, and conducting sanctions screening of all the counterparties identified in such lists;
- (c) obtained a written confirmation from the Company on various aspects of the Group’s business;
- (d) providing the Group with compliance recommendations in relation to International Sanctions;

BUSINESS

- (e) reviewing the Group's compliance management system in relation to International Sanctions and the enhancements to the Group's compliance program; and
- (f) reviewing the Company's responses to its information request list and related supporting materials.

After performing the procedures above, our International Sanctions Legal Advisor is of the view that during the Track Record Period and up to the Latest Practicable Date:

- (1) our activities with customers in the Relevant Regions did not represent Primary Sanctioned Activity in violation of the applicable International Sanctions in the Relevant Jurisdictions that could result in any material sanctions risk to the Relevant Persons. The Group might have engaged in limited Secondary Sanctionable Activity with several United States-sanctioned customers and financial institutions in Russia and Belarus, but such historic activity is unlikely to trigger enforcement risks, such as the imposition of sanctions against the Group or any Relevant Person(s) by a Relevant Jurisdiction because:
 - (a) in terms of sectoral-based sanctions, U.S. sanctions specifically target the Russian transportation sector is specifically targeted by U.S. sanctions. The risk that OFAC would impose sanctions on the Group for operating in the transportation sector of the Russian economy is remote because the Group is not a significant participant or contributor to the Russian transportation sector, and the Group does not engage in local manufacturing in Russia but simply conducts sales into Russia, which limits its touchpoints with and contribution to the Russian economy;
 - (b) in terms of territorial-based sanctions, none of the Relevant Regions is Sanctioned Country (i.e., subject to a general and comprehensive export, import, financial or investment embargo);
 - (c) in terms of entity-based sanctions, our transactions with Sanctioned Targets were limited to sales of our products to two sanctioned customers in Russia ("**Sanctioned Russian Customer A**" and "**Sanctioned Russian Customer B**" respectively) and one sanctioned customer in Belarus ("**Sanctioned Belarusian Customer**") (collectively, the "**Sanctioned Customers**"). We also received payments in RMB from our Russian customers through a sanctioned clearing bank ("**Sanctioned Russian Clearing Bank**") (these Sanctioned Target counterparties are collectively referred as "**Sanctioned Counterparties**").
 - (i) Sanctioned Russian Customer A is a "blocked entity" under U.S. sanctions laws because it is owned as to 50% or more indirectly by an SDN. All general licenses applicable to such SDN, and therefore Sanctioned Russian Customer A, expired on May 25, 2022. Due to our inadvertent oversight regarding International Sanctions on Sanctioned Russian Customer A, we conducted direct and indirect sales of vehicle articulation systems to Sanctioned Russian Customer A in 2024 and 2025. During the Track Record Period, our direct and indirect transactions with Sanctioned Russian Customer A amounted to approximately RMB17.0 million in aggregate, representing approximately 3.4% of our total revenue during the Track Record Period. Our Directors confirmed that our Group had ceased business dealings with Sanctioned Russian Customer A and its agents since December 31, 2025. Our International Sanctions Legal Advisor is of the view that, based on published OFAC guidance, it is unlikely that the Group's historical transactions with Sanctioned Russian Customer A would provide substantial grounds for OFAC to impose Sanctioned Target designations or civil or criminal penalties against the Group or the Relevant Persons, because the Group's conduct did

BUSINESS

not constitute an intentional or reckless disregard for U.S. sanctions, unlikely caused harm to United States sanctions objectives due to the non-sensitive nature of our products, and was limited in transaction scope, and we immediately and comprehensively enacted remediation measures which are further discussed below;

- (ii) Sanctioned Russian Customer B was designated on the SDN List on May 1, 2024. Due to our inadvertent oversight regarding International Sanctions on Sanctioned Russian Customer B, during the Track Record Period and up to the Latest Practicable Date, we conducted direct sales of vehicle articulation systems to Sanctioned Russian Customer B in 2024 after its designation on the SDN List, and such sales amounted to approximately RMB1.9 million in aggregate, representing approximately 0.4% of our total revenue during the Track Record Period. Our Directors confirmed that our Group had ceased business dealings with Sanctioned Russian Customer B since December 31, 2025. Due to the nature of the products involved in these sales, that these sales were denominated in RMB with no involvement of United States persons, or any United States nexus otherwise, our International Sanctions Legal Advisor is of the view that such transactions to Sanctioned Russian Customer B have no United States nexus to trigger the relevant primary United States sanctions restrictions and would not likely be deemed transactions constituting “material” assistance to an SDN for purposes of triggering U.S. secondary sanctions;
- (iii) Sanctioned Belarusian Customer was designated on the SDN List on March 24, 2023. Due to our inadvertent oversight regarding International Sanctions on the Sanctioned Belarusian Customer, we sold vehicle articulation systems to it in 2025 after it was identified on the SDN List. During the Track Record Period, our transactions with Sanctioned Belarusian Customer amounted to approximately RMB6.3 million in aggregate, representing approximately 1.3% of our total revenue during the Track Record Period. Our Directors confirmed that our Group had ceased business dealings with Sanctioned Belarusian Customer since December 31, 2025. Due to the nature of the products involved in these sales, that these sales were denominated in RMB with no involvement of United States persons, or any United States nexus otherwise, our International Sanctions Legal Advisor is of the view that such transactions with Sanctioned Belarusian Customer have no United States nexus to trigger the relevant primary United States sanctions restrictions and would not likely be deemed transactions constituting “material” assistance to an SDN for purposes of triggering U.S. secondary sanctions;
- (iv) Sanctioned Russian Clearing Bank was designated as an SDN on February 24, 2022 by the United States. During the Track Record Period, apart from the sales proceeds received from Sanctioned Russian Customer A and Sanctioned Russian Customer B, the Company’s account at the Sanctioned Russian Clearing Bank received sales proceeds from four other Russian customers of our vehicle articulation systems who were not Sanctioned Targets in the aggregate amount of approximately RMB9.7 million, representing approximately 2.0% of our total revenue during the Track Record Period. Our Directors confirmed that our Group has completed all required procedures to close the account at the Sanctioned Russian Clearing Bank and an account closure notice was issued by the Sanctioned Russian Clearing Bank to us on January 30, 2026. Due to the nature of the transactions (i.e., inbound payments in RMB for non-sensitive components for civilian transport), and there are no indications of military end-use or other heightened policy sensitivities, our International Sanctions Legal

BUSINESS

Advisor is of the view that it is unlikely for the Group's historical account at the Sanctioned Russian Clearing Bank to provide substantial grounds for OFAC to impose Sanctioned Target designations or civil or criminal penalties against the Group or the Relevant Persons;

- (d) none of the business dealings of our Group is subject to material risks under the export control regulations of the Relevant Jurisdictions;
- (2) it is unlikely that our activities (including the business dealings with customers in the Relevant Regions) would result in the imposition of sanctions on the Relevant Persons (including designation as a Sanctioned Target or the imposition of penalties), given that:
 - (a) our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we have not been designated as a Sanctioned Target nor are we located, incorporated, organised or resident in the Relevant Regions;
 - (b) our Directors also confirm that as at the Latest Practicable Date, our Group is not subject to any penalties due to any violation of International Sanctions;
 - (c) in view of the scope of the [REDACTED] and the expected [REDACTED] as set out in this document, the involvement of parties in the [REDACTED] will not implicate any applicable International Sanctions on the Relevant Persons. Accordingly, the International Sanctions risk exposure to our Company, [REDACTED] and Shareholders, and persons who might, directly or indirectly, be involved in permitting the [REDACTED], [REDACTED] and clearing of our H Shares is remote;
- (3) based on the analysis set out in paragraph (1) and (2) above, we are not subject to material contingent liabilities in relation to the Primary Sanctioned Activity or Secondary Sanctionable Activity during the Track Record Period and up to the Latest Practicable Date; and
- (4) our transactions with Sanctioned Targets during the Track Record Period do not qualify us as a Sanctioned Trader for purposes of Chapter 4.4 of the Guide for New Listing Applicants.

We acknowledge that International Sanctions risks associated with our sales activities involving the Relevant Regions and other overseas jurisdictions cannot be completely excluded due to the fast-evolving International Sanctions regimes. However, we expect such risks to remain low and manageable given the nature of our products and end users, and they may be further mitigated to the extent that we can demonstrate compliance with International Sanctions as discussed below.

Our undertakings to the Stock Exchange

We have undertaken to the Stock Exchange that:

- we will not use the [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange, whether directly or indirectly, to finance or facilitate any activities or businesses with, or for the benefit of, any Sanctioned Countries or any other government, individual or entity sanctioned by the Relevant Jurisdictions, including but not limited to, any government, individual or entity that is the subject to any OFAC-administered sanctions or that would be in breach of sanctions imposed by the Relevant Jurisdictions;
- we will terminate before the [REDACTED] all obligations under the relevant contracts with the Sanctioned Customers;

BUSINESS

- we will not undertake any future business that would cause us, the Stock Exchange, [REDACTED], [REDACTED], our Shareholders or [REDACTED] to violate or become a target of International Sanctions laws;
- we will make timely disclosure on the website of the Stock Exchange and our website if we believe that any of our business activities would put our Group or our Shareholders and [REDACTED] at risks of being in breach of the International Sanctions laws; and
- we will also include such disclosures in our annual reports and the discussion of our efforts on monitoring our business exposure to sanctions risk, the status of our future business (if any) in any country subject to International Sanctions and our business intention (if any) relating to customers from any such country.

Our internal control measures to minimise sanctions risk

As of the Latest Practicable Date, we had (i) fully ceased our transactions with the Sanctioned Counterparties and (ii) closed our account in the Sanctioned Russian Clearing Bank. We will not deal with any Sanctioned Targets in the future.

We have engaged an internal control consultant to conduct an internal control review on us. We have enhanced our internal control measures as recommended by our internal control consultant to manage associated risks of International Sanctions. As we intend to continue our business in compliance with applicable International Sanctions laws, in order to identify and monitor our exposure to risks associated with sanctions laws relating to these sales, we have implemented the following measures:

- As of November 20, 2025, our Group has adopted the 制裁合規管理制度 (Sanctions Compliance Management System), a comprehensive set of remedial measures to strengthen controls over sanctions and export control risks across its supply chain, customer base, and internal operations. The Sanctions Compliance Management System defines scope, roles, and procedures to ensure all Group activities comply with applicable sanctions and export control laws and internationally recognized standards of business conduct. The policy was formally approved, cross-signed by key operating departments, and issued as a controlled document effective across the Group to safeguard legal interests and business reputation while preventing sanctions-related losses.
- Our Group has established a formal Sanctions Compliance Committee (“Committee”) chaired by the general manager, with deputy chairs from procurement and sales, and the audit department designated as the primary supervisory function. The Committee assists the board in evaluating the sanctions compliance policy, formulating measures and internal control procedures, assessing and monitoring Group-wide sanctions risk, and overseeing implementation across departments. The legal department has been tasked to centrally coordinate sanctions work, provide timely legal advice and risk alerts to senior management and the board on international sanctions and PRC countermeasures, and to track and maintain a curated database of applicable sanctions lists issued by relevant authorities for internal dissemination and use.
- Our Group has implemented a structured screening program that requires pre-engagement screening of all business partners, agents, and customers against sanctions lists maintained by competent authorities, including but not limited to OFAC and export control lists administered by the U.S. Department of Commerce, Bureau of Industry and Security. Business units must conduct screening before any business cooperation, and the legal department must review and confirm screening results; upon any hit or potential match, engagement is halted immediately pending legal department’s determination, and cooperation is suspended where a sanctioned party is identified. The legal department performs periodic screening cycles and distributes updated lists to operating teams, leveraging the internally maintained sanctions database to ensure timely list refreshes and visibility.

BUSINESS

- Our Group has embedded contractual safeguards across procurement and sales. Procurement contracts require suppliers to confirm products are not produced by sanctioned persons or sourced from sanctioned countries. For each purchase order, the Group obtains and reviews certificates of origin or equivalent evidence prior to payment and acceptance, with submissions escalated to the Committee for approval; if acceptable source documentation or written confirmations cannot be provided, the Group will not proceed with the transaction. Customer contracts incorporate explicit sanctions undertakings that the Group's products will not be resold to entities subject to international sanctions, including those on the SDN List.
- Our Group's legal department conducts an annual sanctions compliance audit covering all business activities and counterparties against relevant restricted party and country lists. Where sanctioned relationships are identified in the audit, the legal department, together with relevant business units, formulates handling measures, including suspension or termination of cooperation as appropriate, with documented remediation steps and oversight by the Committee. The policy also establishes a contingency and escalation protocol: if the Group is listed by a sanctions authority, the Committee must immediately verify the basis, develop a response plan, and engage with relevant authorities to seek suspension, modification, or cancellation of the measure to mitigate adverse impact.
- Our Group has instituted mandatory, periodic training for all employees on sanctions laws and regulations, internal policies, risk identification, and response measures, with continuous updates to reflect legal developments. The Committee designates responsible personnel to organize training; the legal department publishes updates on new legal requirements and timely revises internal policies and training content to maintain currency and effectiveness. The Group held a training session on November 18, 2025, to familiarize managers with sanctions and export controls imposed by the U.S. and other Relevant Jurisdictions, and the enhanced internal controls to mitigate and remediate the Group's sanctions and export controls risks.

Furthermore, we undertake to implement the following measures:

- We will open and maintain separate bank account(s) which is/are designated for [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange. Our Committee will monitor and regulate the use of the [REDACTED] from the [REDACTED] to ensure that we will not breach our undertaking to the Stock Exchange;
- We will maintain Committee minutes and escalation logs as ongoing evidence of the Group's compliance with International Sanctions;
- We will formalize an enhanced know-your-client procedure beyond list screening (e.g., beneficial ownership verification, nature of business verification, use of corporate registries or beneficial owner attestations), embed into client onboarding checklists, and align with documentation standards;
- We will continue to monitor future developments of applicable sanctions regimes and to undertake prompt risk mitigation measures, including potential terminations or suspensions of business relationships, to ensure the Group maintains continued compliance with international sanctions;
- We will continue to implement enhanced periodic compliance trainings to ensure awareness of sanctions risks and timely and effective identification and reporting of actual and potential violations and ad hoc sanctions alerts in case of a major escalation of sanctions which might affect the Company's business operations; and
- We will continue our operations and business activities in strict compliance with international sanctions applicable to such activities and/or each member of the Group.

BUSINESS

Our Directors have reviewed and evaluated these internal control measures and are of the view that these measures are adequate and effective for our Company to comply with applicable International Sanction laws and our undertakings to the Stock Exchange.

Having reviewed and taken into account the above measures, our Directors and International Sanctions Legal Advisor are of the view that our measures provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to International Sanctions laws so as to protect the interests of our Shareholders and us. Based on the above, the Sole Sponsor is of the view that it has not identified any material issues relating to the adequacy and effectiveness of our internal control measures to manage our exposure to sanction risks.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as financial reporting, information system, internal control, human resources, and investment management. Furthermore, we conduct periodic review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency. Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, treasury management policies, and reimbursement management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date and enable them to discover and meet our customers' needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence, and corruption.

Internal Control

To ensure strict compliance of our business operations with applicable rules and regulations, we have designed and adopted a set of comprehensive internal control policies. The implementation of such policies is overseen by our internal control team, which is also responsible for (i) performing group-level risk assessments, (ii) providing advice on risk management practice and (iii) establishing authorization and approval protocols.

ENVIRONMENTAL, SOCIAL RESPONSIBILITY AND GOVERNANCE

Our Company fully recognises the importance of Environmental, Social and Governance ("ESG") to its sustainable development and is progressively strengthening ESG integration across all aspects of its operations. Our Company has established and effectively operates an integrated management system covering international standards such as IATF 16949 (Quality Management), ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management), and continues to advance the relevant certification processes.

BUSINESS

Our Company is committed to complying with the Environmental, Social and Governance Reporting Guide in Appendix C2 of the Listing Rules and Guidance of the Hong Kong Stock Exchange after [REDACTED], by publishing an annual ESG report to disclose our Company’s ESG management status to stakeholders.

ESG Governance

Our Company plans to progressively establish and improve its ESG governance structure after [REDACTED]. The Board of Directors will assume overall responsibility for identifying, analysing and overseeing our Company’s ESG-related matters, formulating ESG management policies and related objectives, tracking the completion of these objectives annually, reviewing the Company’s ESG performance, and examining and approving the Company’s ESG report. An ESG working group comprising senior management is proposed to be established, responsible for assessing and determining the Company’s various ESG-related risks, formulating and monitoring our Company’s ESG management, objectives, systems and action initiatives, and reporting annually to the Board of Directors on ESG work. The heads of relevant departments will be responsible for the full implementation of ESG management plans and initiatives, and for proactively identifying, assessing and reporting ESG-related risks and improvement suggestions.

Corporate Governance

Our Company upholds compliant operations as a fundamental principle and strictly adheres to the laws and regulations of the jurisdictions in which it operates.

The professional competence and diversity of the Board of Directors are key factors in ensuring our Company’s steady and orderly development. Our Company is committed to establishing a clear and effective corporate governance mechanism while continuously enhancing Board diversity, ensuring high-level decision-making capability across multiple dimensions such as directors’ professional skills, knowledge and experience.

Materiality Assessment

Our Company is committed to establishing transparent and efficient stakeholder communication channels, maintaining close contact with stakeholders including shareholders, governments, regulatory bodies, customers, employees and suppliers through various online and offline means, actively soliciting their feedback and suggestions on our Company’s ESG management, and continuously improving ESG practices to meet stakeholder expectations. Based on business characteristics and stakeholder concerns, and in line with our Company’s actual situation and stakeholder feedback, we benchmarked against industry peers to identify ESG topics and conducted a materiality assessment on these ESG topics. The identified material ESG topics include resource utilization, product research & development and innovation, product and service safety & quality, occupational health and safety, and business ethics.

Business Ethics

Our Company consistently adheres to the principles of integrity, fairness, transparency, and responsibility, strictly complies with the laws and regulations of its operating jurisdictions, and upholds business order and a fair competitive environment. Our Company has established a business ethics management system and formulated the Employee Handbook, which clearly defines the standards for employee business conduct.

BUSINESS

Our Company strictly prohibits any form of corrupt practices and resolutely upholds a culture of integrity. We have established systematic internal control mechanisms: Requiring all employees and suppliers to sign the Integrity and Self-Discipline Agreement and the Code of Business Conduct Agreement respectively, clarifying behavioural boundaries; ensuring new employees receive business ethics training upon joining, and conducting annual integrity awareness sessions for all staff.

Whistleblowing and Case Handling

Our Company encourages all employees and partners to report violations through open whistleblowing channels. We have an independent audit department dedicated to investigating malpractice and have established dedicated reporting channels that accept both named and anonymous reports, encouraging oversight and reporting from both internal and external partners. Our Company protects whistleblowers and strictly prohibits any form of retaliation. Any verified violation will result in immediate dismissal or termination of cooperation, thereby resolutely upholding the seriousness of the system and the foundation of our Company’s integrity.

Climate Change Response

Our Company has identified several climate change-related risks that may adversely affect business operations, assessed their potential impacts accordingly, and planned response measures.

Risk category		Potential impact assessment	Response measures
Physical risks . . .	Extreme weather risks	Risk of disruption to own operations: Extreme weather events, such as historically rare torrential rain and floods, typhoons, and extreme heatwaves, may directly impact the company’s R&D centres, testing sites, and key production facilities, leading to operational disruptions, equipment damage, and data loss, affecting project delivery.	Conduct climate vulnerability assessments for major operational sites and implement adaptive upgrades such as flood protection, heat dissipation, and backup power supplies for high-risk facilities. Develop and regularly exercise our business continuity plan and disaster recovery plan for extreme weather conditions.
		Supply chain resilience risk: As the company operates within the global value chain, disruptions to the production, warehousing, and logistics networks of suppliers of specific raw materials or precision components due to climate disasters (e.g., floods, hurricanes) would severely impact the company’s normal production and delivery capabilities, causing a chain reaction.	Incorporate “business continuity assurance capability” into the new supplier onboarding and existing supplier evaluation systems. Identify and develop backup suppliers or alternative part numbers for critical materials.

BUSINESS

Risk category	Potential impact assessment	Response measures
Legal and policy sub-risk	Increasingly stringent global “carbon neutrality” regulations may lead to mandatory accounting and disclosure requirements for the carbon footprint across the entire lifecycle of transportation equipment. Downstream customers may pass on cost and compliance pressures upstream to meet regulations. If the Company cannot provide low-carbon product solutions and reliable carbon footprint data, it will face risks of market access restrictions and customer attrition.	Proactively respond to and participate in major customers’ “green supply chain” assessments and initiatives, transforming ESG performance into a market access advantage.
Transition risk	Market risk If the Company’s green supply chain management, its own carbon neutrality commitments and practices lag behind industry benchmarks or the ESG procurement standards of major customers, it will be at a competitive disadvantage in major projects. Investors’ ESG preferences may also affect the Company’s financing channels and valuation.	Develop “low-carbon version” or “zero-carbon ready” product packages, proactively providing compliance solutions for customers.

Our Company will continuously enhance its management capabilities for climate change risks and opportunities and disclose related information in its ESG reports.

Environmental Management

We strictly adhere to environmental protection laws and regulations in our operating locations, including the Environmental Protection Law of the PRC. To further standardise our environmental protection management, we have established an environmental management system with compliance as the baseline, along with corresponding environmental management policies, to continuously manage and monitor the environmental impact of our operations.

To systematically advance environmental management, our Company has established a comprehensive environmental management system and has obtained ISO 14001 environmental management system certification. We ensure the effective operation of the management system by clearly defining the responsibilities and authorities at each level. Furthermore, we regularly organise staff training to continuously enhance employees’ capabilities and awareness in environmental compliance and management.

BUSINESS

Our Company places high importance on the prevention of and response to environmental emergencies, having established a regular mechanism for environmental risk identification and assessment. For identified risks, we have developed comprehensive management plans and contingency plans to implement effective controls.

Emissions Management — Greenhouse Gases

Our Company complies with all applicable environmental policies and guidelines and assumes the social responsibility of mitigating climate-related risks and reducing greenhouse gas emissions. Our Company analyses scenarios of greenhouse gas emissions generation to seek decarbonisation potential and methods. Our Company’s Scope 1 emissions primarily arise from greenhouse gases generated by the direct energy consumption in operations (fuel consumed by owned vehicles), while Scope 2 emissions primarily arise indirectly from greenhouse gases resulting from electricity consumption in office premises and production processes. Our Company’s Scope 3 emissions listed below primarily arise from employee travel and commuting. We are committed to reducing our greenhouse gas emissions. In terms of transportation, we prioritize the use of new energy vehicles to lower carbon emissions during the transportation process.

The table below sets out the greenhouse gas emissions for the years indicated:

	Unit	2023	2024	2025
Total greenhouse gas emissions (Scope 1 and Scope 2)¹	tCO2e	947.00	1,006.69	982.12
GHG emission intensity	tCO2e/million RMB in Revenue	7.52	7.14	4.42
Scope 1 emissions	tCO2e	/	/	/
Scope 2 emissions	tCO2e	947.00	1,006.69	982.12
Scope 3 emissions²	tCO2e	81.86	126.03	140.42

Emissions Management — Air Pollutants

The primary source of air pollutants from our Company is vehicle exhaust generated by our own fleet during operation. We are committed to reducing air emissions through initiatives such as implementing energy conservation and emission reduction measures, as well as introducing new energy vehicles into our fleet.

Waste Management

Committed to the compliant disposal of waste, our Company strives to reduce waste generation by implementing targeted management initiatives to minimise waste production.

The table below sets out the waste usage for the years indicated:

	Unit	2023	2024	2025
Non-hazardous waste	Tonnes	4.80	9.48	7.60
Non-hazardous waste intensity	kg/million RMB in Revenue	38.06	67.20	34.18

¹ Scope 1 and Scope 2 greenhouse gas emission data is calculated with reference to the General Principles for Calculation of Comprehensive Energy Consumption (GBT2589-2020).

² Scope 3 greenhouse gas emissions are calculated in accordance with the GHG Protocol.

BUSINESS

Energy Management

In the course of our business operations, our Company consistently upholds the philosophy of energy conservation and environmental protection, strictly complies with the Environmental Protection Law of the People’s Republic of China and other applicable environmental laws and regulations, and has established internal policies dedicated to environmental protection, such as the Energy Conservation Management Procedure.

Our Company actively advocates energy conservation in its business operations and has implemented various targeted actions to reduce energy consumption, such as:

- Training employees to enhance awareness of energy management;
- Switching off unnecessary lights and ensuring lights are turned off when leaving;
- Increasing spot checks and imposing severe penalties for energy wastage.

The table below sets out the energy consumption for the years indicated:

	Unit	2023	2024	2025
Electricity consumption	KWh	1,764,817.00	1,876,061.00	1,830,256.00
Direct energy consumption	MWh	/	/	/
Indirect energy consumption	MWh	1,764.82	1,876.06	1,830.26
Total energy consumption	MWh	1,764.82	1,876.06	1,830.26
Total energy consumption intensity	MWh/million RMB in Revenue	14.01	13.31	8.23

Resource Management

Our Company aims to reduce water consumption and has incorporated awareness of water conservation and improving water use efficiency into its business operations. Our Company’s water usage primarily comes from office consumption, staff accommodation, and production processes.

The table below sets out the water resource consumption for the years indicated:

	Unit	2023	2024	2025
Water consumption	m³	15,032.00	18,414.00	14,030.00
Water consumption intensity	m³/million RMB in Revenue	119.30	130.60	63.11

Our Company actively implements water conservation initiatives, such as conducting regular employee training to promote green office practices, and arranging personnel to routinely inspect water pipes and taps, reporting and repairing any issues promptly.

Our Company actively promotes environmental protection by advocating for the use of biodegradable and reusable packaging, cartons, and boxes, thereby reducing material waste in logistics operations and enhancing resource efficiency.

BUSINESS

The table below sets out the usage of packaging materials for the years indicated:

	Unit	2023	2024	2025
Plastics	Tonnes	2.1	3.30	3.85
Paper	Tonnes	2.26	3.93	5.89
Metals	Tonnes	0.2	0.48	0.87
Wood	Tonnes	130.50	152.20	220.00
Total packaging materials used	Tonnes	135.06	159.91	230.61
Packaging materials used per unit of output	Tonnes/million RMB in Revenue	1.07	1.13	1.04

Product Responsibility

Our Company has established a product management system covering production, procurement, transportation, storage, and sales, and has formulated quality management systems and processes such as the Quality Manual to ensure product quality complies with national standards and corporate requirements. Our Company complies with product quality-related laws and regulations in its operating regions, strictly standardises inspection procedures, and deploys professional personnel for joint inspections at all stages of products and services to ensure product quality and safety.

To foster a quality-oriented culture within our Company, we regularly provide quality-related training to our employees, continuously reinforcing our high standards for quality management. During the Track Record Period, we actively conducted training on product safety and quality, totaling 28 hours of training sessions and covering 560 attendances.

For customer complaints, we responded in a timely manner and carried out internal training and corrective actions accordingly.

Product Recall

In the event of quality issues, our Company strictly follows the prescribed procedures in the formulated and implemented Traceability and Recall Management System to trace and recall products. Our Company conducts a simulated traceability drill monthly to improve response efficiency. During the Track Record Period, there were no instances requiring the recall of sold or shipped products due to safety and health reasons.

Supply Chain Management

Our Company has established and adheres to management systems for procurement and supply, such as the Procurement Management System, implementing a full-process management mechanism covering supplier qualification, review, assessment, cooperation and exit.

Our Company places emphasis on supplier risk management and has established a comprehensive supplier risk management system, encompassing risk identification, risk assessment, and risk management.

- Risk Identification: Review key factors of suppliers such as financial status, reputation, and production capacity to identify associated supplier risks.
- Risk Assessment: Conduct risk assessments based on supplier attributes, risk likelihood, and impact severity.

BUSINESS

- Risk Management: Develop detailed risk management plans based on the outcomes of risk identification and assessment, specifying risk management objectives, scope, methods, and timelines.

Our Company also integrates ESG dimensions such as environmental protection, quality and safety, and social responsibility into the supplier management process:

- Environmental Protection: Suppliers should commit to complying with environmental regulations and standards, adopting environmentally friendly technologies, and reducing environmental impact. For example, suppliers’ production process flowcharts and descriptions must demonstrate consideration and planning for environmental impact. Suppliers are required to provide technical documentation related to environmental protection, such as environmental impact assessment reports, environmental monitoring reports, and environmental protection measures reports.
- Quality and Safety: Suppliers should commit to providing high-quality products and services, comply with relevant quality and safety regulations and standards, and provide supporting documentation, such as quality management system certification.
- Social Responsibility: Suppliers should comply with social responsibility regulations and standards and safeguard employee rights and interests. Suppliers’ company profiles and descriptions of system certification scope should include descriptions of social responsibility aspects, such as requirements for safeguarding employee rights and business ethics.

Our Company is committed to establishing long-term, stable cooperative relationships with suppliers, treating all suppliers fairly, and understanding supplier needs and feedback through regular communication and exchanges, promptly resolving issues arising during cooperation. Through efficient supply chain management, our Company establishes sound cooperative relationships with upstream and downstream enterprises, achieving information sharing and resource complementarity to enhance the stability and competitiveness of the supply chain.

Employee Employment and Rights

Our Company complies with the laws and regulations concerning employee employment in its jurisdictions of operation and recruits talent based on the principles of integrity and fairness. The Company has formulated and implemented internal management systems such as the Human Resources System to safeguard the legitimate labour rights and interests of employees. Our Company prohibits any form of child labour and forced labour, and is committed to creating a just, equal, and harmonious working environment. All employees of our Company are full-time staff; there are no part-time employees. As of December 31, 2025, the gender distribution of our employees were approximately 82.0% male and 18.0% female.

Employee Care and Benefits

Our Company actively communicates with employees to gain a deep understanding of the problems and difficulties they encounter in their lives and work, providing necessary assistance and support. The Company contributes to social insurance, housing provident fund, and commercial insurance for employees. It also provides various subsidies and non-monetary benefits in areas such as healthcare, living expenses, housing and transportation. These include meal/transportation subsidies, festival allowances for Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival, birthday subsidies, high-temperature subsidies, as well as benefits such as visits to sick employees and maternity gift packages.

BUSINESS

Employee Training and Development

Our Company places high importance on employee training and development. In accordance with internally established policies such as the Employee Handbook, it provides induction training, on-the-job training and external training. These cover corporate culture, rules and regulations, professional skills, safety knowledge, professional ethics, and management capabilities. Furthermore, our Company encourages self-directed learning among employees and supports their participation in professional qualification examinations, adult higher education entrance exams, correspondence courses, and other skill and academic certification assessments.

Our Company has established career development systems, including the Human Resources System, to provide employees with clear career progression pathways and promotion channels. Our Company has also implemented scientific and reasonable assessment and incentive mechanisms to enhance employee work efficiency and capabilities through performance management.

Occupational Health and Safety

Our Company strive to provide a safe and healthy working environment for our employees. Our Company complies with the relevant laws and regulations on occupational health and safety in China, and has established and implemented safety guidelines. Our Company conducts regular inspections of office premises to ensure a safe and healthy working environment for employees. Meanwhile, our Company provides safety training for employees to enhance their understanding of labour safety and safety awareness. Our Company has established safety contingency plans and conducts annual safety drills to maintain emergency response capabilities. In 2025, the Company engaged a third-party organisation to conduct three safety drills, namely: emergency drills for mechanical injury and electric shock accidents, fire drills (including dormitories), and emergency drills for chemical leakage.

Our Company also pays attention to the occupational health and safety of contractors, strictly adhering to the contractor management system by signing individual safety and environment commitment letters, work safety management agreements, and safety briefing documents with contractors. During the Track Record Period, our Company did not experience any employee fatalities.

The following table sets out the data on work-related injuries and fatalities during the indicated periods:

	Unit	2023	2024	2025
Number of employee work-related injuries .	Case(s)	2	2	0
Number of workdays lost due to work-related injuries	Day(s)	76.00	31.69	0

Community Contribution

Our Company fully recognises that actively fulfilling social responsibility is an indispensable part of sustainable corporate development. We are committed to systematically integrating social contribution into our corporate strategy and operational planning, thereby creating long-term value for the community and broader stakeholders.

BUSINESS

AWARDS AND RECOGNITIONS

We have received various honors and awards in recognition of, among others, our scale, technological capabilities and products. The following table sets out our major awards and recognitions:

Award/recognition	Year	Awarding body
Jiangsu Specialized and New “Little Giant” Enterprise (江蘇省專精特新小巨人企業)	2024	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
Suzhou Famous Export Brand Product (蘇州市出口名牌產品)	2021	Suzhou Municipal Bureau of Commerce (蘇州市商務局)
Suzhou Industrial Design Center (蘇州市工業設計中心)	2021	Suzhou Municipal Bureau of Industry and Information Technology (蘇州市工業和信息化局)
Busworld Vehicle Award (巴士世界獎)	2020	Busworld Brussels (比利時世界客車博覽會)
China Road Transport Cup – Best Bus Parts (中國道路運輸杯–最佳客車零部件)	2018	Expo on Passenger and Cargo Transport Vehicles & Components (道路運輸車輛展)
China Urban Passenger Transport Enterprise Credit Product Award (中國城市客運企業信用產品獎)	2015	China Road Transport Association – Urban Passenger Transport Branch (中國道路運輸協會–中國城市客運分會)
National High and New Tech Enterprise (國家高新技術企業).	2011	Jiangsu Provincial Department of Science and Technology (江蘇省科學科技廳), the Jiangsu Provincial Department of Finance (江蘇省財政廳) and the State Taxation Administration of Jiangsu Province (國家稅務總局江蘇省稅務局)

CONTINUING CONNECTED TRANSACTIONS

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.

CONTINUING CONNECTED TRANSACTIONS

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.

CONTINUING CONNECTED TRANSACTIONS

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.

CONTINUING CONNECTED TRANSACTIONS

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

CONTINUING CONNECTED TRANSACTIONS

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.

CONTINUING CONNECTED TRANSACTIONS

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.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as our Director	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management members
Mr. Hao Qingjun (郝慶軍)	60	Chairman of the Board and non-executive Director	June 18, 2008	June 18, 2008 ⁽¹⁾	Providing advice and making recommendations to our Board	None
Mr. Cheng Feng (程峰)	57	Executive Director and general manager	September 20, 2008	October 20, 2025	Formulating the overall development strategy of our Group and supervising our Group’s operations	None
Mr. Ma Chunbo (馬春波)	59	Executive Director and deputy general manager of technology	November 2, 2009	November 1, 2013	Overseeing our Group’s research and development of technologies and products	None
Mr. Zhong Gufa (鍾毅發)	40	Executive Director, finance director and deputy general manager	February 25, 2020	October 20, 2025	Overseeing our Group’s financial and capital operations	None
Mr. Sun Bin (孫賓)	36	Executive Director and deputy general manager of marketing	January 1, 2024	October 20, 2025	Overseeing our Group’s marketing and branding	None
Mr. Niu Zhen (鈕震)	40	Executive Director and deputy general manager of technology	May 7, 2014	January 29, 2026	Overseeing our Group’s research and development and technological innovation	None
Dr. Chen Long (陳龍)	67	Independent non-executive Director	[REDACTED]	[REDACTED]	Providing independent advice and judgment to our Board	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of joining our Group	Date of appointment as our Director	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management members
Mr. Jin Yuan (金源)	51	Independent non-executive Director	[REDACTED]	[REDACTED]	Providing independent advice and judgment to our Board	None
Ms. Leung Wai Fong Shirley (梁惠芳)	56	Independent non-executive Director	[REDACTED]	[REDACTED]	Providing independent advice and judgment to our Board	None

Notes:

- (1) Mr. Hao had served as the director of our Company since June 18, 2008 and later resigned on March 10, 2010. Mr. Hao was re-appointed as our Director on October 20, 2025 and was redesignated as our non-executive Director on January 29, 2026.

Non-executive Director

Mr. Hao Qingjun (郝慶軍), aged 60, is our chairman of our Board, non-executive Director and the founder of our Company. He has been served as the director and general manager of our Company since June 18, 2008 and was resigned as a director on March 10, 2010. Mr. Hao was re-appointed as our Director on October 20, 2025 and was redesignated as our non-executive Director on January 29, 2026 and is primarily responsible for providing advice and making recommendations to our Board. Mr. Hao also served as the supervisor of JVS Beijing, our wholly owned subsidiary, from March 2009 to January 2018.

Mr. Hao has over 36 years of experience in the vehicle industry. From July 1989 to March 2002, Mr. Hao successively held the positions of engineer, department head of quality purchasing department, and assistant to the general manager at Liaoning Huanghai Automobile (Group) Co., Ltd. (遼寧黃海汽車(集團)有限責任公司) (“**Liaoning Huanghai**”), a company mainly engaged in the research and development, manufacturing and sales of complete automobiles, automotive axles and components. From October 2003 to August 2007, he served as the vice president and director of Liaoning SG Automotive Group Co., Ltd. (遼寧曙光汽車集團股份有限公司) (“**Liaoning SG**”), a company primarily engaged in the research and development, manufacturing and sales of complete automobiles, automotive axles and components, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600303). During the same period, Mr. Hao also successively served as the executive vice president, director and general manager of Dandong Huanghai Automotive Company Limited (丹東黃海汽車有限公司) (“**Dandong Huanghai**”), a non-wholly owned subsidiary of Liaoning SG. Mr. Hao served as the executive director and general manager of eKontrol from May 2015 to January 2019, and he has also served as the chairman of the board and general manager of eKontrol since January 2019.

Mr. Hao obtained his bachelor’s degree in internal combustion engine from Jilin University of Technology (吉林工業大學) (currently known as Jilin University (吉林大學)) in the PRC in July 1989. Mr. Hao obtained his master’s degree in business administration from Roosevelt University in the U.S. in May 2000.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hao was a director of the following company prior to its dissolution, the details of which are set out below:

Name of company	Place of incorporation	Reason for dissolution	Date of dissolution	Means of dissolution
Fan Zhan Peng Investment Limited (范展鹏投资有限公司)	Hong Kong	Cessation of business	October 5, 2012	Striking off pursuant to Section 746 of the Companies Ordinance

Mr. Hao confirmed that, to the best of his knowledge, (i) Fan Zhan Peng Investment Limited was inactive and solvent at the time of its dissolution and had no outstanding claim or liabilities; (ii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution; and (iii) he has not received any notification in respect of any penalty, action or proceeding from the relevant authorities as a result of the dissolution.

Executive Directors

Mr. Cheng Feng (程峰), aged 57, is our executive Director and the general manager. Mr. Cheng served as a deputy general manager of our Company from February 2009 to August 2023 and became our general manager in August 2023. He was appointed as our Director on October 20, 2025 and was redesignated as our executive Director on January 29, 2026. Mr. Cheng is primarily responsible for formulating the overall development strategy of our Group and supervising our Group’s operations. Mr. Cheng also served as the general manager of JVS Beijing, our wholly owned subsidiary, from March 2009 to December 2017.

Mr. Cheng has over 41 years of experience in the vehicle industry. From December 1983 to December 2008, Mr. Cheng served as a managerial staff of Dandong Huanghai, primarily responsible for the domestic marketing management work. Mr. Cheng also served as a non-executive director of eKontrol from March 2020 to December 23, 2025.

Mr. Cheng graduated from Shenyang Ligong University (瀋陽理工大學) in the PRC with a major in economics and management in January 2007.

Mr. Ma Chunbo (馬春波), aged 59, is our executive Director and deputy general manager of technology. He successively served as a chief engineer, general manager and deputy general manager of technology of our Company since November 2009. He has served as our Director since November 1, 2013 and was re-designated as our executive Director on January 29, 2026. In addition, Mr. Ma has served as the executive director of JVS Vehicle Technology since August 2021, the executive director of JVS Beijing since June 2015, and the manager of JVS Beijing since January 2018.

Mr. Ma has over 35 years of experience in the vehicle industry. From July 1990 to July 2002, he served as an engineer at Liaoning Huanghai. He also served as a non-executive director of eKontrol since December 30, 2019.

Mr. Ma obtained his bachelor’s degree in automotive engineering from Jilin University of Technology (吉林工業大學) (currently known as Jilin University (吉林大學)) in the PRC in September 1986. He is primarily responsible for overseeing our Group’s research and development of technologies and products. Mr. Ma obtained his intermediate qualification certificate of speciality and technology (中級專業技術資格證書) in mechanical engineering issued by Liaoning Provincial Personnel Department (遼寧省人事廳) in October 1997.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhong Gufa (鍾穀發), aged 40, is our executive Director, finance director and deputy general manager. Mr. Zhong has served as our finance director and deputy general manager since February 25, 2020 and was appointed as our Director on October 20, 2025. He was re-designated as our executive Director on January 29, 2026. He is primarily responsible for overseeing our Group’s financial and capital operations.

Mr. Zhong has over 21 years of experience in finance and accounting. Prior to joining our Group, from March 2004 to June 2008, he served as a financial accountant of Press Craft (Suzhou) Co., Ltd. (工藝衝壓(蘇州)有限公司), a company mainly engaged in the production and sales of stamped parts for photocopiers and other metal components. From July 2008 to May 2015, he served as a financial manager of Lotes Suzhou Co., Ltd. (得意精密電子(蘇州)有限公司), a company specialized in manufacturing connectors for personal computers, laptops and portable electronic devices. He also held various positions at eKontrol from January 2015 to September 2025, including a financial manager, the secretary of the board and a deputy general manager. Mr. Zhong has served as a director of eKontrol since January 2019 and was re-designated as its non-executive director on September 30, 2025.

Mr. Zhong obtained his bachelor’s degree in accounting from Jiujiang University (九江學院) in PRC in July 2003. Mr. Zhong obtained his certificate of accounting professional (會計從業資格證書) in PRC issued by the Jiangxi Provincial Department of Finance (江西省財政廳) in July 2007.

Mr. Sun Bin (孫賓), aged 36, is our executive Director and deputy general manager of marketing. He joined our Company on January 1, 2024 as a deputy general manager of marketing. He was appointed as our Director on October 20, 2025 and was redesignated as our executive Director on January 29, 2026. He is primarily responsible for overseeing our Group’s marketing and branding.

Mr. Sun has over 14 years of experience in sales and marketing. Prior to joining our Group, from July 2011 to May 2017, he served as a regional sales manager of Zhengzhou Yutong Bus Co., Ltd. (鄭州宇通客車股份有限公司), currently known as Yutong Bus Co., Ltd. (宇通客車股份有限公司), a company primarily engaged in research and development, manufacturing and sales of commercial buses, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600066). From May 2020 to May 2021, he served as a key account sales personnel of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司), a company mainly engaged in the research, development, manufacturing and sales of high-tech equipment such as construction machinery and agricultural machinery, the shares of which are listed on both Shenzhen Stock Exchange (stock code: 000157) and the Stock Exchange (stock code: 01157). From June 2021 to December 2023, he successively served as the sales manager and the sales director of eKontrol.

Mr. Sun obtained his bachelor’s degree in automotive service engineering from Qingdao University of Technology (青島理工大學) in the PRC in June 2011.

Mr. Niu Zhen (鈕震), aged 40, is our executive Director and deputy general manager of technology. Mr. Niu joined our Group on May 7, 2014 and served as an electrical engineer from May 2014 to September 2015 and our deputy general manager from September 2015 to October 2025. He was redesignated as our deputy general manager of technology on October 20, 2025 and our executive Director on January 29, 2026. He is primarily responsible for overseeing our Group’s research and development and technological innovation. Since September 2025, he also served as the director of Yike Youneng, our non-wholly owned subsidiary.

From September 2015 to September 2025, Mr. Niu successively served as the manager and the director of the power electronics division of eKontrol.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Niu obtained his bachelor’s degree in applied physics from Suzhou University of Science and Technology (蘇州科技學院) in the PRC in June 2008 and master’s degree in materials science from Shandong Jianzhu University (山東建築大學) in the PRC in June 2011. He obtained the professional technical title qualification certificate (專業技術職稱證書) in engineering issued by Suzhou Municipal Bureau of Human Resources and Social Security (蘇州市人力資源和社會保障局) in March 2017.

Independent non-executive Directors

Dr. Chen Long (陳龍), aged 67, was appointed as our independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Chen has over 32 years of experience in technology industry. From July 1982 to June 1997, Dr. Chen served as Deputy Director of the Automobile and Tractor Teaching and Research Office of Jiangsu University of Science and Technology (江蘇理工大學) (currently known as Jiangsu University (江蘇大學)). From March 1993 to May 1997, he served as the deputy mayor of science and technology of Jurong City, Jiangsu Province. From March 1998 to February 2007, he served as executive deputy dean, secretary of the party committee and dean of Jiangsu University Jingjiang College (江蘇大學京江學院). Dr. Chen served as the deputy director of the Science and technology department of Jiangsu University from March 2007 to May 2008 and served as the deputy dean and a member of the standing committee of the party committee of Jiangsu University from June 2008 to October 2018. In addition, he has served as the director of Jiangsu Provincial High-Tech Key Laboratory of Road Transport Vehicle Application Engineering (江蘇省道路載運工具運用工程高新技術重點實驗室) since September 2008, the director of the National and Local Joint Engineering Research Center for Hybrid Vehicle Technology (混合動力車輛技術國家地方聯合工程研究中心) since December 2013 and the vice chairman of the China Society for Automotive Engineers (中國汽車工程學會) since October 2015.

Dr. Chen obtained his bachelor’s degree in agricultural machinery engineering from Jiangsu Polytechnic (江蘇工學院) (currently known as Jiangsu University) in the PRC in December 1982, and his doctoral degree in vehicle engineering from Jiangsu University in the PRC in December 2006. Dr. Chen was awarded as the Outstanding Young and Middle-aged Expert in Jiangsu Province of the Year of 2008 (2008年度江蘇省有突出貢獻的中青年專家) by the Jiangsu Provincial People’s Government (江蘇省人民政府) in August 2008. He was qualified as a professor by Jiangsu University in May 1996.

Mr. Jin Yuan (金源), aged 51, was appointed as our independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Jin has over 28 years of experience in corporate finance and accounting. From April 1997 to December 2011, he successively served as the finance manager, finance director, secretary to the board, vice president and chief financial officer at Shanghai Huateng Software Systems Co., Ltd. (上海華騰軟件系統有限公司) (currently known as Shanghai Chinasoft Huateng Software Systems Co., Ltd. (上海中軟華騰軟件系統有限公司)), a technology enterprise specializing in software development and system integration. From January 2012 to April 2014, he served as the general manager of financial management center and chief financial officer of professional services group of Chinasoft International Limited (中軟國際有限公司), a company primarily engaged in software and information technology service, the shares of which are listed on the Stock Exchange (stock code: 000354). From April 2014 to January 2015, he served as the vice president at Shanghai PnR Technology Co., Ltd. (上海匯付科技有限公司), a company primarily engaging in software and information technology service. He has successively served as the finance director, executive director and chief financial officer of Huifu Payment Limited (匯付天下有限公司), a company primarily engaging in digital payment, since February 2015. From December 2019 to December 2025, he served as an independent director of Shanghai Ganglian E-Commerce Holdings Co., Ltd.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(上海鋼聯電子商務股份有限公司), a company primarily engaged in industrial data services and steel trading services, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300226). Since May 2020, he has served as the independent director of Asia Cuanon Technology (Shanghai) Co., Ltd. (亞士創能科技(上海)股份有限公司), a company mainly engaged in the research and development, manufacturing, sales and service of building coatings and decoration materials, the shares of which are listed on the Shanghai Stock Exchange (stock code: 603378). Since April 2021, he has served as the independent director of Shanghai AtHub Co., Ltd. (上海數據港股份有限公司), a data center enterprise, the shares of which are listed on the Shanghai Stock Exchange (stock code: 603881).

Mr. Jin obtained his bachelor's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in PRC in June 1997, and his master's degree in Professional Accountancy from The Chinese University of Hong Kong in December 2006. Mr. Jin has been a fellow member of CPA Australia since August 2021. Mr. Jin has served as a part-time professor of Shanghai National Accounting Institute (上海國家會計學院) since May 2025, and a deputy director member of the Intelligent Finance Committee of China Association of Chief Financial Officers (中國總會計師協會智能財務專業委員會) since February 2025.

Ms. Leung Wai Fong Shirley (梁惠芳), aged 56, was appointed as our independent non-executive Director with effect from the [REDACTED]. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Leung has over 34 years of experience in accounting. From July 1991 to March 1993, she was served as an accountant at Georgia-Pacific Corporation, a company primarily engaged in production and sales of industrial wood products. From July 1993 to September 1994, she worked at Kennic L. H. Lui & Company (呂禮恒會計事務所) with her last position as an intermediate auditor. From September 1993 to August 1996, she worked at General Electric International, Inc. with her last position as a financial analyst. From March 1997 to April 2002, she worked at JPMorgan Chase Bank with her last position as an associate of private banking area of financial management department. From May 2002 to July 2007, she successively served as the business planning manager of North Asia and the regional business development manager of RS Components Limited. From December 2008 to September 2018, she served as the finance director of Asia Pacific of Haemonetics (Hong Kong) Limited. From August 2019 to September 2021, she was served as the finance director of Asia Pacific of STADA Pharmaceuticals (Asia) Ltd. Ms. Leung has served as the finance manager of eBRAM International Online Dispute Resolution Centre Limited since January 2023.

Ms. Leung obtained her bachelor's degree in business administration from California State University, Chico in United States in December 1990 and her master's degree in business administration from The Hong Kong University of Science and Technology in November 1999. She has been an associate member of the Hong Kong Institute of Certified Public Accountants since October 1995, an associate member of the Association of Chartered Certified Accountants since January 1996 and a fellow member since January 2001.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

Our supervisory committee consists of three supervisors. All of our Supervisors meet the qualification requirements under relevant PRC Law for their positions. The following table sets forth certain information regarding our Supervisors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as our Supervisor	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management members
Mr. Liu Shengqi (劉盛琦)	37	Chairman of our supervisory committee	April 18, 2023	April 18, 2023	Presiding over the work of our supervisory committee, supervising and providing independent advice to our Board	None
Ms. Sun Qiumei (孫秋梅)	41	Supervisor	August 1, 2021	October 20, 2025	Supervising and providing independent advice to our Board	None
Mr. Yang Jinlu (楊金路)	42	Supervisor	April 10, 2013	October 20, 2025	Supervising and providing independent advice to our Board	None

Mr. Liu Shengqi (劉盛琦), aged 37, was appointed as our Supervisor on April 18, 2023 and is the chairman of our supervisory committee. He is primarily responsible for presiding over the work of our supervisory committee, supervising and providing independent advice to our Board. In addition, Mr. Liu has served as the supervisor of JVS Vehicle Technology since April 2023.

From April 2015 to December 2024, Mr. Liu held various positions in eKontrol, including the electrical engineer, laboratory director, director of the Laboratory and deputy director of the testing center, vice president of the Product Division I, director of the basic electrical engineering department, senior director and deputy general manager of the electrical machinery business division. Since December 2024, he served as the deputy general manager of Zhongqi Electric (Suzhou) Co., Ltd. (中崎電機(蘇州)有限公司), an indirectly wholly owned subsidiary of eKontrol that primarily engaged in the research and development, manufacturing and sales of high-speed flat wire motors.

Mr. Liu obtained his master’s degree in control theory and control engineering from Huazhong University of Science and Technology (華科技大學) in the PRC in March 2014. He obtained his the professional technical title qualification certificate (專業技術職稱證書) in engineering issued by Suzhou Municipal Bureau of Human Resources and Social Security (蘇州市人力資源和社會保障局) in July 2017.

Ms. Sun Qiumei (孫秋梅), aged 41, was appointed as our Supervisor on October 20, 2025. She joined our Group in August 2021 and has served as the head of the management department since then. She is primarily responsible for supervising and providing independent advice to our Board.

From June 2017 to July 2021, she served as a human resources specialist of eKontrol.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Sun obtained her graduation diploma in Human Resources Management from Beijing Language and Culture University (北京語言大學) through online learning in the PRC in January 2022.

Mr. Yang Jinlu (楊金路), aged 42, was appointed as our Supervisor on October 20, 2025. He successively served as a process engineer and the deputy head of process department of our Company from April 2013 to December 2015. He has served as the head of the process department of our Company since February 2018. He is primarily responsible for supervising and providing independent advice to our Board.

He also served as the head of the process department of eKontrol from January 2016 to January 2018.

Mr. Yang obtained his bachelor’s degree in mechanical design, manufacturing and automation from Changzhou University (常州大學) in the PRC in July 2022.

Pursuant to the resolution passed at the general meeting of the Shareholders of our Company held on January 29, 2026, the supervisory committee of our Company shall be abolished with effect from the [REDACTED]. Upon the [REDACTED], our Company will no longer have supervisory committee or Supervisors, the audit committee of our Board (the “**Audit Committee**”) will assume the duties and powers of the supervisory committee as stipulated in the PRC Company Law, and the Supervisors will leave office automatically.

SENIOR MANAGEMENT

Our executive Directors and senior management are responsible for the day-to-day management and operation of our business. For information concerning our executive Directors see “— Directors — Executive Directors.” The table below sets out certain information regarding our senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management members
Mr. Cheng Feng (程峰)	57	Executive Director and general manager	September 20, 2008	February 20, 2009	Formulating the overall development strategy of our Group and supervising our Group’s operations	None
Mr. Ma Chunbo (馬春波)	59	Executive Director and deputy general manager of technology	November 2, 2009	November 1, 2013	Overseeing our Group’s research and development of technologies and products	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management members
Mr. Zhong Gufa (鍾穀發)	40	Executive Director, finance director and deputy general manager	February 25, 2020	February 25, 2020	Overseeing our Group’s financial and capital operations	None
Mr. Sun Bin (孫賓)	36	Executive Director and deputy general manager of marketing	January 1, 2024	January 1, 2024	Overseeing our Group’s marketing and branding	None
Mr. Niu Zhen (鈕震)	40	Executive Director and deputy general manager of technology	May 7, 2014	September 20, 2015	Overseeing our Group’s research and development and technological innovation	None
Mr. Kuang Hua (況華)	42	Secretary to the Board and joint company secretary	November 17, 2025	January 14, 2026	Overseeing our Group’s corporate governance, the operation of the Board and capital operation	None

Mr. Cheng Feng (程峰), aged 57, is our executive Director and the general manager. See “— Directors — Executive Directors” for his biographical details.

Mr. Ma Chunbo (馬春波), aged 59, is our executive Director and deputy general manager of technology. See “— Directors — Executive Directors” for his biographical details.

Mr. Zhong Gufa (鍾穀發), aged 40, is our executive Director, finance director and deputy general manager. See “— Directors — Executive Directors” for his biographical details.

Mr. Sun Bin (孫賓), aged 36, is our executive Director and deputy general manager of marketing. See “— Directors — Executive Directors” for his biographical details.

Mr. Niu Zhen (鈕震), aged 40, is our executive Director and deputy general manager of technology. See “— Directors — Executive Directors” for his biographical details.

Mr. Kuang Hua (況華), aged 42, is our joint company secretary and secretary to the Board. Mr. Kuang joined our Group on November 17, 2025 and was appointed as the secretary to the Board and our joint company secretary on January 14, 2026. He is responsible for overseeing our Group’s corporate governance, the operation of the Board and capital operation.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Kuang has over 19 years of experience in accounting. From August 2006 to August 2014, he served as an audit manager in PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)). From August 2014 to April 2016, he served as the senior financial manager of Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 001238). From April 2016 to January 2025, he served as the senior finance director of Zhenro Properties Group Limited (正榮地產集團有限公司), the shares of which are listed on the Stock Exchange (stock code: 006158).

Mr. Kuang obtained his bachelor’s degree in theoretical and applied mechanics from Fudan University (復旦大學) in PRC in July 2006. Mr. Kuang has been a certified public accountant in China accredited by The Chinese Institute of Certified Public Accountants since December 2014.

GENERAL

Save as disclosed above, each of our Directors and Supervisors confirms with respect to himself or herself that he or she (1) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (2) there are no other matters concerning our Directors or Supervisors’ appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or required be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed in “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests of our Directors and Chief Executive”, each of our Directors and Supervisors confirms with respect to himself or herself that he or she did not hold any interest in our Shares which would be required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above and in this document, each of our Directors and Supervisors confirms with respect to himself or herself that he or she had no other relationship with any Directors, Supervisors, senior management or substantial shareholders of our Company as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Mr. Kuang Hua (況華), aged 42, is our joint company secretary and secretary to the Board. See “— Senior Management” for his biographical details.

Mr. So Wing Chun (蘇永俊), aged 32, was appointed as a joint company secretary of our Company on January 14, 2026.

Mr. So is a manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. Mr. So has over 9 years of experience in the corporate secretarial field. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. So is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. So obtained a Bachelor of Business Administration Degree (Honours) from Hong Kong Shue Yan University in July 2016.

BOARD COMMITTEES

We have formed three board committees, namely, the Audit Committee, the remuneration and appraisal committee (the “**Remuneration and Appraisal Committee**”) and the nomination committee (the “**Nomination Committee**”).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Audit Committee

Our Company established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**CG Code**”). The Audit Committee consists of three members, namely Mr. Hao, our non-executive Director, and Mr. Jin Yuan and Dr. Chen Long, our independent non-executive Directors. Mr. Jin Yuan has been appointed as the chairman of the Audit Committee and is our independent non-executive Director possessing the appropriate professional qualifications. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, oversee the audit process, review and oversee the existing and potential risks of our Group and perform other duties and responsibilities as assigned by our Board.

Remuneration and Appraisal Committee

Our Company established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration and Appraisal Committee consists of Mr. Zhong Gufa, our executive Director and Dr. Chen Long and Mr. Jin Yuan, our independent non-executive Directors. Dr. Chen Long has been appointed as the chairman of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangements.

Nomination Committee

Our Company established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. The Nomination Committee consists of Mr. Hao, our non-executive Director, and Dr. Chen Long and Ms. Leung Wai Fong Shirley, our independent non-executive Directors. Mr. Hao has been appointed as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment and removal of Directors.

BOARD DIVERSITY

We have adopted our board diversity policy (the “**Board Diversity Policy**”) which sets out the objectives and approaches to achieve and maintain diversity on our Board. Our Board Diversity Policy provides that our Company should endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of our business strategies.

We seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Nomination Committee is delegated by our Board to be responsible for monitoring our compliance with the relevant code provisions governing board diversity under the CG Code. After [REDACTED], our Nomination Committee will review our Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of our Board Diversity Policy on an annual basis.

Our Board comprises nine members, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors have a balanced mix of experiences, including knowledge and experience in vehicle industry, automotive engineering, accounting, audit, economics and financial management in addition to industry experience relevant to our Group’s operations and business. Furthermore, our Board has a diverse age and gender representation. Our Board has a well-balanced gender composition consisting of one female

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

member and eight male members. Our Directors range from 36 years old to 67 years old, and are able to bring diverse perspectives to our Board. After due consideration, our Board believes that based on the meritocracy of our Directors, the composition of our Board satisfies our Board Diversity Policy.

WAIVER GRANTED BY THE STOCK EXCHANGE

We have applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of Rules 8.12 and 19A.15 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, see “Waivers from Strict Compliance with the Listing Rules — Waiver in Relation to Management Presence in Hong Kong.”

We have applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of Rules 3.28 and 8.17 of the Listing Rules in relation to the academic or professional qualifications of our Company’s joint company secretaries. For details of the waiver, see “Waivers from Strict Compliance with the Listing Rules — Waiver in Respect of Joint Company Secretaries.”

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance, which are crucial to our development, and safeguard the interests of our Shareholders. We expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules upon the [REDACTED].

COMPENSATION OF OUR DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT

Our Directors, Supervisors and members of our senior management receive compensation from our Company in the form of fees, salaries, allowances, bonuses, pension scheme contributions and social welfare.

The aggregate amount of remuneration our Directors and Supervisors have received (including salaries, allowances, bonuses, pension scheme contributions and social welfare) for the years ended December 31, 2023, 2024 and 2025 were approximately nil, nil and RMB4.2 million, respectively.

The aggregate amount of salaries, allowances, bonuses, pension scheme contributions and social welfare paid to the five highest paid individuals of our Company for the years ended December 31, 2023, 2024 and 2025 were approximately RMB2.4 million, RMB3.3 million and RMB4.6 million, respectively.

It is estimated that remuneration equivalent to approximately RMB4.8 million (including salaries, allowances, bonuses, pension scheme contributions and social welfare) in aggregate will be paid and granted to our Directors and Supervisors by us in respect of the financial year ending December 31, 2026 under the arrangements in force at the date of this document.

No remuneration was paid or payable by us to our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining us or as compensation for loss of office in respect of the years ended December 31, 2023, 2024 and 2025. Further, none of our Directors, Supervisors waived or agreed to waive any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors or Supervisors in respect of the years ended December 31, 2023, 2024 and 2025.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the [REDACTED], will receive recommendations from our Remuneration and Appraisal Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on January 12, 2026, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his or her independence with regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our Compliance Advisor upon [REDACTED] of our Shares on the Stock Exchange in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will provide advice to us when consulted by us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or [REDACTED] volume of our Shares, the possible development of a false market in our Shares, or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment of the Compliance Advisor shall commence on the [REDACTED] and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the [REDACTED] and this appointment may be subject to extension by mutual agreement.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Hao directly held 71.06% of the total issued Shares of our Company and Suzhou Kairen, which was owned as to 99.00% by Mr. Hao, directly held 2.43% of the total issued Shares. As such, as of the Latest Practicable Date, Mr. Hao was entitled to exercise the voting rights attached to approximately 73.49% of the total issued Shares through the Shares held by himself as well as the Shares controlled by him through Suzhou Kairen.

Immediately following the completion of the [REDACTED], Mr. Hao and Suzhou Kairen will be entitled to exercise the voting rights attaching to approximately [REDACTED] of the total issued Shares (assuming the [REDACTED] is not exercised). Accordingly, Mr. Hao together with Suzhou Kairen will remain as our Controlling Shareholders upon [REDACTED] pursuant to the Listing Rules.

For details of Mr. Hao, see “Directors, Supervisors and Senior Management — Directors.”

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

As of the Latest Practicable Date, eKontrol was owned as to 59.04% by Mr. Hao, 14.88% by Suzhou Kaichi, 2.43% by Suzhou Kairen, 2.43% by Ms. Hao Yun, the daughter of Mr. Hao, and 21.22% by other investors that are Independent Third Parties. As of the Latest Practicable Date, Suzhou Kaichi was an employee incentive platform of eKontrol, the general partner of which was Mr. Zhong Gufa (鍾穀發), our executive Director, who held 1.87% of the partnership interests therein. Suzhou Kaichi had 46 limited partners, out of which, aside from Mr. Hao holding 69.70% of the partnership interests therein, none of the limited partners held more than 10.00% of the partnership interests therein.

Immediately before the Reorganization, our Company was a wholly owned subsidiary of eKontrol. To streamline our organizational and governance structure, our Group underwent the Reorganization in August 2025 to spin-off from the eKontrol Group. For details, see “History, Development and Corporate Structure — History and Development of our Company — Reorganization”.

During the Track Record Period, we have engaged in certain continuing transactions with the eKontrol Group which would become our continuing connected transaction upon the [REDACTED]. For details, see “Continuing Connected Transactions.”

Delineation of the Businesses of our Group and the eKontrol Group

Our Directors are of the view that there is a clear delineation of the businesses of the eKontrol Group and our Group and there is no competition between the eKontrol Group and us as we have different principal businesses and core products.

Our Group is primarily engaged in the provision of vehicle articulation systems and thermal management systems. Our vehicle articulation system comprises the articulation turntable and the windshield system as its main components and is used to connect the front and rear compartments of multi-section passenger vehicles such as buses. Our thermal management systems integrates thermal control for the battery, electric drive, and cabin, and has been applied in transportation sectors such as in new energy mining trucks. For further details of our major product series see “Business — Our Products.”

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

On the other hand, the eKontrol Group 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. Its main products consist of a range of electric drive systems for new energy vehicles (新能源車輛電驅動系統). These electric drive systems provide energy conversion and power transmission for new energy vehicles, and is a key component in ensuring the vehicle’s overall performance in terms of power. Given that the main products of the eKontrol Group provide different functionalities in comparison to our vehicle articulation systems and thermal management systems, we are of the view that the businesses between the eKontrol Group and our Group are clearly delineated.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Management Independence

The day-to-day management of our Group’s business rests primarily with our Board and our senior management. Our Board comprises nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. Although Mr. Hao is the chairman of our Board, a non-executive Director and one of our Controlling Shareholders, our management and operational decisions are made by all our executive Directors and senior management members, all of whom have substantial experience in the industries in which we are engaged and/or in their respective fields of expertise. The balance of power and authority is ensured by the operation of the senior management and our Board. For further details, see “Directors, Supervisors and Senior Management”.

We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders for the following considerations:

- (a) as of the Latest Practicable Date, save for Mr. Hao, Mr. Ma Chunbo and Mr. Zhong Gufa, there is no overlap of any other directors or senior management members between our Group and the eKontrol Group. Set out below is a table summarizing the positions held by Mr. Hao, Mr. Ma Chunbo and Mr. Zhong Gufa of our Group and the eKontrol Group as at the Latest Practicable Date:

Name	Roles in our Group	Roles in the eKontrol Group
Mr. Hao	Chairman of our Board and non-executive Director	Chairman of the board, executive director and general manager of eKontrol
Mr. Ma Chunbo . . .	Executive Director and deputy general manager of technology	Non-executive director of eKontrol
Mr. Zhong Gufa . . .	Executive Director, finance director and deputy general manager	Non-executive director of eKontrol

Given that (i) Mr. Hao has only taken up the position of non-executive Director in our Company, and is only responsible for providing advice and making recommendations to our Board; and (ii) both Mr. Ma Chunbo and Mr. Zhong Gufa’s role in the eKontrol Group are non-executive in nature, and they do not hold management positions in the

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

eKontrol Group and would not be involved in the daily operation of the eKontrol Group, our Directors believe that the independence of the management of our Group will not be affected or compromised by the common directorships between our Group and the eKontrol Group as disclosed above;

- (b) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) our day-to-day management and operation decisions rest primarily with our executive Directors and senior management members, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For the background and biographical details of our executive Directors and senior management, see “Directors, Supervisors and Senior Management”;
- (d) we [have] appointed three independent non-executive Directors, comprising one-third of the total number of Directors on our Board, who have sufficient knowledge, experience and competence with a view of bringing independent judgment to the decision-making process of our Board and provide independent advice to our Board committees;
- (e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For further details, see “— Corporate Governance Measures”.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

During the Track Record Period, we have rented premises from, sold products to, and purchased components from the eKontrol Group during the ordinary and usual course of our business. Under Chapter 14A of the Listing Rules, eKontrol is an associate of Mr. Hao and Suzhou Kairen, and will become our connected person upon [REDACTED]. The transactions contemplated under certain agreements with the eKontrol Group will continue after the [REDACTED] and will therefore constitute our continuing connected transactions under the Listing Rules. For details, see “Continuing Connected Transactions.”

We consider that continuing connected transactions between our Group and the eKontrol Group will not affect the operational independence of the our Company due to the following reasons:

- (i) all continuing connected transactions with the eKontrol Group were entered into in the ordinary and usual course of business of our Group, on normal commercial terms, and are fair and reasonable and in the interests of our Group and our Shareholders as a whole;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) all sale and purchase continuing connected transactions are mutually beneficial to our Group and the eKontrol Group. In terms of the Sale Framework Agreement, the eKontrol Group would obtain a stable supply of TMS system and industrial machinery components for its business operation. In terms of the Procurement Framework Agreement, the eKontrol Group will receive additional incomes for sale of products to our Group;
- (iii) our Group has established independent relationships and has independent access to the customers, the suppliers as well as other business partners that are unrelated to the Controlling Shareholders and their respective close associates. In respect of the products that we sourced from the eKontrol Group, there are alternative independent suppliers to provide comparable products for our Group to choose from. In respect of the premises we lease from eKontrol on normal commercial terms, there are alternative properties within reasonable proximity to the rented premises at similar rents, however, as relocation may cause unnecessary disruption to our operations as well as incur additional costs, we will continue to rent from eKontrol from a business perspective.

We have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Group holds or enjoys the benefit of all relevant licenses necessary to carry out our businesses, and has sufficient capital, technology, equipment, access and employees to operate our business independently from our Controlling Shareholders and their respective close associates. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. Save as disclosed, none of our operational personnel or administrative personnel is under the employment of our Controlling Shareholders or their respective close associates. We have also established a set of internal control measures to facilitate the effective operation of our business. For details of our Group's risk management and internal control systems, see "Business — Risk Management and Internal Control."

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders and their respective close associates.

Financial Independence

As at the Latest Practicable Date, our Group had our own internal control, accounting and financial management system and we make financial decisions independently according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Controlling Shareholders or their respective close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently, and has adequate internal resources and credit profile to support our daily operations.

As of the Latest Practicable Date, our Directors confirm that there were no outstanding loans or guarantees or other financial assistance provided by, or granted to, each of our Controlling Shareholders or their respective associates. During the Track Record Period, our Group had certain amounts due from our Controlling Shareholders and their close associates, for details, see note 32 to the Accountants' Report set out in Appendix I to this document. All non-trade amounts due from our Controlling Shareholders and their respective close associates have been fully settled as of the Latest Practicable Date. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders.

Based on the above, our Directors believe that we have the ability to operate independently from our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interest between our Group and our Controlling Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of our Board is specifically requested by a majority of the independent non-executive Directors;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with connected persons including our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (d) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We [have] appointed three independent non-executive Directors to our Board. We believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide impartial and external opinions to protect the interests of our [REDACTED] Shareholders. For details of our independent non-executive Directors, see “Directors, Supervisors and Senior Management — Directors”;
- (e) in the event that the independent non-executive Directors are requested to review any conflicts of interest circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all the necessary information and our Company will disclose the decisions of the independent non-executive Directors either through our interim and annual reports or by way of announcements;
- (f) pursuant to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from independent professionals in appropriate circumstances at our Company’s expense; and
- (g) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders and to protect our Shareholders’ interests as a whole after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (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 a short position in our Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to 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	Nature of interest	As of the Latest Practicable Date ⁽¹⁾		Immediately following the [REDACTED] (without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED]) ⁽¹⁾	
		Number of Shares	Approximate percentage of interest in the total issued share capital	Number of Shares	Approximate percentage of interest in the total issued share capital
Mr. Hao	Beneficial interest	32,737,745 Unlisted Shares	71.06%	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	1,119,962 Unlisted Shares	2.43%	[REDACTED]	[REDACTED]
Suzhou Kairen	Beneficial interest ⁽²⁾	1,119,962 Unlisted Shares	2.43%	[REDACTED]	[REDACTED]

Notes:

- (1) All interests are held in long positions.
- (2) As of the Latest Practicable Date, Suzhou Kairen was a limited liability company established under PRC Law and directly held 1,119,962 Shares, representing 2.43% of our issued capital. Suzhou Kairen was owned as to 99.00% and 1.00% by Mr. Hao and Ms. Hao Yun, the daughter of Mr. Hao, respectively. Accordingly, under Part XV of the SFO, Mr. Hao is deemed to be interested in all the Shares held by Suzhou Kairen.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the [REDACTED] of Unlisted Shares into H Shares, have any interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB46,069,999 comprising 46,069,999 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, 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 issued share capital after the [REDACTED]
H Shares to be [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised)	[REDACTED]	[REDACTED]
Shares in total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Immediately upon completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, assuming the [REDACTED] is exercised in full, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of issued share capital after the [REDACTED]
H Shares to be [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming the [REDACTED] is exercised in full)	[REDACTED]	[REDACTED]
Shares in total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

UNLISTED SHARES AND H SHARES

Upon the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, our Shares will only consist of H Shares. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC Law or upon filing with any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons.

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of Shares.

SHARE CAPITAL

[REDACTED] OF UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be [REDACTED] into overseas-[REDACTED] Shares. Such [REDACTED] Shares could be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that prior to the [REDACTED] and [REDACTED] of such [REDACTED] Shares, any requisite internal approval process has been duly completed and all the filing procedures with relevant PRC regulatory authorities, including the CSRC, are followed. In addition, such [REDACTED] and [REDACTED] shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be [REDACTED], [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such [REDACTED], [REDACTED] and [REDACTED] will be undertaken upon completion of the filing procedures with the CSRC and the approval of the Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Guidelines for Applying “Full Circulation” 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), the Overseas Listing Trial Measures and the relevant five guidelines announced by the CSRC, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorize the company to file with the CSRC on their behalf.

Our Company applied for a “Full Circulation” with the CSRC on [●], and submitted the application reports, authorization documents of the Shareholders of Unlisted Shares for which an H-share “Full Circulation” was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. Our Company has received the reply from the CSRC dated [●], pursuant to which, a total of [REDACTED] Unlisted Shares (with a nominal value of RMB1.00 each) held by [REDACTED] Shareholders (the “**Domestic Participating Shareholders**”) were approved to be [REDACTED] into H Shares, and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the [REDACTED]. The aforesaid shall remain effective within 12 months from the date of approval.

The [REDACTED] of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares held by Domestic Participating Shareholders, representing [REDACTED] of the total issued Shares of our Company as of the Latest Practicable Date and approximately [REDACTED] of the total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the [REDACTED] of Unlisted Shares into H Shares.

[REDACTED] Approval by the Stock Exchange

We have applied to the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]) and the H Shares to be [REDACTED] from [REDACTED] Unlisted Shares, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the [REDACTED] of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [REDACTED] regarding the relevant share certificates of the [REDACTED] H Shares; and (2) enabling the [REDACTED] H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

SHARE CAPITAL

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders’ general meetings are required, see “Appendix III — Summary of the Articles of Association.”

FINANCIAL INFORMATION

You should read the following discussion and analysis on our financial condition and results of operations together with our audited consolidated financial statements as of and for each of the years ended December 31, 2023, 2024 and 2025, including the notes thereto, included in the Accountants’ Report set out in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. [REDACTED] should read the whole of the Accountants’ Report set out in Appendix I to this document and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see “Risk Factors.”

OVERVIEW

We are a global leader in the provision of vehicle articulation systems. In terms of revenue in 2025, we were the second largest vehicle articulation system manufacturer in the world with a market share of 10.8%, according to Frost & Sullivan. Our products provide technological support for the electrification and intelligentization upgrade of transportation equipment, delivering reliable articulation systems for commercial operations in public transit and specialized vehicles.

During the Track Record Period, we generated our revenue from (i) sales of vehicle articulation systems, including sales of VAS products and sales of windshield systems, (ii) sales of TMS for new energy sector, and (iii) sales of others mainly including industrial machinery components, spare parts and scrap materials. Our revenue increased by 7.0% from RMB132.3 million in 2023 to RMB141.6 million in 2024, and further increased by 57.0% to RMB222.3 million in 2025. Our net profit increased by 9.6% from RMB25.5 million in 2023 to RMB28.0 million in 2024, and further increased significantly by 139.3% to RMB66.9 million in 2025.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition were mainly affected and are expected to continue to be affected by the following factors:

General Economic Conditions

Our results of operations are affected by the overall performance of the various downstream industries where our products are used. These industries include, but are not limited to, public transportation, mining, heavy-duty trucking and construction equipment. Our business is particularly susceptible to the policies and performance trends within the transportation industry. The global vehicle articulation systems industry, having demonstrated resilience with sustained growth in a complex trade environment, is now advancing towards a new era of sophistication. This progression is fundamentally driven by urban transport capacity and spatial constraints, elevated demands for passenger experience, prioritization of vehicle unit costs and availability rates and new application. According to Frost & Sullivan, the global market size for the vehicle articulation systems industry reached RMB1,758.2 million in 2025, and is expected to grow at a CAGR of 21.8% to RMB4,717.7 million in 2030.

Based on varying levels of industrial development and technological advancement, the global vehicle articulation systems market demonstrates distinct regional disparities. Mature automotive manufacturing regions continue to hold a dominant position in the market, while emerging markets are showing faster growth momentum. As urbanization accelerates in emerging markets such as Southeast Asia and Latin America, infrastructure expansion and public transportation modernization are driving substantial demand for vehicle articulation systems.

FINANCIAL INFORMATION

Furthermore, our operations are significantly influenced by economic, political and social conditions in China and globally. Economic downturns, whether actual or perceived, in our key markets or our customers’ key markets could affect our financial condition and results. Global uncertainties, such as geopolitical tensions, inflation risks and changes in monetary policies, also pose challenges to our business environment.

Our Ability to Develop Overseas Markets

As global public transit electrification accelerates and demand for articulated buses shifts overseas, we plan to scale up internationally by targeting regions with concentrated vehicle manufacturers and public transit customers to advance our penetration in overseas markets. Through our stable partnerships with domestic manufacturers, our products now successfully exported to over 20 countries and regions in Europe, Central Asia, the Americas, Africa, and Southeast Asia. Throughout the Track Record Period and up to the Latest Practicable Date, we have continuously cooperated with 14 internationally renowned bus industry clients and secured qualification as a supplier for 26 renowned bus industry clients globally.

Our Ability to Attract and Retain Customers

Our growth depends significantly on our ability to maintain long-term business relationship with our major clients. We have established cooperative relationships with all major domestic bus manufacturers, serving as a core supplier for vehicle articulation systems. Furthermore, we have accumulated a significant base of traditional fuel-powered articulated bus manufacturers customers who continue to steadfastly choose our vehicle articulated systems amid the rapid evolution of new energy technologies. Leveraging these strong partnerships, our business successfully expanded into thermal management systems.

We are committed to continuously offering our expertise and products and promoting our brand reputation and recognition, which we believe will pave the way for our sustainable growth.

Our Ability to Manage Our Costs and Expenses

Our results of operations and financial conditions depend on our ability to manage our costs and expenses.

During the Track Record Period, cost of direct materials represented the largest component of our costs of sales, which accounted for 70.9%, 64.6%, and 71.4% of our costs of sales for the years ended December 31, 2023, 2024 and 2025, respectively. Our primary direct materials consist of metal parts and Hypalon fabric. The procurement costs of metal parts are affected by fluctuations in the commodity prices of relevant metals. We expect the cost of sales to increase in absolute amount as we further expand our business. We will continue to closely monitor market price fluctuations and devote substantial efforts to effectively manage our cost of sales.

Our selling and marketing expenses were RMB6.0 million, RMB10.1 million and RMB21.8 million in 2023, 2024 and 2025, respectively, which accounted for 4.5%, 7.2% and 9.8% of our total revenue, respectively. The increase in selling and marketing expenses in 2025 was primarily due to the increase in advertising and marketing expenses in 2025, driven by our targeted efforts to develop new markets. Our administrative expenses were RMB3.7 million, RMB4.4 million and RMB11.0 million in 2023, 2024 and 2025, respectively, representing 2.8%, 3.1% and 5.0% of our total revenue, respectively.

FINANCIAL INFORMATION

The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in cost of direct materials on our net profit for the years indicated:

For the year ended December 31,						
	2023		2024		2025	
	Change in net profit	% change in net profit	Change in net profit	% change in net profit	Change in net profit	% change in net profit
	RMB'000	%	RMB'000	%	RMB'000	%
+10%	(5,528)	(21.7)	(5,006)	(17.9)	(6,157)	(9.2)
5%	(2,764)	(10.8)	(2,503)	(8.9)	(3,078)	(4.6)
-5%	2,764	10.8	2,503	8.9	3,078	4.6
-10%	5,528	21.7	5,006	17.9	6,157	9.2

We expect that our operating costs and expenses will increase in absolute amount in the near future as our business grows. Our ability to effectively control such costs and expenses may materially affect our profitability.

Our Investments in Research and Development

We have been committed to in-house research and development of advanced technologies since our inception, primarily in articulation mechanisms, hydraulic systems, windshield systems, and ACU attitude sensing algorithms. Our market share is affected by our ability to maintain our leading position in product performance, which further depends on our continuous investments in research and development of new technologies and solutions. As of the Latest Practicable Date, our investment in research and development has yielded 105 authorized patents, including 52 invention patents.

Our competitive position relies on specialized research and development talent and strategic collaboration. Our specialized R&D teams, comprising experts across multiple engineering disciplines, focus on developing and refining our core solutions, including advanced articulation systems with multi-damping control and our innovative BEC-TMS technology.

We support our research and development activities with consistent investment. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses were RMB6.1 million, RMB6.2 million and RMB10.1 million, respectively. Our financial results have been steered by, and are expected to continue being improved by, our investments in research and development.

BASIS OF PRESENTATION

Our Company was incorporated as a limited liability company in the PRC on June 18, 2008 and is the holding company of our Group. Our Company was then converted into a joint stock limited liability company on November 7, 2025.

Our historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

Our historical financial information has been prepared under the historical cost convention except for bills receivables at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

FINANCIAL INFORMATION

SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

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. 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 estimates affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. For details on our significant accounting policies, judgments and estimates, see Note 2.3 and Note 3 to the Accountants’ Report as set out in Appendix I.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

There are no significant variable consideration and financing component for our Group’s revenue from contracts with customers.

Sale of Products

Revenue from the sales of products is recognized at the point in time when control of the products is transferred to the customer. For domestic sales, control is generally transferred upon customer acceptance of the products. For export sales, control is transferred when the products are delivered to the carrier nominated by the customer or at the point of on board, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract.

Provision of Service-type Warranties

Revenue from service-type warranties related to articulation system is recognized over the scheduled period on a straight-line basis in which the service is provided based on the time elapsed because the customer simultaneously receives and consumes the benefits provided by our Group.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Provisions

A provision is recognized 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.

FINANCIAL INFORMATION

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Our Group provides for warranties in relation to sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by our Group are initially recognized based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised monthly.

Contract Liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before our Group transfers the related goods or services. Contract liabilities are recognized as revenue when our Group performs under the contract (i.e., transfers control of the related goods to the customer).

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 capitalized 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, our Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Machinery and Equipment	9.5% to 19%
Vehicles	23.75%
Tooling	31.67%
Office equipment and electronic devices	19% to 31.67%
Leasehold improvements	20%

SUMMARY OF RESULTS OF OPERATIONS DURING THE TRACK RECORD PERIOD

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

FINANCIAL INFORMATION

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	132,305	141,623	222,330
Cost of sales	(87,796)	(89,519)	(101,841)
Gross profit	44,509	52,104	120,489
Other income and gains	1,002	2,089	2,309
Selling and marketing expenses	(5,956)	(10,127)	(21,788)
Administrative expenses	(3,715)	(4,418)	(11,044)
Research and development expenses	(6,126)	(6,210)	(10,111)
Impairment losses on financial assets, net	(421)	(411)	(464)
Other expenses	(88)	(327)	(36)
Finance costs	(449)	(374)	(405)
Profit before tax	28,756	32,326	78,950
Income tax expenses	(3,238)	(4,359)	(12,036)
Profit and total comprehensive income for the year	25,518	27,967	66,914

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue derived from (i) sales of vehicle articulation systems, including sales of VAS products and sales of windshield systems, (ii) sales of TMS for new energy sector, and (iii) sales of others mainly including industrial machinery components, spare parts and scrap materials. Our revenue increased by 7.0% from RMB132.3 million in 2023 to RMB141.6 million in 2024 and further increased by 57.0% to RMB222.3 million in 2025. We derive revenue from customers in the Chinese mainland and overseas.

Revenue by products/services

The following table sets forth a breakdown of our revenue by products/services for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Vehicle articulation systems						
– VAS products	80,847	61.1	73,129	51.6	188,646	84.8
– Windshield systems	8,217	6.2	53,556	37.9	14,694	6.7
Subtotal	89,064	67.3	126,685	89.5	203,340	91.5
TMS for new energy sector	–	–	–	–	3,717	1.7
Others ⁽¹⁾	43,241	32.7	14,938	10.5	15,273	6.8
Total	132,305	100.0	141,623	100.0	222,330	100.0

Note:

- (1) Primarily consists of sales of industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

FINANCIAL INFORMATION

Vehicle articulation systems

Our vehicle articulation systems are engineered for a variety of multi-unit passenger transport applications, including urban public transit, BRT and ART. During the Track Record Period, revenue from vehicle articulation systems consisted of revenue from (i) sales of VAS products and (ii) sales of windshield systems.

During the Track Record Period, revenue from sales of VAS products represented the majority of our total revenue. In 2023, 2024 and 2025, our revenue from sales of VAS products amounted to RMB80.8 million, RMB73.1 million and RMB188.6 million, representing 61.1%, 51.6% and 84.8% of our revenue, respectively. This significant increase in 2025 was primarily driven by (i) rising demand in the end markets of our domestic customers, enabling us to secure additional orders and achieve higher sales volume and (ii) higher selling prices resulting from advanced configurations requirements on certain major orders. The sales volumes of VAS products reached 618, 595 and 1,351 units in 2023, 2024 and 2025, respectively.

In 2023, 2024 and 2025, our revenue from windshield systems amounted to RMB8.2 million, RMB53.6 million and RMB14.7 million, representing 6.2%, 37.9% and 6.7% of our revenue, respectively. The fluctuations in revenue from the sale of windshield systems throughout the Track Record Period were primarily attributable to several large-amount orders secured in the second half of 2023. These substantial orders reached peak delivery volumes throughout 2024, resulting in a significant revenue surge for that year. The remaining orders were fully delivered by the first half of 2025, following which the revenue contribution from such orders normalized to lower levels.

TMS for new energy sector

We have strategically expanded into the thermal management sector with the development of TMS for new energy sector. Our BEC-TMS integrates thermal control for the battery, electric drive, and cabin and is currently deployed in transportation applications. In 2023, 2024 and 2025, our revenue from TMS for new energy sector amounted to nil, nil and RMB3.7 million, representing 0.0%, 0.0% and 1.7% of our revenue, respectively.

Others

In addition to vehicle articulation systems and TMS for new energy sector, we also generate revenue from certain other sources mainly including sales of industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services. In 2023, 2024 and 2025, our revenue from others amounted to RMB43.2 million, RMB14.9 million and RMB15.3 million, representing 32.7%, 10.5% and 6.8% of our revenue, 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. Revenue from others subsequently declined to a baseline level.

For detailed analysis on revenue by products/services, see “— Period to Period Comparison of Results of Operations.”

FINANCIAL INFORMATION

Revenue by geographical regions

The following table sets forth a breakdown of our revenue by geographical regions for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese mainland	84,362	63.8	104,141	73.5	164,045	73.8
Overseas ⁽¹⁾	47,943	36.2	37,482	26.5	58,285	26.2
Total	132,305	100.0	141,623	100.0	222,330	100.0

Note:

(1) Primarily consists of countries and regions in Europe, Asia and South America.

During the Track Record Period, we derived a substantial portion of our revenue from Chinese mainland, which accounted for 63.8%, 73.5% and 73.8% of our revenue in 2023, 2024 and 2025, respectively. Our revenue from Chinese mainland increased during the Track Record Period, primarily due to the increased downstream demand benefiting from the rapid growth in Chinese bus exports and our stable partnerships with domestic customers.

Driven by robust global demand, we have tapped into various overseas markets. Our revenue from overseas decreased by 21.8% from RMB47.9 million in 2023 to RMB37.5 million in 2024 and further increased by 55.5% to RMB58.3 million in 2025, representing 36.2%, 26.5% and 26.2% of our revenue, respectively.

Cost of Sales

Our cost of sales consists of (i) direct materials, (ii) manufacturing overhead, (iii) direct labor costs, and (iv) write-down of inventories to net realizable value.

The following table sets forth a breakdown of our cost of sales by nature for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct materials	62,289	70.9	57,857	64.6	72,643	71.4
Manufacturing overhead . .	15,494	17.7	14,739	16.5	15,630	15.3
Direct labor costs	9,916	11.3	16,728	18.7	13,388	13.1
Write-down of inventories to net realizable value . .	97	0.1	195	0.2	180	0.2
Total	87,796	100.0	89,519	100.0	101,841	100.0

Our cost of sales increased from RMB87.8 million in 2023 to RMB89.5 million in 2024 generally in line with our revenue growth. Our cost of sales further increased to RMB101.8 million in 2025, primarily due to higher sales volume of VAS products driving cost of sales growth in line with revenue, partially offset by a decrease in direct labor costs attributable to windshield systems. Given the labor-intensive production process, peak deliveries of windshield systems in 2024 required additional temporary staffing, thereby driving a temporary rise in direct labor costs.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin

Our gross profit represents the excess of revenue over cost 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 by products for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Vehicle articulation systems						
– VAS products	32,656	40.4	34,156	46.7	110,533	58.6
– Windshield systems	1,118	13.6	10,604	19.8	4,014	27.3
Subtotal	33,774	37.9	44,760	35.3	114,547	56.3
TMS for new energy sector	–	–	–	–	661	17.8
Others	10,735	24.8	7,344	49.2	5,281	34.6
Total	44,509	33.6	52,104	36.8	120,489	54.2

For the years ended December 31, 2023, 2024, and 2025, our overall gross profit was RMB44.5 million, RMB52.1 million, and RMB120.5 million, respectively, representing gross profit margins of 33.6%, 36.8%, and 54.2%.

The growth in gross profit from 2023 to 2024 was primarily driven by the expansion of our windshield systems business. In the second half of 2023, we secured large-amount orders, with a delivery schedule spanning from late 2023 to the first half of 2025. Delivery volumes peaked in 2024, resulting in a significant increase of gross profit from sales of windshield systems from RMB1.1 million in 2023 to RMB10.6 million in 2024. The growth in gross profit from 2024 to 2025 was mainly attributable to the rapid expansion of our VAS products business. Driven by rising demand in the end markets of our domestic customers, we secured additional large-amount orders, resulting in gross profit from sales of VAS products almost tripled from RMB34.2 million in 2024 to RMB110.5 million in 2025.

Our overall gross profit margin remained relatively stable at 33.6% and 36.8% in 2023 and 2024, respectively. Our overall gross profit margin further increased to 54.2% in 2025, primarily driven by a favorable shift in our product mix as reflected in the following aspects: (i) the expansion of our higher-margin VAS products business, driven by rising demand in the end markets of our domestic customers; (ii) higher selling prices for VAS products, as advanced configurations requirements on certain major orders allowed us to capture price premiums; and (iii) the revenue contribution from lower-margin windshield systems declined following the peak deliveries of major orders in 2024 and deliveries of remaining orders in the first half of 2025. In addition, cost of raw materials decreased due to fluctuations in commodity prices, further reinforcing the growth in our overall gross margin. We also achieved notable cost optimization by improving the utilization of our production facilities, increasing the utilization rate from 35.6% in 2024 to 75.2% in 2025. This substantial improvement in production capacity throughput enabled us to absorb fixed costs and achieve economies of scale, contributing directly to the increase in our overall gross profit margin. For details, see “— Period to Period Comparison of Results of Operations.”

FINANCIAL INFORMATION

Other Income and Gains

Our other income and gains primarily consists of (i) government grants, (ii) bank interest income, (iii) interest income from related companies, primarily derived from loans to eKontrol and its subsidiary, Beijing eKontrol Drive Technology Co., Ltd. (iv) net gains on disposal of items of property, plant and equipment, (v) investment income on structured deposits, and (vi) net foreign exchange gains.

The following table sets forth a breakdown of our other income and gains for the respective years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Government grants	243	477	37
Bank interest income	132	1,401	385
Interest income from related companies . . .	–	142	955
Others	160	–	124
Total other income	535	2,020	1,501
Gains			
Foreign exchange gains, net	375	–	475
Investment income on structured deposits . .	92	69	230
Fair value gains on wealth management products	–	–	20
Gains on disposal of items of property, plant and equipment, net	–	–	83
Total gains	467	69	808
Total other income and gains	1,002	2,089	2,309

Our other income and gains increased from RMB1.0 million in 2023 to RMB2.1 million in 2024, primarily attributable to the increase in bank interest income resulting from the placement of time deposits. Our other income and gains further increased to RMB2.3 million in 2025, primary due to the increase in interest income from related companies and foreign exchanges gains, partially offset by the decrease in bank interest income.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) staff costs, (ii) advertising and marketing expenses, and (iii) travel expenses.

The following table sets forth a breakdown of our selling and marketing expenses and their respective percentages of revenue for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	3,152	2.4	4,761	3.5	5,704	2.6
Advertising and marketing expenses	1,996	1.5	4,047	2.8	14,780	6.7
Travel expenses	651	0.5	1,128	0.8	981	0.4
Others	157	0.1	191	0.1	323	0.1
Total	5,956	4.5	10,127	7.2	21,788	9.8

FINANCIAL INFORMATION

For the years ended December 31, 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB6.0 million, RMB10.1 million and RMB21.8 million, respectively, representing 4.5%, 7.2% and 9.8% of our total revenue for the same periods. In particular, the substantial increase in advertising and marketing expenses in 2025 was driven by our targeted efforts to develop new markets. For detailed analysis, see “— Period to Period Comparison of Results of Operations.”

Administrative Expenses

Our administrative expenses primarily consist of (i) staff costs, (ii) depreciation and amortization, (iii) office and travel expenses, (iv) tax and surcharges, (v) professional service fees and (vi) [REDACTED] expenses.

The following table sets forth a breakdown of our administrative expenses and their respective percentages of revenue for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Staff costs	2,192	1.7	2,702	2.0	2,988	1.3
Depreciation and amortization	713	0.5	586	0.4	654	0.3
Office and travel expenses	327	0.2	431	0.3	300	0.1
Tax and surcharges	129	0.1	167	0.1	195	0.1
Professional service fees	126	0.1	212	0.1	2,566	1.2
Others	228	0.2	320	0.2	357	0.2
Total	3,715	2.8	4,418	3.1	11,044	5.0

For the years ended December 31, 2023, 2024 and 2025, our administrative expenses amounted to RMB3.7 million, RMB4.4 million, and RMB11.0 million, respectively, representing 2.8%, 3.1% and 5.0% of our total revenue for the same periods. For detailed analysis, see “— Period to Period Comparison of Results of Operations.”

Research and Development Expenses

Our research and development expenses primarily consist of (i) staff costs, (ii) material consumption, (iii) depreciation and amortization, (iv) patent maintenance fees and (v) inspection and testing fees.

The following table sets forth a breakdown of our research and development expenses and their respective percentages of revenue for the respective years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	3,179	2.4	3,573	2.5	4,979	2.1
Material consumption	2,035	1.5	1,367	1.0	2,609	1.2
Depreciation and amortization	357	0.3	410	0.3	390	0.2
Patent maintenance fees	308	0.2	319	0.2	207	0.1
Inspection and testing fees	49	*	244	0.2	1,589	0.7
Others	198	0.2	297	0.2	337	0.2
Total	6,126	4.6	6,210	4.4	10,111	4.5

Note:

* below 0.1%

FINANCIAL INFORMATION

For the years ended December 31, 2023, 2024 and 2025, our research and development expenses amounted to RMB6.1 million, RMB6.2 million and RMB10.1 million, respectively, representing 4.6%, 4.4% and 4.5% of our total revenue for the same periods. The increase in inspection and testing fees in 2025 was mainly attributable to the verification of new technologies and improvement of product performance for our future product development. For detailed analysis, see “— Period to Period Comparison of Results of Operations.”

Impairment Losses on Financial Assets, Net

During the Track Record Period, we trace changes in credit risk on a financial instrument under the general approach, or recognize a loss allowance based on lifetime expected credit losses (“ECL”), to recognize an allowance for ECL for all debt instruments not held at fair value through profit or loss. For the years ended December 31, 2023, 2024 and 2025, our impairment losses on financial assets, net remained relatively stable at RMB421 thousand, RMB411 thousand and RMB464 thousand, respectively.

Other Expenses

Our other expenses primarily consist of foreign exchange losses and other non-operating expenses. For the years ended December 31, 2023, 2024 and 2025, our other expenses amounted to RMB88 thousand, RMB327 thousand and RMB36 thousand, respectively. The decrease in other expenses in 2024 was primarily due to foreign exchange losses resulting from exchange rates fluctuation.

Finance Costs

Our finance costs consist of interests on interest-bearing bank borrowings and lease liabilities. For the years ended December 31, 2023, 2024 and 2025, our finance costs remained relatively stable at RMB449 thousand, RMB374 thousand and RMB405 thousand, respectively.

Income Tax Expenses

For the years ended December 31, 2023, 2024 and 2025, we recorded income tax expense of RMB3.2 million, RMB4.4 million and RMB12.0 million, respectively. Our effective tax rates were 11.3%, 13.5% and 15.2% in 2023, 2024 and 2025, respectively, which were lower than the respective statutory corporate income tax rates applicable to our Company and subsidiaries primarily because our Company is registered as High and New Technology Enterprises pursuant to the tax regulations of Chinese mainland and is entitled to a preferential tax rate of 15% during the Track Record Period and the additional deduction on research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the Chinese mainland, enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits. Certain subsidiary met the criteria as small-scaled and minimal profit enterprise, with annual taxable income less than RMB3,000,000, the income amount subject to tax was calculated at 25% of the actual annual taxable income, based on which this subsidiary was entitled to a reduced corporate income tax rate of 20% for the period from January 1, 2023 and expiring on December 31, 2027.

FINANCIAL INFORMATION

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved issues with the relevant tax authorities.

Profit and Total Comprehensive Income for the Year

For the years ended December 31, 2023, 2024 and 2025, we recorded profit and total comprehensive income for the year of RMB25.5 million, RMB28.0 million and RMB66.9 million, respectively. Our net profit margin amount to 19.3%, 19.7% and 30.1% for the respective years.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our total revenue increased by 57.0% from RMB141.6 million for the year ended December 31, 2024 to RMB222.3 million for the year ended December 31, 2025.

Revenue from sales of VAS products increased by 158.0% from RMB73.1 million for the year ended December 31, 2024 to RMB188.6 million for the year ended December 31, 2025, primarily because China-based bus manufacturers continued to expand their overseas shipments, which drove the upstream demand for our VAS products. Accordingly, the sales volumes of VAS products increased from 595 units in 2024 to 1,351 units in 2025.

Revenue from sales of windshield systems decreased by 72.6% from RMB53.6 million for the year ended December 31, 2024 to RMB14.7 million for the year ended December 31, 2025. The relatively higher sales recorded in 2024 was mainly due to a surge in demand from certain major customers.

Revenue from TMS for new energy sector increased from nil for the year ended December 31, 2024 to RMB3.7 million for the year ended December 31, 2025, as we just began to step into this segment in the fourth quarter of 2025.

Revenue from others increased by 2.2% from RMB14.9 million for the year ended December 31, 2024 to RMB15.3 million for the year ended December 31, 2025, primarily due to the increase in sales of industrial machinery components to the eKontrol Group.

Cost of sales

Our cost of sales increased by 13.8% from RMB89.5 million for the year ended December 31, 2024 to RMB101.8 million for the year ended December 31, 2025, primarily due to higher sales volumes of VAS products driving cost of sales growth in line with revenue, partially offset by a decrease in labor costs, as labor demand for windshield system production was high in response to the high sales volume of windshield system in 2024.

FINANCIAL INFORMATION

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 131.2% from RMB52.1 million for the year ended December 31, 2024 to RMB120.5 million for the year ended December 31, 2025. Our gross profit margin increased from 36.8% for the year ended December 31, 2024 to 54.2% for the year ended December 31, 2025.

The gross profit margin from sales of VAS products increased from 46.7% for the year ended December 31, 2024 to 58.6% for the year ended December 31, 2025, primarily driven by increased revenue from VAS products, due to (i) an increase in selling prices, (ii) a decrease in costs of raw materials and (iii) an increase in capacity utilization, thereby achieving economies of scale.

The gross profit margin from sales of windshield systems increased from 19.8% for the year ended December 31, 2024 to 27.3% for the year ended December 31, 2025, primarily due to a decrease in fixed costs per unit, such as rent and depreciation and the implementation of cost control and optimization measures led to a reduction in manufacturing costs, labor costs, and other expenses.

The gross profit margin from TMS for new energy sector increased from nil for the year ended December 31, 2024 to 17.8% for the year ended December 31, 2025.

The gross profit margin from sales of others decreased from 49.2% for the year ended December 31, 2024 to 34.6% for the year ended December 31, 2025, primarily due to the increase in sales in industrial machinery components which had a lower gross profit margin.

Other income and gains

Our other income and gains increased by 10.5% from RMB2.1 million for the year ended December 31, 2024 to RMB2.3 million for the year ended December 31, 2025, primarily due to the increase in interest income from related companies resulted from loans to eKontrol and its subsidiary, and foreign exchanges gains.

Selling and marketing expenses

Our selling and marketing expenses increased by 115.1% from RMB10.1 million for the year ended December 31, 2024 to RMB21.8 million for the year ended December 31, 2025, primarily due to the substantial increase in advertising and marketing expenses in 2025, driven by our targeted efforts to develop new markets. As a result, our selling and marketing expenses as a percentage of our revenue increased from 7.2% for the year ended December 31, 2024 to 9.8% for the year ended December 31, 2025.

Administrative expenses

Our administrative expenses increased by 150.0% from RMB4.4 million for the year ended December 31, 2024 to RMB11.0 million for the year ended December 31, 2025, primarily attributable to [REDACTED] expenses and service fees paid to professional parties for the preparation of our proposed [REDACTED]. As a result, our administrative expenses as a percentage of our revenue increased from 3.1% for the year ended December 31, 2024 to 5.0% for the year ended December 31, 2025.

Research and development expenses

Our research and development expenses increased by 62.8% from RMB6.2 million for the year ended December 31, 2024 to RMB10.1 million for the year ended December 31, 2025, primarily due to a significant increase in inspection and testing fees attributable to the verification

FINANCIAL INFORMATION

of new technologies and improvement of product performance for our future product development. Our research and development expenses as a percentage of our revenue remained relatively stable at 4.4% and 4.5% for the year ended December 31, 2024 and 2025, respectively.

Impairment losses on financial assets, net

Our impairment losses on financial assets, net increased by 12.9% from RMB411 thousand for the year ended December 31, 2024 to RMB464 thousand for the year ended December 31, 2025, primarily due to the increase in the balance of trade receivables along with our revenue growth.

Other expenses

Our other expenses decreased by 89.0% from RMB327 thousand for the year ended December 31, 2024 to RMB36 thousand for the year ended December 31, 2025, primarily due to the appreciation of Euro resulting in lower foreign exchange losses.

Finance costs

Our finance costs increased by 8.3% from RMB374 thousand for the year ended December 31, 2024 to RMB405 thousand for the year ended December 31, 2025, primarily due to an increase in interest on lease liabilities and interest on short-term loan.

Income tax expense

Our income tax expense increased by 176.1% from RMB4.4 million for the year ended December 31, 2024 to RMB12.0 million for the year ended December 31, 2025, primarily due to an increase in profit before tax of RMB46.6 million.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year increased by 139.3% from RMB28.0 million for the year ended December 31, 2024 to RMB66.9 million for the year ended December 31, 2025. Our net profit margin increased from 19.7% for the year ended December 31, 2024 to 30.1% for the year ended December 31, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by 7.0% from RMB132.3 million for the year ended December 31, 2023 to RMB141.6 million for the year ended December 31, 2024.

Revenue from sales of VAS products decreased by 9.5% from RMB80.8 million for the year ended December 31, 2023 to RMB73.1 million for the year ended December 31, 2024, primarily because of the fluctuation in revenue from overseas customers as we were in the process of establishing a stable overseas sales network, while the domestic demand of our VAS products remained relatively stable in the year.

Revenue from sales of windshield systems increased significantly by 551.8% from RMB8.2 million for the year ended December 31, 2023 to RMB53.6 million for the year ended December 31, 2024, primarily attributable to new large-amount orders for windshield systems obtained during the second half of 2023, which experienced peak deliveries throughout 2024 and were fully delivered by the first half of 2025.

FINANCIAL INFORMATION

Revenue from others decreased by 65.5% from RMB43.2 million for the year ended December 31, 2023 to RMB14.9 million for the year ended December 31, 2024, primarily attributable to a substantial one-off order for industrial machinery components from the eKontrol Group in 2023, driven by relatively strong order demand for its products that year.

Cost of sales

Our cost of sales increased by 2.0% from RMB87.8 million for the year ended December 31, 2023 to RMB89.5 million for the year ended December 31, 2024, generally in line with our revenue growth.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 17.1% from RMB44.5 million for the year ended December 31, 2023 to RMB52.1 million for the year ended December 31, 2024. Our gross profit margin increased from 33.6% for the year ended December 31, 2023 to 36.8% for the year ended December 31, 2024.

The gross profit margin of sales of VAS products increased from 40.4% for the year ended December 31, 2023 to 46.7% for the year ended December 31, 2024, primarily due to a decrease in cost of direct materials due to (i) a decrease in costs of raw materials and (ii) an increase in capacity utilization, thereby achieving economies of scale.

The gross profit margin from sales of windshield systems increased from 13.6% for the year ended December 31, 2023 to 19.8% for the year ended December 31, 2024, primarily due to a decrease in cost of direct materials due to improved production proficiency and manufacturing techniques.

The gross profit margin of sales of others increased from 24.8% for the year ended December 31, 2023 to 49.2% for the year ended December 31, 2024, primarily because the one-off sales of industrial machinery components to eKontrol in 2023 carried lower margins as compared with sales of other products, due to the fewer manufacturing processes involved.

Other income and gains

Our other income and gains increased by 108.5% from RMB1.0 million for the year ended December 31, 2023 to RMB2.1 million for the year ended December 31, 2024, primarily due to the increase in bank interest income resulting from the placement of time deposits.

Selling and marketing expenses

Our selling and marketing expenses increased by 70.0% from RMB6.0 million for the year ended December 31, 2023 to RMB10.1 million for the year ended December 31, 2024, primarily due to (i) the increase in staff costs as a result of the expansion of our sales and marketing team and (ii) the increase in marketing and travel expenses in relation to attending overseas exhibitions. Consequently, our selling and marketing expenses as a percentage of our revenue increased from 4.5% for the year ended December 31, 2023 to 7.2% for the year ended December 31, 2024.

Administrative expenses

Our administrative expenses increased by 18.9% from RMB3.7 million for the year ended December 31, 2023 to RMB4.4 million for the year ended December 31, 2024, primarily attributable to the increase in staff costs as a result of increased headcount to support our business growth. As a result, our administrative expenses as a percentage of our revenue increased from 2.8% for the year ended December 31, 2023 to 3.1% for the year ended December 31, 2024.

FINANCIAL INFORMATION

Research and development expenses

Our research and development expenses remained relative stable at RMB6.1 million and RMB6.2 million for the years ended December 31, 2023 and 2024, respectively. Our research and development expenses as a percentage of our revenue remained relatively stable at 4.6% and 4.4% for the year ended December 31, 2023 and 2024, respectively.

Impairment losses on financial assets, net

Our impairment losses on financial assets, net remained relatively stable at RMB421 thousand and RMB411 thousand for the year ended December 31, 2023 and 2024, respectively.

Other expenses

Our other expenses increased by 271.6% from RMB88 thousand for the year ended December 31, 2023 to RMB327 thousand for the year ended December 31, 2024, primarily due to the foreign exchange losses of RMB290 thousand in 2024.

Finance costs

Our finance costs decreased by 16.7% from RMB449 thousand for the year ended December 31, 2023 to RMB374 thousand for the year ended December 31, 2024, primarily due to the decrease in interests of lease liabilities.

Income tax expense

Our income tax expense increased by 34.6% from RMB3.2 million for the year ended December 31, 2023 to RMB4.4 million for the year ended December 31, 2024 primarily due to an increase in profit before tax of RMB3.6 million.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year increased by 9.6% from RMB25.5 million for the year ended December 31, 2023 to RMB28.0 million for the year ended December 31, 2024. Our net profit margin increased from 19.3% for the year ended December 31, 2023 to 19.7% for the year ended December 31, 2024.

FINANCIAL INFORMATION

SELECTED KEY ITEMS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth our financial position for the respective years indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	8,418	7,843	13,015
Right-of-use assets	8,538	6,701	8,258
Other intangible assets	2	–	5,847
Deferred tax assets	663	845	1,143
Prepayments, other receivables and other assets	722	651	1,850
Total non-current assets	18,343	16,040	30,113
Current assets			
Inventories	27,038	22,373	42,866
Trade and bills receivables	26,135	10,933	18,473
Bills receivables at fair value through other comprehensive income	1,414	1,834	552
Amounts due from related companies	20,660	35,074	15,090
Prepayments, other receivables and other assets	2,165	2,386	3,831
Financial investments at FVTPL	10,000	–	10,020
Tax recoverable	213	863	–
Time deposits	–	62,042	5,008
Pledged deposits	1,408	12,129	12,060
Restricted cash	–	2,298	2,300
Cash and cash equivalents	35,735	19,070	84,483
Total current assets	124,768	169,002	194,683
Current liabilities			
Trade and bills payables	45,938	59,585	72,825
Other payables and accruals	4,736	4,612	11,499
Amounts due to a related company	–	–	263
Contract liabilities	1,028	1,948	725
Interest-bearing bank borrowings	–	–	10,007
Lease liabilities	1,791	1,807	2,724
Provision	501	358	839
Tax payable	1,541	2,117	5,709
Total current liabilities	55,535	70,427	104,591
Net current assets	69,233	98,575	90,092
Total assets less current liabilities	87,576	114,615	120,205
Non-current liabilities			
Lease liabilities	7,265	5,458	6,230
Provision	1,198	2,077	3,171
Total non-current liabilities	8,463	7,535	9,401
Net assets	79,113	107,080	110,804
Equity			
Equity attributable to owners of the Company			
Paid-in capital/share capital	8,803	8,803	46,070
Reserves	70,310	98,277	63,228
Non-controlling interests	–	–	1,506
Total equity	79,113	107,080	110,804

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment comprise machinery and equipment, vehicles, office equipment and electronic devices, tooling, leasehold improvements and construction in progress. The following table sets forth a breakdown of our property, plant and equipment as at the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery and equipment	5,579	5,476	10,444
Vehicles	703	610	979
Tooling	788	733	587
Leasehold improvements	1,017	770	552
Office equipment and electronic devices	266	254	453
Construction in progress	65	—	—
Total	8,418	7,843	13,015

Our property, plant and equipment decreased from RMB8.4 million as of December 31, 2023 to RMB7.8 million as of December 31, 2024, primarily due to normal depreciation charges. Our property, plant and equipment further increased to RMB13.0 million as of December 31, 2025, primarily due to the purchases of machinery and equipment to enhance production efficiency and manufacturing techniques for VAS products and support our research and development activities.

Right-of-use Assets

Our right-of-use assets are recognized for leases of production sites and offices used for our operations. Our right-of-use assets decreased from RMB8.5 million as of December 31, 2023 to RMB6.7 million as of December 31, 2024, and further increased to RMB8.3 million as of December 31, 2025, primarily due to an increase in leased area, partially offset by normal depreciation charges.

Inventories

Our inventories primarily consist of raw materials, work in progress, and finished products. The following table sets forth a breakdown of our inventories as at the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	10,282	7,836	28,547
Work in progress	9,372	7,684	8,982
Finished goods	9,164	8,593	7,138
	28,818	24,113	44,667
Provision for impairment losses	(1,780)	(1,740)	(1,801)
Total	27,038	22,373	42,866

FINANCIAL INFORMATION

To reduce the risk of inventory backlogs, we regularly review our inventory level. We also conduct regular physical inventory counts and stock checks to identify damaged products or expired or near expired products and to dispose of or stockpile these products. We manage our inventory level by monitoring in real time our production activities and sales orders and taking into consideration any emerging trends through discussions with our sales and marketing department. As of December 31, 2023, 2024 and 2025, provision for impairment losses on inventories amounted to RMB1.8 million, RMB1.7 million and RMB1.8 million, respectively.

Our inventories decreased by 17.3% from RMB27.0 million as of December 31, 2023 to RMB22.4 million as of December 31, 2024, primarily due to the normal fluctuation in inventory balances near year-end. Our inventories then increased by 91.6% to RMB42.9 million as of December 31, 2025, mainly attributable to (i) the increase in raw materials of in-motion charging system procured from eKontrol, and (ii) the increase in work in progress due to increased orders for VAS products in 2025.

The following table sets forth an aging analysis of our inventories before provision for impairment losses for the respective years indicated:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	26,129	21,247	40,882
1 to 2 years	737	1,483	1,522
2 to 3 years	714	425	910
Over 3 years	1,238	958	1,353
Total	28,818	24,113	44,667

The following table sets forth our inventory turnover days for the respective years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days	140.2	100.7	116.9

Note: Inventory turnover days are calculated by the average of the beginning and ending balance of inventories for the year divided by cost of sales for the year and multiplied by 365 days for 2023, 2024 and 2025.

Our inventory turnover days decreased from 140.2 days in 2023 to 100.7 days in 2024, primarily due to the decreased ending balance of inventories in 2024. Our inventory turnover days then increased to 116.9 days in 2025, primarily due to the significant increase in inventories resulted from increases in both raw materials and work in progress.

As of February 28, 2026, RMB8.8 million, or 19.7% of our inventories as of December 31, 2025 had been used, consumed or sold subsequently.

FINANCIAL INFORMATION

Trade and Bills Receivables

Our trade and bills receivables primarily consist of trade receivables and bank bills receivables. The credit period granted to our customers was generally 30 days to 90 days. The following table sets forth our trade and bills receivables for the respective years indicated:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	25,899	11,255	19,570
Bank bills receivables	500	102	–
Total	26,399	11,357	19,570
Impairment losses	(264)	(424)	(1,097)
Net carrying amount	26,135	10,933	18,473

Our trade and bills receivables decreased from RMB26.1 million as of December 31, 2023 to RMB10.9 million as of December 31, 2024, primarily due to our efforts in the collection of certain trade receivables. Our trade and bills receivables increased to RMB18.5 million as of December 31, 2025, generally in line with our revenue growth.

The following table sets forth an aging analysis of our trade and bills receivables for the respective years indicated, based on VAT date information and net of loss allowance:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 6 months	26,104	10,100	17,195
7 months to 12 months	–	833	719
13 months to 18 months	30	–	554
19 months to 24 months	1	–	5
Total	26,135	10,933	18,473

We generally recovered trade and bills receivables within 6 months, which accounted for 99.9%, 92.4% and 93.1% of our total balance of trade and bills receivables as of December 31, 2023, 2024 and 2025, respectively.

We apply the simplified approach under ECL model on trade receivables by assessing trade receivables relating to customers not sharing similar credit risk with others individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Our bank bills receivables were issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was immaterial as at the end of 2023, 2024 and 2025. As of December 31, 2023, 2024 and 2025, we had impairment losses of trade and bills receivables of RMB264 thousand, RMB424 thousand and RMB1,097 thousand, respectively.

FINANCIAL INFORMATION

The following table sets forth our trade and bills receivable turnover days for the respective years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivable turnover days	40.6	47.8	24.1

Note: Trade and bills receivable turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a year divided by revenue for the relevant year and multiplied by 365 days for 2023, 2024 and 2025.

In 2023 and 2024, our trade and bills receivable turnover days remained relatively stable at 40.6 days and 47.8 days, respectively. In 2025, our trade and bills receivable turnover days decreased to 24.1 days, primarily due to changes in customer order fulfillment and credit terms, as well as fluctuations in trade receivables balances at various points in time. We consider our trade and bills receivable turnover days to be generally in line with credit terms granted to customers.

As of February 28, 2026, RMB10.7 million or 54.6% of our trade and bills receivables as of December 31, 2025 had been subsequently settled.

Trade and Bills Payables

Our trade and bills payables represent outstanding amounts due to our suppliers. Our trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon the receipt of the VAT invoices. The following table sets forth our trade and bills payables for the respective years indicated:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	32,584	20,288	24,282
Bills payables	13,354	39,297	48,543
Total	45,938	59,585	72,825

The following is an aging analysis of our trade and bills payables based on the invoice date for the respective years indicated:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	45,661	56,339	70,471
1 to 2 years	118	3,182	75
2 to 3 years	140	17	2,217
Over 3 years	19	47	62
Total	45,938	59,585	72,825

FINANCIAL INFORMATION

The following table sets forth our trade payable turnover days for the respective years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payable turnover days	<u>89.8</u>	<u>107.8</u>	<u>79.9</u>

Note: Trade payable turnover days are calculated by the average of the beginning and ending balance of trade payables for the year divided by cost of sales for the year and multiplied by 365 days for 2023, 2024 and 2025.

Our trade payable turnover days increased from 89.8 days in 2023 to 107.8 days in 2024, and further decreased to 79.9 days in 2025, primarily due to fluctuations in trade payables balances at various points in time and an increased use of bill settlements.

As of February 28, 2026, RMB11.7 million, or 16.0% of our trade and bills payables as of December 31, 2025 had been settled subsequently.

Contract Liabilities

Our contract liabilities primarily consist of advances received from customers on sales of vehicle articulation systems. Our contract liabilities increased by 89.5% from RMB1.0 million as of December 31, 2023 to RMB1.9 million as of December 31, 2024, and further decreased by 62.8% to RMB0.7 million as of December 31, 2025, primarily due to varying end-of-period order fulfillment status and changes in the structure of export/domestic sales and customer base.

As of February 28, 2026, RMB0.1 million, or 9.1% of our contract liabilities as of December 31, 2025 had been recognized as revenue subsequently.

LIQUIDITY AND CAPITAL RESOURCES

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

	For the year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash from operating activities	30,492	73,108	51,841
Net cash (used in)/from investing activities	(11,238)	(87,630)	69,483
Net cash used in financing activities	<u>(2,097)</u>	<u>(2,165)</u>	<u>(55,868)</u>
Net increase/(decrease) in cash and cash equivalents	17,157	(16,687)	65,456
Cash and cash equivalents at beginning of the year	<u>18,581</u>	<u>35,735</u>	<u>19,070</u>
Cash and cash equivalents at end of the year	<u>35,735</u>	<u>19,070</u>	<u>84,483</u>

Net Cash from Operating Activities

For the year ended December 31, 2025, our net cash flows from operating activities of RMB51.8 million was primarily attributable to profit before tax of RMB79.0 million, as adjusted by non-cash and non-operational items totaling RMB3.7 million, changes in working capital of RMB23.2 million and income tax paid of RMB7.9 million. Changes in working capital mainly consisted of (i) an increase in inventories of RMB20.7 million, (ii) an increase in trade and bills receivables of RMB7.0 million, (iii) an increase in trade and bills payables of RMB13.2 million,

FINANCIAL INFORMATION

(iv) an increase in other payables and accruals of RMB6.9 million, (v) an increase in amounts due from related companies of RMB15.4 million, (vi) an increase in provisions of RMB1.6 million, (vii) a decrease in contract liabilities of RMB1.2 million and (viii) an increase in prepayments, other receivables and other assets of RMB1.0 million.

For the year ended December 31, 2024, our net cash flows from operating activities of RMB73.1 million were primarily attributable to profit before tax of RMB32.3 million, as adjusted by non-cash and non-operational items totaling RMB3.2 million, changes in working capital of RMB42.0 million and income tax paid of RMB4.6 million. Changes in working capital mainly consisted of (i) a decrease in amounts due from related companies of RMB20.9 million, (ii) an increase in trade and bills payables of RMB13.6 million, (iii) a decrease in trade and bills receivables of RMB14.6 million, (iv) an increase in pledged deposits of RMB10.7 million, (v) a decrease in inventories of RMB4.5 million, (vi) an increase in restricted cash of RMB2.3 million, (vii) an increase in contract liabilities of RMB0.9 million, and (viii) an increase in provisions of RMB0.7 million.

For the year ended December 31, 2023, our net cash flows from operating activities of RMB30.5 million were primarily attributable to profit before tax of RMB28.8 million, as adjusted by non-cash and non-operational items totaling RMB5.2 million, changes in working capital of approximately RMB2.9 million and income tax paid of approximately RMB0.7 million. Changes in working capital mainly consisted of (i) an increase in amounts due from related companies of RMB23.2 million, (ii) an increase in trade and bills payables of RMB25.8 million, (iii) an increase in trade and bills receivables of RMB15.9 million, (iv) a decrease in inventories of RMB13.3 million, (v) a decrease in contract liabilities of RMB1.6 million and (vi) an increase in pledged deposits of RMB1.4 million.

Net Cash (Used in)/from Investing Activities

For the year ended December 31, 2025, our net cash flows from investing activities amounted to RMB69.5 million, which was primarily attributable to (i) withdrawal of time deposits of RMB61.0 million, (ii) loans repaid by related companies of RMB56.9 million, (iii) proceeds from disposals of financial investments at FVTPL of RMB18.0 million, and (iv) interest received from time deposits of RMB1.1 million, partially offset by (v) purchase of financial investments at FVTPL of RMB28.0 million, (vi) loans advanced to related companies of RMB20.4 million, (vii) purchases of property, plant and equipment and intangible assets of RMB14.9 million, and (viii) placement of time deposits of RMB5.0 million.

For the year ended December 31, 2024, our net cash flows used in investing activities amounted to RMB87.6 million, which was primarily attributable to (i) loans advanced to related companies of RMB90.5 million, (ii) placement of time deposits of RMB71.6 million and (iii) purchases of property, plant and equipment and intangible assets of RMB1.5 million, partially offset by (iv) loans repaid by related companies of RMB55.0 million, (v) withdrawal of time deposits of RMB10.6 million and (vi) proceeds from disposals of financial investments at fair value through profit or loss of RMB10.0 million.

For the year ended December 31, 2023, our net cash flows used in investing activities amounted to RMB11.2 million, which was primarily attributable to (i) purchase of financial investments at fair value through profit or loss of RMB23.0 million and (ii) purchases of property, plant and equipment and intangible assets of RMB1.3 million, partially offset by (iii) proceeds from disposals of financial investments at fair value through profit or loss of RMB13.0 million.

Net Cash Used in Financing Activities

For the year ended December 31, 2025, our net cash flows used in financing activities amounted to RMB55.9 million, which was primarily attributable to (i) dividend paid of RMB64.6 million and (ii) lease payments of RMB2.2 million, partially offset by (iii) proceeds from interest-bearing bank borrowings of RMB10.0 million and (iv) capital injection from non-controlling shareholders of RMB1.4 million.

FINANCIAL INFORMATION

For the years ended December 31, 2023 and 2024, our net cash flows used in financing activities amounted to RMB2.1 million and RMB2.2 million, respectively, which were primarily attributable to principal portion of lease payments.

WORKING CAPITAL

The following table sets forth the details of our current assets and current liabilities for the respective years indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets				
Inventories	27,038	22,373	42,866	53,551
Trade and bills receivables	26,135	10,933	18,473	10,882
Bills receivables at fair value through other comprehensive income	1,414	1,834	552	579
Amounts due from related companies	20,660	35,074	15,090	16,374
Prepayments, other receivables and other assets	2,165	2,386	3,831	9,009
Financial investments at FVTPL . .	10,000	—	10,020	26,500
Tax recoverable	213	863	—	—
Time deposits	—	62,042	5,008	15,073
Pledged deposits	1,408	12,129	12,060	11,420
Restricted cash	—	2,298	2,300	2,300
Cash and cash equivalents	35,735	19,070	84,483	40,175
Total current assets	124,768	169,002	194,683	185,863
Current liabilities				
Trade and bills payables	45,938	59,585	72,825	73,132
Other payables and accruals	4,736	4,612	11,499	17,708
Amounts due to a related company	—	—	263	1,103
Contract liabilities	1,028	1,948	725	—
Interest-bearing bank borrowings .	—	—	10,007	—
Lease liabilities	1,791	1,807	2,724	2,579
Provision	501	358	839	839
Tax payable	1,541	2,117	5,709	1,866
Total current liabilities	55,535	70,427	104,591	97,227
Net current assets	69,233	98,575	90,092	88,636

We recorded net current assets of RMB69.2 million, RMB98.6 million, RMB90.1 million and RMB88.6 million as of December 31, 2023, 2024 and 2025 and February 28, 2026, respectively.

Our net current assets decreased by 1.6% from RMB90.1 million as of December 31, 2025 to RMB88.6 million as of February 28, 2026, primarily due to (i) a decrease in trade and bills receivables of RMB7.6 million and (ii) a decrease in of cash and cash equivalents of RMB44.3 million, partially offset by (iii) an increase in inventories of RMB10.7 million, (iv) an increase in financial investments assets at FVTPL of RMB16.5 million, (v) an increase in time deposit of RMB10.1 million and (vi) a decrease in interest-bearing bank borrowings of RMB10.0 million.

FINANCIAL INFORMATION

Our net current assets decreased by 8.6% from RMB98.6 million as of December 31, 2024 to RMB90.1 million as of December 31, 2025, primarily due to (i) a decrease in time deposits of RMB57.0 million and (ii) a decrease in amounts due from related companies of RMB20.0 million, partially offset by (iii) an increase in inventories of RMB20.5 million, (iv) an increase in cash and cash equivalents of RMB65.4 million, (v) an increase in trade and bills payables of RMB13.2 million and (vi) an increase in interest-bearing bank borrowings of RMB10.0 million.

Our net current assets increased by 42.4% from RMB69.2 million as of December 31, 2023 to RMB98.6 million as of December 31, 2024, primarily due to (i) an increase in time deposits of RMB62.0 million, (ii) an increase in pledged deposits of RMB10.7 million and (iii) an increase in amounts due from related companies of RMB14.4 million, partially offset by (iv) a decrease in cash and cash equivalents of RMB16.7 million, (v) an increase in trade and bills payables of RMB13.6 million, (vi) a decrease in trade and bills receivables of RMB15.2 million, (vii) a decrease in financial investments at FVTPL of RMB10.0 million and (viii) a decrease in inventories of RMB4.7 million.

Working Capital Statement

During the Track Record Period, we met our working capital requirements mainly by cash flows generated from operating activities and available banking facilities.

Taking into account the estimated [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 funds to meet our working capital 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.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current				
Lease liabilities	1,791	1,807	2,724	2,579
Interest-bearing bank borrowings	—	—	10,007	—
	1,791	1,807	12,731	2,579
Non-current				
Lease liabilities	7,265	5,458	6,230	5,584
Total	9,056	7,265	18,961	8,163

Interest-bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025 and February 28, 2026, our outstanding interest-bearing bank borrowings amounted to nil, nil, RMB10.0 million and nil, respectively. All of our bank borrowings were repayable by our Group in accordance with the repayment schedule stipulated in the bank loan agreements.

FINANCIAL INFORMATION

Our bank loan agreements contain standard terms and conditions that are customary for commercial bank loans and there had been no material covenant on any of our outstanding bank loans. Our Directors confirm that there was no default in payments of our liabilities, significant difficulty in obtaining bank loans or other borrowings, and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of February 28, 2026, we had unutilized banking facilities of RMB43.5 million.

Lease Liabilities

Our lease liabilities primarily arise from leases of production sites and offices used for our operations. As of December 31, 2023, 2024 and 2025 and February 28, 2026, our lease liabilities, including current and non-current portions, amounted to RMB9.1 million, RMB7.3 million, RMB9.0 million and RMB8.2 million, respectively. The decrease in lease liabilities was primarily due to our rental payments.

The following table sets out the maturity profile of our lease liabilities as of the dates indicated, based on the contractual undiscounted payments:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year or on demand	2,164	2,097	2,989
After one year but within two years	2,097	2,030	2,725
After two years but within five years . . .	5,826	3,796	3,804
Total	10,087	7,923	9,518

Contingent Liabilities

As of December 31, 2023, 2024 and 2025 and February 28, 2026, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in our contingent liabilities since February 28, 2026, being our indebtedness statement date, and up to the Latest Practicable Date.

No Other Outstanding Indebtedness

Save as disclosed above, we did not have any 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 February 28, 2026, being our indebtedness statement date. Our Directors confirm that, as of the Latest Practicable Date, there was no material change in our Company's indebtedness since February 28, 2026.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into various transactions with our related companies from time to time. Our Directors believe that our related party transactions as set out in Note 33 to the Accountants’ Report in Appendix I were conducted on an arm’s-length basis, and they would not distort our results of operations or cause our historical results to become not reflective of our future performance. Our outstanding non-trade balances with related companies as of December 31, 2023, 2024 and 2025 amounted to nil, RMB35.1 million and nil, respectively, representing loan to related companies. Such balances had been fully settled as of the Latest Practicable Date.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of payments for purchases of property, plant and equipment. Our capital expenditures amounted to RMB1.3 million, RMB1.5 million and RMB14.9 million for the years ended December 31, 2023, 2024 and 2025, respectively. The increase in our capital expenditures in 2025 was primarily due to purchases of machinery and equipment to enhance production capabilities and support our research and development activities.

We expect to incur additional capital expenditures in 2026 primarily for purchases of property and equipment. We intend to fund our future capital expenditures with our existing cash balance, cash flows from operating activities, available banking facilities and [REDACTED] from the [REDACTED]. See the section headed “Future Plans and [REDACTED]” for more details. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitments of RMB113 thousand, nil and RMB64 thousand, respectively.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Current ratio ¹ (times)	2.2	2.4	1.9
Gearing ratio ² (%)	<u>11.4</u>	<u>6.8</u>	<u>17.1</u>

Notes:

1. Current ratio is calculated using current assets divided by current liabilities as of the date indicated.
2. Gearing ratio is calculated using total debt, comprising lease liabilities and interest bearing bank borrowings, divided by total equity as of the date indicated and multiplied by 100%.

Our current ratio remained stable at 2.2 times and 2.4 times as of December 31, 2023 and 2024, respectively. Our current ratio further moderated to 1.9 times as of December 31, 2025, primarily driven by strategic capital reallocation and proactive working capital management, as we increased short-term bank borrowings to replenish working capital reserves and strengthen operational liquidity. We also deployed cash reserves toward long-term capital expenditure,

FINANCIAL INFORMATION

specifically for the acquisition of patents (recognized as other intangible assets) and the purchase of machinery and equipment to upgrade production capabilities. The transition of liquid current assets into non-current productive assets resulted in a moderate decrease in our current ratio.

Our gearing ratio decreased from 11.4% as of December 31, 2023 to 6.8% as of December 31, 2024, primarily due to an increase in Shareholders’ equity arising from accumulated retained profits, which strengthened our capital base relative to our debt levels. Our gearing ratio further increased to 17.1% as of December 31, 2025, mainly attributable to a strategic addition of short-term bank borrowings, which were used to replenish working capital reserves and strengthen operational liquidity. Our equity base remained stable in 2025 compared to 2024, as profit for the year was largely offset by dividends paid, resulting in increased leverage.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to financial risks including credit, liquidity, interest rate and currency risks in the normal course of our business. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our risk management is carried out under policies approved by our Board. The discussion below provides a summary of our market risks. See Note 37 to the Accountants’ Report in Appendix I for further details.

Interest Rate Risk

Our Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts. Our Group did not have any significant exposure to the interest rate risk in the cash flows as none of our Group’s interest-bearing borrowings bore interest at floating rates.

Foreign Currency Risk

The functional currency of our Company and its subsidiaries incorporated in Chinese mainland is RMB, our Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. In addition, in Chinese mainland, our Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

As at the end of 2023, 2024 and 2025, our Group did not have any significant exposure to foreign currency risk.

Credit Risk

Our Group trades only with recognized and creditworthy third parties. It is our 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. For more details, including the credit quality and the maximum exposure to credit risk based on our credit policy, see Note 37 to the Accountants’ Report as set out in Appendix I.

FINANCIAL INFORMATION

Liquidity Risk

Our Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations of cash flows. Our Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities. For more details, including the maturity profile of our financial liabilities, see Note 37 to the Accountants’ Report as set out in Appendix I.

DIVIDENDS

We declared a dividend of RMB64.6 million in June 2025 and fully paid the dividend in August 2025.

As of the Latest Practicable Date, we did not have any specific dividend policy nor any pre-determined dividend payout ratio. According to PRC Law, dividends may only be paid from distributable profits, which are derived from after-tax profits less any recovery of accumulated losses and the required allocations to statutory and other reserves. Under the PRC Company Law, we are required to contribute at least 10% of our after-tax profits annually — after making up any accumulated losses — to certain statutory reserve funds until such reserves reach 50% of our registered capital. Dividends may be paid from the remaining distributable profits.

Any future declaration and payment of dividends will be determined by our Board of Directors, subject to our Articles of Association and approval by our Shareholders for final dividends. Such decisions will be discretionary and will depend on various factors, including our actual and expected results of operations, cash flow, financial condition, capital and working capital requirements, business strategies, expansion plans, legal, regulatory and contractual restrictions, and other considerations deemed relevant by the Board. Our ability to pay dividends also depends on receiving distributions from our subsidiaries. Dividends may be distributed in cash or stock, as considered appropriate, and shall only be paid from profits and reserves lawfully available for distribution.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately [REDACTED] or [REDACTED] of the [REDACTED] of the [REDACTED] (assuming an [REDACTED] of [REDACTED] per H Share, being the [REDACTED] of the indicative [REDACTED] range, without taking into account the [REDACTED]), including (i) [REDACTED] of approximately [REDACTED], and (ii) non-[REDACTED] related expenses of approximately [REDACTED] which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately [REDACTED] million and (b) other fees and expenses of approximately [REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED] expensed in the consolidated statements of profit or loss and other comprehensive income and [REDACTED] recognized in the consolidated statements of financial position. Subsequent to the Track Record Period, approximately [REDACTED] of our [REDACTED] expenses is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and approximately [REDACTED] is expected to be accounted for as a deduction from equity upon [REDACTED] under the relevant accounting standard. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had distributable reserves of RMB37.4 million.

FINANCIAL INFORMATION

UNAUDITED [REDACTED] FINANCIAL INFORMATION

For details, see the section headed “Unaudited [REDACTED] Financial Information” in Appendix II.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period, we had not entered into any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, financial risk or credit support for us. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, except as otherwise disclosed in this document, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since December 31, 2025, being the end of the Track Record Period, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report, the contents of which are set out in Appendix I.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Development Strategies” for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED], after deducting [REDACTED] fees and commissions and other estimated expenses paid and payable by us in relation to the [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share, being the [REDACTED] of the [REDACTED] range from [REDACTED] to [REDACTED] per H Share, and that the [REDACTED] is not exercised.

In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- (i) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for our market expansion. We are committed to pursuing international development. While consolidating our existing industry position, we plan to continue to expand into global markets to capture long-term development opportunities overseas, among which:
 - approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], is expected to be used for promoting our products globally and establishing and continuously strengthening cooperation with overseas original equipment manufacturers, public transportation operators and system integrators. We plan to (i) conduct global marketing and promotional campaigns; (ii) participate in exhibitions and technical forums to enhance our brand awareness; (iii) establish partnerships with local sales channel partners; and (iv) conduct market research to expand product application scenarios;
 - approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], is expected to be used for expanding our international marketing and sales team to enhance our global market coverage. We plan to recruit approximately 20 professionals with international market experience over the next five years; creating a team that covers key regions such as South America, Southeast Asia, Central Asia and Europe;
 - approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], is expected to be used for enhancing our overseas after-sales service system to develop long-term service capabilities that match our product delivery. We plan to (i) develop an after-sales management system, including system setup and internal training; (ii) establish online after-sales service channels to improve service response time; and (iii) recruit approximately 20 after-sales personnel with professional technical skills and service experience over the next five years to support worldwide after-sales service requirements;
- (ii) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for product research and development. We remain dedicated to the research and development of core technologies regarding transportation equipment to support the sustainable growth of our business, among which:
 - approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], is expected to be used to optimize the performance and expand the application scenarios for our existing products to meet the emerging demands in the smart transportation sector. We plan to (i) maintain and upgrade our research and development center and facilities; (ii) upgrade development software tools and optimize product algorithms; and (iii) improve our existing product processes to enhance practicality and safety, ensuring adaptability to various specific application scenarios;

FUTURE PLANS AND [REDACTED]

- approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], is expected to be used for the research and development of new products and technologies to enhance our core technology system and strengthen our technological barriers. Specifically, we plan to use (i) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], to attract and retain 20 experts in the fields of vehicle technology, thermofluidic simulation, hydraulics, electronic control and power electronics over the next five years to enhance our research and development capabilities; and (ii) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], to procure research and development equipment to support our continuous technology iteration and research and development capability building;
- (iii) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for expanding our production capacity. We will expand and upgrade existing production lines, and strengthen our production management team, thereby enhancing manufacturing capacity and operational efficiency, among which:
 - approximately [REDACTED], or approximately [REDACTED], of the [REDACTED] is expected to be used to expand and upgrade our existing production facilities, aiming to enhance production capacity and efficiency in response to growing market demand. We plan to (i) purchase and upgrade equipment for production, processing, assembly and testing to increase overall output; (ii) carry out digital transformation of our existing production lines to enhance production efficiency and safety; and (iii) lease new production facilities in accordance with operational needs;
 - approximately [REDACTED], or approximately [REDACTED], of the [REDACTED] is expected to be used to strengthen our production management team with professionally skilled industrial technicians, thereby enhancing our production capacity and ensuring stable product quality. Over the next five years, we plan to recruit approximately 20 production managers who possess solid theoretical foundations and practical expertise, with proficiency in manufacturing processes, equipment operation and quality control.
- (iv) approximately [REDACTED] of the [REDACTED], or approximately [REDACTED], for general corporate purposes and working capital.

The above allocation of the [REDACTED] as set out above will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the midpoint of the indicative [REDACTED] range.

If the [REDACTED] is fixed at [REDACTED] per H Share (being the high end of the [REDACTED] range stated in this document), we will receive additional [REDACTED] of approximately [REDACTED], assuming the [REDACTED] is not exercised.

If the [REDACTED] is fixed at [REDACTED] per H Share (being the low end of the [REDACTED] range stated in this document), the [REDACTED] we receive will be reduced by approximately [REDACTED], assuming the [REDACTED] is not exercised.

In the event that the [REDACTED] is exercised in full, the additional [REDACTED] that we would receive would be [REDACTED] assuming an [REDACTED] of [REDACTED] per H Share, being the mid-point of the [REDACTED] range stated in this document, after deduction of [REDACTED] fees and commissions and other estimated expenses paid and payable by us in relation to the [REDACTED]. Additional [REDACTED] received due to the exercise of any [REDACTED] will be used for the above purposes accordingly on a pro-rata basis if the [REDACTED] is exercised.

FUTURE PLANS AND [REDACTED]

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JVS (SUZHOU) TECHNOLOGIES CO., LTD. AND ZHONGTAI INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of JVS (Suzhou) Technologies Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[●] to I-[●], 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 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the initial [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 preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX I

ACCOUNTANTS’ REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on I-[●] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividend paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong

[date]

APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The 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 Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
REVENUE	5	132,305	141,623	222,330
Cost of sales		(87,796)	(89,519)	(101,841)
Gross profit		44,509	52,104	120,489
Other income and gains	5	1,002	2,089	2,309
Selling and marketing expenses		(5,956)	(10,127)	(21,788)
Administrative expenses		(3,715)	(4,418)	(11,044)
Research and development expenses		(6,126)	(6,210)	(10,111)
Impairment losses on financial assets, net . .	6	(421)	(411)	(464)
Other expenses		(88)	(327)	(36)
Finance costs	7	(449)	(374)	(405)
PROFIT BEFORE TAX	6	28,756	32,326	78,950
Income tax expense	10	(3,238)	(4,359)	(12,036)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>25,518</u>	<u>27,967</u>	<u>66,914</u>
Attributable to:				
Owners of the parent		25,518	27,967	66,818
Non-controlling interests		—	—	96
		<u>25,518</u>	<u>27,967</u>	<u>66,914</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>0.55</u>	<u>0.61</u>	<u>1.45</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	8,418	7,843	13,015
Right-of-use assets	14	8,538	6,701	8,258
Intangible assets	16	2	–	5,847
Deferred tax assets	17	663	845	1,143
Prepayments, other receivables and other assets	21	722	651	1,850
Total non-current assets		<u>18,343</u>	<u>16,040</u>	<u>30,113</u>
CURRENT ASSETS				
Inventories	18	27,038	22,373	42,866
Trade and bills receivables	19	26,135	10,933	18,473
Bills receivable at fair value through other comprehensive income	20	1,414	1,834	552
Amounts due from related companies	33(b)	20,660	35,074	15,090
Prepayments, other receivables and other assets	21	2,165	2,386	3,831
Financial investments at fair value through profit or loss	22	10,000	–	10,020
Tax recoverable		213	863	–
Time deposits	23	–	62,042	5,008
Pledged deposits	23	1,408	12,129	12,060
Restricted cash	23	–	2,298	2,300
Cash and cash equivalents	23	35,735	19,070	84,483
Total current assets		<u>124,768</u>	<u>169,002</u>	<u>194,683</u>
CURRENT LIABILITIES				
Trade and bills payables	24	45,938	59,585	72,825
Other payables and accruals	25	4,736	4,612	11,499
Amounts due to a related company	33(b)	–	–	263
Contract liabilities	26	1,028	1,948	725
Interest-bearing bank borrowings	27	–	–	10,007
Lease liabilities	14	1,791	1,807	2,724
Provision	28	501	358	839
Tax payable		1,541	2,117	5,709
Total current liabilities		<u>55,535</u>	<u>70,427</u>	<u>104,591</u>
NET CURRENT ASSETS		<u>69,233</u>	<u>98,575</u>	<u>90,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>87,576</u>	<u>114,615</u>	<u>120,205</u>
NON-CURRENT LIABILITIES				
Lease liabilities	14	7,265	5,458	6,230
Provision	28	1,198	2,077	3,171
Total non-current liabilities		<u>8,463</u>	<u>7,535</u>	<u>9,401</u>
Net assets		<u>79,113</u>	<u>107,080</u>	<u>110,804</u>
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	29	8,803	8,803	46,070
Reserves	30	70,310	98,277	63,228
		<u>79,113</u>	<u>107,080</u>	<u>109,298</u>
Non-controlling interests		–	–	1,506
Total equity		<u>79,113</u>	<u>107,080</u>	<u>110,804</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve*	Statutory reserve*	Retained profits*	Total
	<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>
As at 1 January 2023	8,803	7,309	4,801	32,682	53,595
Profit and total comprehensive income for the year	—	—	—	25,518	25,518
Transfer from retained profits	—	—	112	(112)	—
As at 31 December 2023 . .	<u>8,803</u>	<u>7,309</u>	<u>4,913</u>	<u>58,088</u>	<u>79,113</u>

Year ended 31 December 2024

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve*	Statutory reserve*	Retained profits*	Total
	<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>
As at 1 January 2024	8,803	7,309	4,913	58,088	79,113
Profit and total comprehensive income for the year	—	—	—	27,967	27,967
Transfer from retained profits	—	—	276	(276)	—
As at 31 December 2024 . .	<u>8,803</u>	<u>7,309</u>	<u>5,189</u>	<u>85,779</u>	<u>107,080</u>

Year ended 31 December 2025

	Attributable to owners of the parent						
	Paid-in capital/ share capital	Capital reserve*	Statutory reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	<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>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	8,803	7,309	5,189	85,779	107,080	—	107,080
Profit and total comprehensive income for the year	—	—	—	66,818	66,818	96	66,914
Capitalisation of retained earnings . . .	37,267	—	—	(37,267)	—	—	—

APPENDIX I

ACCOUNTANTS’ REPORT

	Attributable to owners of the parent						
	Paid-in capital/ share capital	Capital reserve*	Statutory reserve*	Retained profits*	Total	Non- controlling interests	Total equity
	<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>	<i>RMB'000</i>	<i>RMB'000</i>
Dividends declared and paid	—	—	—	(64,600)	(64,600)	—	(64,600)
Conversion into a joint stock company . . .	—	11,444	(4,402)	(7,042)	—	—	—
Capital injection from non- controlling equity holders	—	—	—	—	—	1,410	1,410
Transfer from retained profits	—	—	6,248	(6,248)	—	—	—
As at							
31 December							
2025	<u>46,070</u>	<u>18,753</u>	<u>7,035</u>	<u>37,440</u>	<u>109,298</u>	<u>1,506</u>	<u>110,804</u>

* These reserve accounts represent the total consolidated reserves of RMB70,310,000, RMB98,277,000 and RMB63,228,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		28,756	32,326	78,950
Adjustments for:				
Finance costs	7	449	374	405
Bank interest income	5, 6	(132)	(1,401)	(385)
Investment income on structured deposits	5, 6	(92)	(69)	(230)
Interest income from related companies . .	5, 6	–	(142)	(955)
Fair value gains on financial investments at fair value through profit or loss	5, 6	–	–	(20)
Depreciation of property, plant and equipment	6, 13	2,638	1,998	2,259
Depreciation of right-of-use assets	6, 14	1,772	1,837	1,975
Amortisation of intangible assets	6, 16	2	2	49
Impairment losses on financial assets, net	6	421	411	464
Write-down of inventories to net realisable value	6	97	195	180
Foreign exchange differences, net		3	(22)	43
Losses/(gains) on disposal of items of property, plant and equipment, and intangible assets, net	6	3	36	(83)
		33,917	35,545	82,652
Increase in restricted cash		–	(2,298)	(2)
(Increase)/decrease in pledged deposits		(1,408)	(10,721)	69
(Increase)/decrease in trade and bills receivables		(15,876)	14,622	(6,968)
Decrease/(increase) in inventories		13,297	4,470	(20,673)
(Increase)/decrease in amounts due from related companies		(23,244)	20,937	(15,371)
Increase in prepayments, other receivables and other assets		(2)	(224)	(1,030)
Increase in trade and bills payables		25,770	13,647	13,240
(Decrease)/increase in contract liabilities . . .		(1,614)	920	(1,223)
Increase/(decrease) in other payables and accruals		99	(124)	6,887
Increase in amounts due to a related company		–	–	263
Increase in provisions		88	736	1,575
Cash generated from operations		31,027	77,510	59,419
Interest received		132	213	301
Taxes paid		(667)	(4,615)	(7,879)
Net cash flows from operating activities . . .		30,492	73,108	51,841

APPENDIX I

ACCOUNTANTS’ REPORT

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial investments at fair value through profit or loss		(23,000)	–	(28,000)
Proceeds from disposals of financial investments at fair value through profit or loss		13,000	10,000	18,000
Investment income received		92	69	230
Purchases of property, plant and equipment and intangible assets		(1,334)	(1,460)	(14,905)
Proceeds from disposal of items of property, plant and equipment		4	75	483
Placement of time deposits		–	(71,618)	(5,000)
Withdrawal of time deposits		–	10,618	61,000
Interest income from time deposits		–	146	1,118
Loans advanced to related companies		–	(90,480)	(20,353)
Loans repaid by related companies		–	55,020	56,910
Net cash flows (used in)/from investing activities		(11,238)	(87,630)	69,483
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments		(2,097)	(2,165)	(2,153)
New interest-bearing bank borrowings		–	–	10,000
Interest paid for interest-bearing bank borrowings		–	–	(88)
Dividend paid		–	–	(64,600)
Capital injection from non-controlling equity holders		–	–	1,410
Payment of [REDACTED].		[REDACTED]	[REDACTED]	[REDACTED]
Net cash flows used in financing activities		(2,097)	(2,165)	(55,868)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		17,157	(16,687)	65,456
Effect of foreign exchange rate changes, net		(3)	22	(43)
CASH AND CASH EQUIVALENTS AT END OF YEAR		35,735	19,070	84,483
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	23	37,143	95,539	103,851
Less: Pledged deposits	23	1,408	12,129	12,060
Restricted cash	23	–	2,298	2,300
Time deposits	23	–	62,042	5,008
Cash and cash equivalents as stated in the statement of cash flows		35,735	19,070	84,483

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	7,847	7,352	12,174
Investments in subsidiaries	15	4,000	20,000	23,590
Right-of-use assets	14	7,758	6,206	7,686
Intangible assets	16	2	–	5,847
Deferred tax assets	17	674	811	1,040
Prepayments, other receivables and other assets	21	74	3	1,176
Total non-current assets		20,355	34,372	51,513
CURRENT ASSETS				
Inventories	18	27,038	22,373	42,791
Trade and bills receivables	19	6,067	241	6,658
Bills receivable at fair value through other comprehensive income	20	1,414	1,231	552
Amounts due from a subsidiary		14,185	3,868	38
Amounts due from related companies	33(b)	20,660	35,074	15,090
Prepayments, other receivables and other assets	21	2,162	1,623	3,084
Financial investments at fair value through profit or loss	22	10,000	–	10,020
Time deposits	23	–	62,042	5,008
Pledged deposits	23	1,408	12,129	12,060
Restricted cash	23	–	2,298	2,300
Cash and cash equivalents	23	33,345	7,682	73,455
Total current assets		116,279	148,561	171,056
CURRENT LIABILITIES				
Trade and bills payables	24	45,938	59,585	71,153
Other payables and accruals	25	4,469	4,496	10,661
Contract liabilities	26	1,028	1,948	505
Interest-bearing bank borrowings	27	–	–	10,007
Lease liabilities	14	1,507	1,579	2,368
Provision	28	501	358	839
Amounts due to subsidiaries		–	6,605	15,956
Tax payable		1,510	2,118	5,046
Total current liabilities		54,953	76,689	116,535
NET CURRENT ASSETS		61,326	71,872	54,521
TOTAL ASSETS LESS CURRENT LIABILITIES				
		81,681	106,244	106,034
NON-CURRENT LIABILITIES				
Lease liabilities	14	6,781	5,202	6,017
Provision	28	1,198	2,077	3,171
Total non-current liabilities		7,979	7,279	9,188
Net assets		73,702	98,965	96,846
EQUITY				
Paid-in capital/share capital	29	8,803	8,803	46,070
Reserves	30	64,899	90,162	50,776
Total equity		73,702	98,965	96,846

APPENDIX I

ACCOUNTANTS’ REPORT

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was established in the People’s Republic of China (the “PRC”) with limited liability on 18 June 2008 and was converted into a joint stock company on 7 November 2025. The registered office of the Company is located at No. 268 Gongtang Road, Luzhi Town, Wuzhong District, Suzhou, Jiangsu Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “Group”) were principally engaged in the research and development, design, production and sale of vehicle articulation systems.

At of 31 December 2023 and 2024, the Company’s ultimate holding company was eKontrol Co., Ltd., a company established in the Chinese mainland.

As at 31 December 2025, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of the subsidiaries are set out below:

Name	Notes	Place and date of registration and place of operations	Paid up capital/ registered capital (‘000)	Percentage of equity directly attributable to the Company	Principal activities
伊卡路斯(北京)車輛技術有限公司 JVS (Beijing) Vehicle Technology Co., Ltd.	(1)	PRC/Chinese mainland/ 2 March 2009	RMB15,000	100.00	Sales of vehicle articulation system
伊卡路斯車輛科技(蘇州)有限公司 JVS Vehicle Technology (Suzhou) Co., Ltd.	(1)	PRC/Chinese mainland/ 17 August 2021	RMB10,000	100.00	Sales of vehicle articulation system
伊科優能聯合技術(蘇州)有限公司 Yike Youneng United Technology (Suzhou) Co., Ltd.	(2)	PRC/Chinese mainland/ 29 September 2025	RMB5,000	71.80	Development, manufacturing and sales of TMS for new energy sector

The English names of all subsidiaries registered in the Chinese mainland represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

- (1) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with generally accepted accounting principles in the Chinese mainland were audited by 蘇州常興會計師事務所(普通合夥) Suzhou Changxing Certified Public Accountant’s Firm, a certified public accounting firm registered in the Chinese mainland. No audited financial statements have been prepared for these entities for the year ended 31 December 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations.
- (2) No audited financial statements have been prepared for this entity for the years ended 31 December 2023 and 2024 as this entity was newly established in 2025. No audited financial statements have been prepared for this entity for the year ended 31 December 2025 as this entity was not subject to any statutory audit requirements under the relevant rules and regulations.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for bills receivable at fair value through other comprehensive income and financial investments at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods and in the periods covered by the Interim Financial Information.

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).

APPENDIX I

ACCOUNTANTS’ REPORT

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the consolidated statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the consolidated statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning

APPENDIX I

ACCOUNTANTS’ REPORT

on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group’s results of operations and financial position but has impact on the presentation and disclosure of the Group’s financial statements.

The Group has already commenced an assessment of the impact of other new and amended IFRS Accounting Standards, which are relevant to the Group’s operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when these new and amended IFRS Accounting Standards become effective.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain bills receivable at fair value through other comprehensive income, 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.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current 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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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.

APPENDIX I

ACCOUNTANTS' REPORT

Related companies

A company is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, 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:

Machinery and Equipment	9.5% to 19%
Vehicles	23.75%
Office equipment and electronic devices	19% to 31.67%
Tooling	31.67%
Leasehold improvements	20%

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 each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in 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.

APPENDIX I

ACCOUNTANTS’ REPORT

Intangible assets (other than goodwill)

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years, which is mainly determined by reference to the licensed period of the purchased software.

Patents

Acquired patents are stated at cost less any impairment losses and are amortised on a straight-line basis over their estimated useful life of 10 years, which is primarily determined based on the assessed economic life of the patent.

Research and development expenses

All research and development expenses 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 to 8 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.

(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 machinery and equipment (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 that is 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.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For bills receivable at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are 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 recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial investments at fair value through profit or loss

Financial investments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes structured deposits.

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.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are 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).

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 contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, 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, financial liabilities included in other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

APPENDIX I

ACCOUNTANTS’ REPORT

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank 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 on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised monthly.

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 reporting period, 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 the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of 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.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and 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 the 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 or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

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.

There are no significant variable consideration and financing component for the Group’s revenue from contracts with customers.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer. For domestic sales, control is generally transferred upon customer acceptance of the products. For export sales, control is transferred when the products are delivered to the carrier nominated by the customer or at the point of on board, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and customer has accepted the products in accordance with the sales contract.

Provision of service-type warranties

Revenue from service-type warranties related to articulation system is recognised over the scheduled period on a straight-line basis in which the service is provided based on the time elapsed because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

APPENDIX I

ACCOUNTANTS’ REPORT

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Other employee benefits

Pension schemes

The employees of the Company and the Group’s subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These 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.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable in each reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currency transaction

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in 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).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

APPENDIX I

ACCOUNTANTS’ REPORT

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.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the leases commencement dates, the Group reassesses the lease terms if there are significant events or changes in circumstances that are within its control and affects the Group’s ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of properties due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., two to three years) and there will be a significant negative effect on production if a replacement is not readily available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the 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.

Provision for expected credit losses on trade receivables

The Group uses provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating).

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic 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.

Write-down of inventories

The Group periodically assesses the net realisable value of its inventories and provides for inventory impairment based on the difference between the cost of the inventory and the net realisable value. When estimating the net realisable value of inventories, management considers the purpose for which the inventories are held, as well as future use or sales as the basis for estimation. Where the expectation is different from the original estimate, such difference will impact on the carrying value of the inventories and write-down of inventories in the period in which such estimates have been changed.

4. OPERATING SEGMENT INFORMATION

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and other comprehensive income.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese mainland	84,362	104,141	164,045
Overseas	47,943	37,482	58,285
Total revenue	<u>132,305</u>	<u>141,623</u>	<u>222,330</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Almost all of the Group’s non-current assets were located in the Chinese mainland.

APPENDIX I

ACCOUNTANTS’ REPORT

Information about major customers

External customers that contributed over 10% of total revenue of the Group during each of the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
eKontrol Co., Ltd.	33,834	*	*
Customer A	24,225	58,969	32,319
Customer B	18,515	18,707	23,544
Customer H	*	*	107,066

* Less than 10% of the Group’s revenue

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	132,305	141,623	222,330

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Vehicle articulation system	89,064	126,685	203,340
TMS for new energy sector	—	—	3,717
Others*	43,241	14,938	15,273
Total	132,305	141,623	222,330

* Primarily consists of sales of industrial machinery components, spare parts and scrap materials, as well as the provision of maintenance services.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Timing of revenue recognition			
Transferred at a point in time	131,858	141,176	221,883
Transferred over time	447	447	447
Total	132,305	141,623	222,330

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

Revenue recognised that was included in contract liabilities at the beginning of the reporting period	2,642	1,028	1,948

APPENDIX I

ACCOUNTANTS’ REPORT

(b) *Performance obligations*

Information about the Group’s performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon acceptance. Payment is generally due within 30 to 90 days from the invoice date, except for certain oversea customers who make advance payments.

Provision of service-type warranty services

The performance obligation is satisfied over time as services are rendered. Warranty service contracts are for periods of 10 years and are billed on an annual basis.

All amounts of transaction prices allocated to the performance obligations of the sale of products and provision of services are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration of more than one year, thus management applied the practical expedient under IFRS 15 and has not disclosed the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other income			
Government grants	243	477	37
Bank interest income	132	1,401	385
Interest income from related companies	–	142	955
Others	160	–	124
Total other income	<u>535</u>	<u>2,020</u>	<u>1,501</u>
Gains			
Investment income on structured deposits	92	69	230
Fair value gains on financial investments at fair value through profit or loss	–	–	20
Foreign exchange gains, net	375	–	475
Gains on disposal of items of property, plant and equipment, net	–	–	83
Total gains	<u>467</u>	<u>69</u>	<u>808</u>
Total other income and gains	<u>1,002</u>	<u>2,089</u>	<u>2,309</u>

APPENDIX I

ACCOUNTANTS’ REPORT

6. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cost of sales*		87,796	89,519	101,841
Depreciation of property, plant and equipment	13	2,638	1,998	2,259
Depreciation of right-of-use assets	14	1,772	1,837	1,975
Amortisation of intangible assets	16	2	2	49
Research and development expenses*		6,126	6,210	10,111
[REDACTED]		(REDACTED)	(REDACTED)	(REDACTED)
Lease payments not included in the measurement of lease liabilities	14	42	90	66
Write-down of inventories to net realisable value**	18	97	195	180
Impairment losses on financial assets, net		421	411	464
Foreign exchange differences, net		(375)	290	(475)
Provision	28	724	2,661	2,170
Losses/(gains) on disposal of items of property, plant and equipment, and intangible assets, net		3	36	(83)
Investment income on structured deposits	5	(92)	(69)	(230)
Bank interest income	5	(132)	(1,401)	(385)
Interest income from related companies	5	–	(142)	(955)
Fair value gains on financial investments at fair value through profit or loss	5	–	–	(20)
Employee benefit expense (including directors’ and supervisors’ remuneration (note 8)):				
Wages and salaries		15,690	17,339	21,530
Pension scheme contributions and social welfare		1,831	2,673	2,750
		<u>1,831</u>	<u>2,673</u>	<u>2,750</u>

* The “cost of sales” and “research and development expenses” above include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and labour costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The write-down of inventories to net realisable value is included in “cost of sales”.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on interest-bearing bank borrowings	–	–	95
Interest on lease liabilities	449	374	310
Total	<u>449</u>	<u>374</u>	<u>405</u>

APPENDIX I

ACCOUNTANTS’ REPORT

8. DIRECTORS’, CHIEF EXECUTIVE’S AND SUPERVISORS’ REMUNERATION

The remuneration paid or payable to the directors, the chief executive and the supervisors of the Company during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees	—	—	—
Other emoluments:			
Salaries, allowances and bonuses*	555	682	3,841
Pension scheme contributions and social welfare	155	160	357
Subtotal	710	842	4,198
Total fees and other emoluments	710	842	4,198

* Directors of the Company are entitled to bonus payments which are determined by key performance indicators.

(a) Directors, chief executive and supervisors

The remuneration of the directors, the chief executive and supervisors of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors, the chief executive and supervisors of the Company) for the Relevant Periods is set out as follows:

	Salaries, allowances and bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023			
Director:			
Mr. Ma Chunbo (ii)	—	—	—
Chief executive:			
Mr. Cheng Feng (i)	555	155	710
Supervisor:			
Mr. Liu Shengqi (v)	—	—	—
Total	555	155	710

	Salaries, allowances and bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2024			
Director:			
Mr. Ma Chunbo (ii)	—	—	—
Chief executive:			
Mr. Cheng Feng (i)	682	160	842
Supervisor:			
Mr. Liu Shengqi (v)	—	—	—
Total	682	160	842

	Salaries, allowances and bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB’000 (unaudited)	RMB’000 (unaudited)	RMB’000 (unaudited)
Year ended 31 December 2025			
Directors:			
Mr. Hao Qingjun (iii)	—	—	—
Mr. Ma Chunbo (ii)	151	19	170
Mr. Zhong Gufa (iv)	161	19	180
Mr. Sun Bin (iv)	1,158	53	1,211
Mr. Cui Zhongchen (iv)	1,300	53	1,353
Subtotal	2,770	144	2,914

APPENDIX I

ACCOUNTANTS’ REPORT

	Salaries, allowances and bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Chief executive and Director:			
Mr. Cheng Feng (i)	614	165	779
Supervisors:			
Mr. Liu Shengqi (v)	—	—	—
Ms. Sun Qiumei (vi)	260	26	286
Mr. Yang Jinlu (vi)	197	22	219
Subtotal	457	48	505
Total	3,841	357	4,198

- (i) Mr. Cheng Feng was appointed as the chief executive in August 2023 and was appointed as the director in October 2025.
- (ii) Mr. Ma Chunbo was appointed as the director in November 2013.
- (iii) Mr. Hao Qingjun had served as the director of our Company since June 18, 2008 and later resigned on March 10, 2010. Mr. Hao Qingjun was re-appointed as our Director on October 20, 2025.
- (iv) Mr. Zhong Gufa, Mr. Sun Bin and Mr. Cui Zhongchen were appointed as directors in October 2025.
- (v) Mr. Liu Shengqi was appointed as the supervisor in April 2023 and resigned from the position of a supervisor in October 2025.
- (vi) Ms. Sun Qiumei and Mr. Yang Jinlu were appointed as supervisors in October 2025.

There was no arrangement under which the director, the chief executive or the supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 included 1 director, 1 director and 3 directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining 4, 4 and 2 highest paid employees who are neither a director nor chief executive of the Company during the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and bonuses	1,634	2,298	1,169
Pension scheme contributions	87	154	79
Total	1,721	2,452	1,248

The numbers of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
Nil to HKD500,000	2	—	—
HKD500,001 to HKD1,000,000	2	4	2
Total	4	4	2

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

APPENDIX I

ACCOUNTANTS’ REPORT

Chinese mainland

The companies established in the Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the Corporate Income Tax Law of the Chinese mainland which became effective on 1 January 2008, except for those subject to tax preferential set out below:

The Company is registered as a High and New Technology Enterprise pursuant to the tax regulations of the Chinese mainland and was entitled to a preferential tax rate of 15% during the Relevant Periods.

Certain subsidiaries met the criteria as small-scaled and minimal profit enterprise with its annual taxable income less than RMB3,000,000, are subject to an effective corporate income tax rate of 5% from 1 January 2023 and expire on 31 December 2027.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current – Chinese mainland	1,935	4,541	12,334
Deferred tax expense/(credit) (note 17)	1,303	(182)	(298)
Total tax expense for the year	<u>3,238</u>	<u>4,359</u>	<u>12,036</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	28,756	32,326	78,950
Tax at the statutory tax rate of 25%	7,189	8,082	19,737
Effect of preferential and different tax rate	(3,059)	(2,906)	(7,201)
Expenses not deductible for tax	40	89	960
Additional deduction on research and development costs (a).	(932)	(906)	(1,460)
Tax expense at the Group’s effective tax rate	<u>3,238</u>	<u>4,359</u>	<u>12,036</u>

- (a) The additional deduction allowance was for qualified research and development expenses. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the Relevant Periods.

11. DIVIDENDS

The Company declared a dividend of RMB64,600,000 in June 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

12. 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 for the Relevant Periods attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods. The weighted average number of ordinary shares outstanding were determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon the Company’s conversion into a joint-stock company on 7 November 2025, and as adjusted to reflect the issue of new shares resulting from capitalisation of retained earnings to paid-in capital (note 29).

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Earnings			
Profit attributable to ordinary equity holders of the parent	<u>25,518</u>	<u>27,967</u>	<u>66,818</u>
Shares			
Weighted average number (’000) of ordinary shares outstanding during the year	<u>46,070</u>	<u>46,070</u>	<u>46,070</u>
Earnings per share			
Basic and diluted (RMB)	<u>0.55</u>	<u>0.61</u>	<u>1.45</u>

The Group had no potentially dilutive ordinary shares in issue for the years ended 31 December 2023, 2024 and 2025.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2023							
At 1 January 2023:							
Cost	22,779	5,673	3,022	3,225	2,059	–	36,758
Accumulated depreciation	(16,436)	(4,616)	(2,807)	(2,394)	(704)	–	(26,957)
Net carrying amount	<u>6,343</u>	<u>1,057</u>	<u>215</u>	<u>831</u>	<u>1,355</u>	<u>–</u>	<u>9,801</u>
At 1 January 2023, net of accumulated depreciation	6,343	1,057	215	831	1,355	–	9,801
Additions	720	4	97	310	66	65	1,262
Depreciation provided during the year	(1,484)	(355)	(42)	(353)	(404)	–	(2,638)
Disposals	–	(3)	(4)	–	–	–	(7)
At 31 December 2023, net of accumulated depreciation	<u>5,579</u>	<u>703</u>	<u>266</u>	<u>788</u>	<u>1,017</u>	<u>65</u>	<u>8,418</u>
At 31 December 2023:							
Cost	23,499	5,623	3,045	3,535	2,125	65	37,892
Accumulated depreciation	(17,920)	(4,920)	(2,779)	(2,747)	(1,108)	–	(29,474)
Net carrying amount	<u>5,579</u>	<u>703</u>	<u>266</u>	<u>788</u>	<u>1,017</u>	<u>65</u>	<u>8,418</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	23,499	5,623	3,045	3,535	2,125	65	37,892
Accumulated depreciation . .	(17,920)	(4,920)	(2,779)	(2,747)	(1,108)	–	(29,474)
Net carrying amount	<u>5,579</u>	<u>703</u>	<u>266</u>	<u>788</u>	<u>1,017</u>	<u>65</u>	<u>8,418</u>
At 1 January 2024, net of accumulated depreciation . .	5,579	703	266	788	1,017	65	8,418
Additions	757	178	45	357	146	51	1,534
Transfers	116	–	–	–	–	(116)	–
Depreciation provided during the year	(976)	(161)	(56)	(412)	(393)	–	(1,998)
Disposals	–	(110)	(1)	–	–	–	(111)
At 31 December 2024, net of accumulated depreciation . .	<u>5,476</u>	<u>610</u>	<u>254</u>	<u>733</u>	<u>770</u>	<u>–</u>	<u>7,843</u>
At 31 December 2024:							
Cost	24,372	4,573	3,061	3,892	2,271	–	38,169
Accumulated depreciation . .	(18,896)	(3,963)	(2,807)	(3,159)	(1,501)	–	(30,326)
Net carrying amount	<u>5,476</u>	<u>610</u>	<u>254</u>	<u>733</u>	<u>770</u>	<u>–</u>	<u>7,843</u>

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025:							
Cost	24,372	4,573	3,061	3,892	2,271	–	38,169
Accumulated depreciation . .	(18,896)	(3,963)	(2,807)	(3,159)	(1,501)	–	(30,326)
Net carrying amount	<u>5,476</u>	<u>610</u>	<u>254</u>	<u>733</u>	<u>770</u>	<u>–</u>	<u>7,843</u>
At 1 January 2025, net of accumulated depreciation . .	5,476	610	254	733	770	–	7,843
Additions	6,485	682	280	202	182	–	7,831
Depreciation provided during the year	(1,213)	(217)	(81)	(348)	(400)	–	(2,259)
Disposals	(304)	(96)	–	–	–	–	(400)
At 31 December 2025, net of accumulated depreciation . .	<u>10,444</u>	<u>979</u>	<u>453</u>	<u>587</u>	<u>552</u>	<u>–</u>	<u>13,015</u>
At 31 December 2025:							
Cost	30,553	5,159	3,341	4,094	2,453	–	45,600
Accumulated depreciation . .	(20,109)	(4,180)	(2,888)	(3,507)	(1,901)	–	(32,585)
Net carrying amount	<u>10,444</u>	<u>979</u>	<u>453</u>	<u>587</u>	<u>552</u>	<u>–</u>	<u>13,015</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023							
At 1 January 2023:							
Cost	22,745	1,931	3,010	3,225	2,022	–	32,933
Accumulated depreciation . .	(16,429)	(1,720)	(2,807)	(2,394)	(694)	–	(24,044)
Net carrying amount	<u>6,316</u>	<u>211</u>	<u>203</u>	<u>831</u>	<u>1,328</u>	<u>–</u>	<u>8,889</u>
At 1 January 2023, net of accumulated depreciation . .	6,316	211	203	831	1,328	–	8,889
Additions	719	–	97	310	66	65	1,257
Depreciation provided during the year	(1,477)	(32)	(42)	(353)	(391)	–	(2,295)
Disposals	–	–	(4)	–	–	–	(4)
At 31 December 2023, net of accumulated depreciation . .	<u>5,558</u>	<u>179</u>	<u>254</u>	<u>788</u>	<u>1,003</u>	<u>65</u>	<u>7,847</u>
At 31 December 2023:							
Cost	23,464	1,931	3,033	3,535	2,088	65	34,116
Accumulated depreciation . .	(17,906)	(1,752)	(2,779)	(2,747)	(1,085)	–	(26,269)
Net carrying amount	<u>5,558</u>	<u>179</u>	<u>254</u>	<u>788</u>	<u>1,003</u>	<u>65</u>	<u>7,847</u>

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	23,464	1,931	3,033	3,535	2,088	65	34,116
Accumulated depreciation . .	(17,906)	(1,752)	(2,779)	(2,747)	(1,085)	–	(26,269)
Net carrying amount	<u>5,558</u>	<u>179</u>	<u>254</u>	<u>788</u>	<u>1,003</u>	<u>65</u>	<u>7,847</u>
At 1 January 2024, net of accumulated depreciation . .	5,558	179	254	788	1,003	65	7,847
Additions	757	55	45	357	146	51	1,411
Transfer	116	–	–	–	–	(116)	–
Depreciation provided during the year	(970)	(33)	(56)	(412)	(381)	–	(1,852)
Disposals	–	(53)	(1)	–	–	–	(54)
At 31 December 2024, net of accumulated depreciation . .	<u>5,461</u>	<u>148</u>	<u>242</u>	<u>733</u>	<u>768</u>	<u>–</u>	<u>7,352</u>
At 31 December 2024:							
Cost	24,337	922	3,049	3,892	2,234	–	34,434
Accumulated depreciation . .	(18,876)	(774)	(2,807)	(3,159)	(1,466)	–	(27,082)
Net carrying amount	<u>5,461</u>	<u>148</u>	<u>242</u>	<u>733</u>	<u>768</u>	<u>–</u>	<u>7,352</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Machinery and equipment	Vehicles	Office equipment and electronic devices	Tooling	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025:							
Cost	24,337	922	3,049	3,892	2,234	–	34,434
Accumulated depreciation . .	(18,876)	(774)	(2,807)	(3,159)	(1,466)	–	(27,082)
Net carrying amount	<u>5,461</u>	<u>148</u>	<u>242</u>	<u>733</u>	<u>768</u>	<u>–</u>	<u>7,352</u>
At 1 January 2025, net of accumulated depreciation . .	5,461	148	242	733	768	–	7,352
Additions	6,485	124	280	202	136	–	7,227
Depreciation provided during the year	(1,204)	(59)	(81)	(348)	(390)	–	(2,082)
Disposals	<u>(304)</u>	<u>(19)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(323)</u>
At 31 December 2025, net of accumulated depreciation . .	<u>10,438</u>	<u>194</u>	<u>441</u>	<u>587</u>	<u>514</u>	<u>–</u>	<u>12,174</u>
At 31 December 2025:							
Cost	30,518	1,027	3,329	4,094	2,370	–	41,338
Accumulated depreciation . .	(20,080)	(833)	(2,888)	(3,507)	(1,856)	–	(29,164)
Net carrying amount	<u>10,438</u>	<u>194</u>	<u>441</u>	<u>587</u>	<u>514</u>	<u>–</u>	<u>12,174</u>

As 31 December 2023, 2024 and 2025, no property, plant, and equipment were pledged.

14. LEASES

The Group as a lessee

The Group has lease contracts for buildings and other equipments used in its operations. Leases of buildings generally have lease terms between 2 and 8 years. Other equipment generally has lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

(a) *Right-of-use assets*

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Buildings
	<i>RMB’000</i>
At 1 January 2023	10,051
Additions	259
Depreciation charge	(1,772)
At 31 December 2023 and 1 January 2024	8,538
Depreciation charge	(1,837)
At 31 December 2024 and 1 January 2025	6,701
Additions	3,532
Depreciation charge	(1,975)
At 31 December 2025	8,258

The Company

	Buildings
	<i>RMB’000</i>
At 1 January 2023	9,310
Depreciation charge	(1,552)
At 31 December 2023 and 1 January 2024	7,758
Depreciation charge	(1,552)
At 31 December 2024 and 1 January 2025	6,206
Additions	3,169
Depreciation charge	(1,689)
At 31 December 2025	7,686

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carry amount at the beginning of the year	10,445	9,056	7,265
New leases	259	–	3,532
Accretion of interest recognised during the year	449	374	310
Payments	(2,097)	(2,165)	(2,153)
Carrying amount at the end of the year	9,056	7,265	8,954
Analysed into:			
Current portion	1,791	1,807	2,724
Non-current portion	7,265	5,458	6,230

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carry amount at the beginning of the year	9,727	8,288	6,781
New leases	—	—	3,169
Accretion of interest recognised during the year . . .	415	346	290
Payments	(1,854)	(1,853)	(1,855)
Carrying amount at the end of the year	<u>8,288</u>	<u>6,781</u>	<u>8,385</u>
Analysed into:			
Current portion	1,507	1,579	2,368
Non-current portion	<u>6,781</u>	<u>5,202</u>	<u>6,017</u>

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	449	374	310
Depreciation charge of right-of-use assets	1,772	1,837	1,975
Expenses relating to short-term leases and leases of low-value assets	42	90	66
Total amount recognised in profit or loss	<u>2,263</u>	<u>2,301</u>	<u>2,351</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	415	346	290
Depreciation charge of right-of-use assets	1,552	1,552	1,689
Expenses relating to short-term leases and leases of low-value assets	42	90	66
Total amount recognised in profit or loss	<u>2,009</u>	<u>1,988</u>	<u>2,045</u>

- (d) The total cash outflows for leases are disclosed in note 31 to the Historical Financial Information.

15. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	<u>4,000</u>	<u>20,000</u>	<u>23,590</u>

APPENDIX I

ACCOUNTANTS’ REPORT

16. INTANGIBLE ASSETS

The Group and the Company

	<u>Software</u>
	<i>RMB'000</i>
31 December 2023	
At 1 January 2023:	
Cost	351
Accumulated amortisation	(347)
Net carrying amount	<u>4</u>
Cost at 1 January 2023, net of accumulated amortisation	4
Amortisation provided during the year	(2)
At 31 December 2023	<u>2</u>
At 31 December 2023:	
Cost	351
Accumulated amortisation	(349)
Net carrying amount	<u>2</u>

	<u>Software</u>
	<i>RMB'000</i>
31 December 2024	
At 1 January 2024:	
Cost	351
Accumulated amortisation	(349)
Net carrying amount	<u>2</u>
Cost at 1 January 2024, net of accumulated amortisation	2
Amortisation provided during the year	(2)
At 31 December 2024	<u>–</u>
At 31 December 2024:	
Cost	351
Accumulated amortisation	(351)
Net carrying amount	<u>–</u>

	<u>Patents</u>	<u>Software</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025			
At 1 January 2025:			
Cost	–	351	351
Accumulated amortisation	–	(351)	(351)
Net carrying amount	<u>–</u>	<u>–</u>	<u>–</u>
Cost at 1 January 2025, net of accumulated amortisation	–	–	–
Additions	5,896	–	5,896
Amortisation provided during the year	(49)	–	(49)
At 31 December 2025	<u>5,847</u>	<u>–</u>	<u>5,847</u>
At 31 December 2025:			
Cost	5,896	351	6,247
Accumulated amortisation	(49)	(351)	(400)
Net carrying amount	<u>5,847</u>	<u>–</u>	<u>5,847</u>

APPENDIX I

ACCOUNTANTS’ REPORT

17. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of financial assets	Impairment of inventories	Lease liabilities	Provision	Losses available for offsetting against future taxable profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at 1 January 2023	83	306	1,495	242	1,274	3,400
Deferred tax (charged)/ credited to profit or loss during the year	(21)	(39)	(214)	13	(1,273)	(1,534)
Gross deferred tax assets at 31 December 2023	62	267	1,281	255	1	1,866
Deferred tax credited/ (charged) to profit or loss during the year	72	(6)	(227)	110	(1)	(52)
Gross deferred tax assets at 31 December 2024	134	261	1,054	365	–	1,814
Deferred tax credited to profit or loss during the year	20	9	264	236	13	542
Gross deferred tax assets at 31 December 2025	154	270	1,318	601	13	2,356

Deferred tax liabilities

	Right-of-use assets
	RMB'000
Gross deferred tax liabilities at 1 January 2023	1,434
Deferred tax credited to profit or loss during the year	(231)
Gross deferred tax liabilities at 31 December 2023	1,203
Deferred tax credited to profit or loss during the year	(234)
Gross deferred tax liabilities at 31 December 2024	969
Deferred tax charged to profit or loss during the year	244
Gross deferred tax liabilities at 31 December 2025	1,213

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	663	845	1,143
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of financial assets	Impairment of inventories	Lease liabilities	Provision	Losses available for offsetting against future taxable profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at 1 January 2023	48	306	1,459	242	1,274	3,329
Deferred tax credited/ (charged) to profit or loss during the year . . .	24	(39)	(215)	13	(1,274)	(1,491)
Gross deferred tax assets at 31 December 2023 . .	72	267	1,244	255	–	1,838
Deferred tax credited/ (charged) to profit or loss during the year . . .	27	(6)	(227)	110	–	(96)
Gross deferred tax assets at 31 December 2024 . .	99	261	1,017	365	–	1,742
Deferred tax (charged)/ credited to profit or loss during the year	(36)	9	242	236	–	451
Gross deferred tax assets at 31 December 2025 . .	63	270	1,259	601	–	2,193

Deferred tax liabilities

	Right-of-use assets
	RMB'000
Gross deferred tax liabilities at 1 January 2023	1,396
Deferred tax credited to profit or loss during the year	(232)
Gross deferred tax liabilities at 31 December 2023	1,164
Deferred tax credited to profit or loss during the year	(233)
Gross deferred tax liabilities at 31 December 2024	931
Deferred tax charged to profit or loss during the year	222
Gross deferred tax liabilities at 31 December 2025	1,153

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	674	811	1,040
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	10,282	7,836	28,547
Work in progress	9,372	7,684	8,982
Finished goods	9,164	8,593	7,138
	28,818	24,113	44,667
Provision for impairment losses	(1,780)	(1,740)	(1,801)
Total	27,038	22,373	42,866

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	10,282	7,836	28,509
Work in progress	9,372	7,684	8,945
Finished goods	9,164	8,593	7,138
	28,818	24,113	44,592
Provision for impairment losses	(1,780)	(1,740)	(1,801)
Total	27,038	22,373	42,791

The movements in provision

The Group and the Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year	2,041	1,780	1,740
Impairment losses recognised (<i>note 6</i>)	97	195	180
Amounts written off	(358)	(235)	(119)
Carrying amount at the end of the year	1,780	1,740	1,801

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	25,899	11,255	19,570
Bank bills receivable	500	102	–
Total	26,399	11,357	19,570
Impairment losses	(264)	(424)	(1,097)
Net carrying amount	26,135	10,933	18,473

Except for certain oversea customers, the Group’s trading terms with its customers are mainly on credit. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. The credit period is generally 30 to 90 days. Overdue balances are reviewed regularly by senior management of the Group.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are interest-free.

An ageing analysis of the Group’s trade and bills receivables at amortised cost as at 31 December 2023, 2024 and 2025, based on the ageing analysis and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 6 months	26,104	10,100	17,195
7 months to 12 months	–	833	719
13 months to 18 months	30	–	554
19 months to 24 months	1	–	5
Total	26,135	10,933	18,473

APPENDIX I

ACCOUNTANTS’ REPORT

The movements in the impairment losses on trade receivables at amortised cost are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	1,029	264	424
Impairment losses recognised	134	160	710
Amount written off as uncollectible	(899)	–	(37)
At the end of the year	<u>264</u>	<u>424</u>	<u>1,097</u>

The bank bills receivable were issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was immaterial as at 31 December 2023, 2024 and 2025.

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at the end of each reporting period using provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for groupings of customers that have similar loss patterns. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using provision matrix:

	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2023						
<i>On a collective basis:</i>						
Expected credit loss rate	0.99%	–	18.92%	50.00%	–	1.02%
Gross carrying amount (RMB'000)	25,860	–	37	2	–	25,899
Expected credit losses (RMB'000)	256	–	7	1	–	264
	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2024						
<i>On a collective basis:</i>						
Expected credit loss rate	2.05%	17.44%	–	–	100.00%	3.77%
Gross carrying amount (RMB'000)	10,207	1,009	–	–	39	11,255
Expected credit losses (RMB'000)	209	176	–	–	39	424
	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2025						
<i>On a collective basis:</i>						
Expected credit loss rate	1.83%	16.30%	52.53%	82.14%	–	5.61%
Gross carrying amount (RMB'000)	17,516	859	1,167	28	–	19,570
Expected credit losses (RMB'000)	321	140	613	23	–	1,097

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	5,631	189	6,794
Bank bills receivable	500	102	—
Total	6,131	291	6,794
Impairment losses	(64)	(50)	(136)
Net carrying amount	6,067	241	6,658

An ageing analysis of the Company’s trade and bills receivables at amortised cost as at 31 December 2023, 2024 and 2025, based on the ageing analysis and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 6 months	6,036	198	6,590
7 months to 12 months	—	43	68
13 months to 18 months	30	—	—
19 months to 24 months	1	—	—
Total	6,067	241	6,658

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	324	64	50
Impairment losses recognised/(reversed)	89	(14)	123
Amount written off as uncollectible	(349)	—	(37)
At the end of the year	64	50	136

Set out below is the information about the credit risk exposure on the Company’s trade receivables using provision matrix:

	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2023						
<i>On a collective basis:</i>						
Expected credit loss rate	1.00%	—	18.92%	50.00%	—	1.14%
Gross carrying amount (RMB'000)	5,592	—	37	2	—	5,631
Expected credit losses (RMB'000)	56	—	7	1	—	64

APPENDIX I

ACCOUNTANTS’ REPORT

	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2024						
<i>On a collective basis:</i>						
Expected credit loss rate	3.03%	15.69%	–	–	100.00%	26.46%
Gross carrying amount (RMB’000)	99	51	–	–	39	189
Expected credit losses (RMB’000)	3	8	–	–	39	50
	Within 6 months	7 months to 12 months	13 months to 18 months	19 months to 24 months	Over 2 years	Total
As at 31 December 2025						
<i>On a collective basis:</i>						
Expected credit loss rate	1.83%	16.05%	–	–	–	2.00%
Gross carrying amount (RMB’000)	6,713	81	–	–	–	6,794
Expected credit losses (RMB’000)	123	13	–	–	–	136

20. BILLS RECEIVABLE AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bills receivable at fair value through other comprehensive income	1,414	1,834	552

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bills receivable at fair value through other comprehensive income	1,414	1,231	552

The Group and the Company has classified bills receivable that are held both to collect cash flows and to sell as financial assets at fair value through other comprehensive income under IFRS 9. Bills receivable at fair value through other comprehensive income were mainly bank acceptance bills held to be discounted or endorsed for the purpose of daily treasury management and were qualified for derecognition when discounted or endorsed.

All bills receivable at fair value through other comprehensive income are aged within six months. The identified impairment loss was assessed to be minimal as at 31 December 2023, 2024 and 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion:			
Value-added tax recoverable	1,066	1,652	1,046
Prepayments to suppliers	1,035	683	2,053
Deposits and other receivables	65	52	139
[REDACTED]	(REDACTED)	(REDACTED)	(REDACTED)
	2,166	2,387	3,835
Impairment allowance	(1)	(1)	(4)
Subtotal	2,165	2,386	3,831
Non-current portion:			
Contract assets	657	657	–
Prepayments for purchase of property, plant and equipment	74	–	1,178
Deposits and other receivables	–	3	672
	731	660	1,850
Impairment allowance	(9)	(9)	–
Subtotal	722	651	1,850
Total	2,887	3,037	5,681

These balances were interest-free, unsecured and repayable on demand.

As 31 December 2023, 2024 and 2025, the ECLs of the financial assets included in other receivables and other assets were measured based on the 12-month ECLs if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime ECLs. An impairment analysis was performed at 31 December 2023, 2024 and 2025.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion:			
Value-added tax recoverable	1,064	955	540
Prepayments to suppliers	1,035	617	1,812
Deposits and other receivables	64	52	139
Deferred [REDACTED]	(REDACTED)	(REDACTED)	(REDACTED)
	2,163	1,624	3,088
Impairment allowance	(1)	(1)	(4)
Subtotal	2,162	1,623	3,084
Non-current portion:			
Prepayments for purchase of property, plant and equipment	74	–	1,161
Deposits	–	3	15
Subtotal	74	3	1,176
Total	2,236	1,626	4,260

APPENDIX I

ACCOUNTANTS’ REPORT

22. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in structured deposits, at fair value . . .	10,000	—	—
Investment in wealth management products, at fair value	—	—	10,020
Total	10,000	—	10,020
Analysed into:			
Current portion	10,000	—	10,020

As at 31 December 2023 and 2025, the investments in structured deposits and the investment in wealth management products were issued by banks in the Chinese mainland and were mandatorily classified as financial investments at fair value through profit or loss as their contractual cash flows were not solely payments of principal and interest.

23. CASH AND CASH EQUIVALENTS, TIME DEPOSITS, RESTRICTED CASH AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	35,735	19,070	84,483
Time deposits	—	62,042	5,008
Pledged deposits	1,408	12,129	12,060
Restricted cash	—	2,298	2,300
Total	37,143	95,539	103,851

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents			
Denominated in RMB	35,695	16,085	83,903
Denominated in EUR	40	2,985	545
Denominated in USD	—	—	35
Total	35,735	19,070	84,483
Restricted cash denominated in RMB	—	2,298	2,300
Pledged deposits denominated in RMB	1,408	12,129	12,060
Time deposits denominated in RMB	—	62,042	5,008

The RMB is not freely convertible into other currencies, however, under the 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. Short-term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. Cash at banks earns interest at floating rates based on daily bank deposit rates.

As at 31 December 2024 and 2025, restricted cash represented funds frozen by a court in the Chinese mainland order pursuant to civil rulings.

As at 31 December 2023, 2024 and 2025, pledged deposits were pledged for the issuance of bank bills and bank guarantee letters.

As at 31 December 2023, 2024 and 2025, the Group and the Company assessed the credit risk of cash and cash equivalents, time deposits, restricted cash and pledged deposits to be minimal as they were placed in reputable financial institutions.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	33,345	7,682	73,455
Time deposits	–	62,042	5,008
Pledged deposits	1,408	12,129	12,060
Restricted cash	–	2,298	2,300
Total	<u>34,753</u>	<u>84,151</u>	<u>92,823</u>

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents			
Denominated in RMB	33,305	7,177	72,914
Denominated in EUR	40	505	506
Denominated in USD	–	–	35
Total	<u>33,345</u>	<u>7,682</u>	<u>73,455</u>
Restricted cash denominated in RMB	–	2,298	2,300
Pledged deposits denominated in RMB	1,408	12,129	12,060
Time deposits denominated in RMB	–	62,042	5,008

24. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	32,584	20,288	24,282
Bills payable	13,354	39,297	48,543
Total	<u>45,938</u>	<u>59,585</u>	<u>72,825</u>

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025, based on invoice dates, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	45,661	56,339	70,471
1 to 2 years	118	3,182	75
2 to 3 years	140	17	2,217
Over 3 years	19	47	62
Total	<u>45,938</u>	<u>59,585</u>	<u>72,825</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	32,584	20,288	22,610
Bills payables	13,354	39,297	48,543
Total	<u>45,938</u>	<u>59,585</u>	<u>71,153</u>

APPENDIX I

ACCOUNTANTS’ REPORT

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025, based on invoice dates, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	45,661	56,339	68,799
1 to 2 years	118	3,182	75
2 to 3 years	140	17	2,217
Over 3 years	19	47	62
Total	<u>45,938</u>	<u>59,585</u>	<u>71,153</u>

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon receipt of the VAT invoices.

25. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	3,357	2,754	5,381
Other tax payables	320	173	559
Accrued expenses	350	946	3,552
Accrued [REDACTED]	(REDACTED)	(REDACTED)	(REDACTED)
Deposits	360	415	468
Others	349	324	318
Total	<u>4,736</u>	<u>4,612</u>	<u>11,499</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	3,139	2,658	5,081
Other tax payables	276	160	84
Accrued expenses	350	946	3,497
Accrued [REDACTED]	(REDACTED)	(REDACTED)	(REDACTED)
Deposits	360	415	468
Others	344	317	310
Total	<u>4,469</u>	<u>4,496</u>	<u>10,661</u>

Other payables are non-interest-bearing, unsecured and repayable on demand.

26. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>1,028</u>	<u>1,948</u>	<u>725</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>1,028</u>	<u>1,948</u>	<u>505</u>

Contract liabilities include advances received from customers for the sale of vehicle articulation systems.

APPENDIX I

ACCOUNTANTS’ REPORT

27. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2025		
	Effective interest rate	Maturity	RMB’000
	(%)		
Current			
Bank borrowings – unsecured	2.20	2026	10,007

28. PROVISION

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Warranties	1,699	2,435	4,010
Less: Current portion	(501)	(358)	(839)
Non-current portion	1,198	2,077	3,171

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	1,611	1,699	2,435
Additional provision	724	2,661	2,170
Amounts utilised during the year	(636)	(1,925)	(595)
At the end of the year	1,699	2,435	4,010

29. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Paid-in capital/share capital

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Issued and fully paid:			
Paid-in capital/share capital	8,803	8,803	46,070

A summary of movements in the Company’s paid-in capital is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	8,803	8,803	8,803
Capitalisation of the retained earnings	–	–	37,267
At the end of the year	8,803	8,803	46,070

APPENDIX I

ACCOUNTANTS’ REPORT

On 1 August 2025, a resolution was passed by the then equity holders of the Company to increase RMB37,267,000 paid-in capital by capitalisation of retained earnings of the Company.

On 7 November 2025, the Company was converted into a joint stock limited company with limited liability under the Company Law of the Chinese mainland. The net assets of the Company as at the conversion date were converted into 46,069,999 shares of RMB1.00 each. The excess of net assets converted over the nominal value of the ordinary shares of RMB11,444,000 was credited to the Company’s capital reserve.

30. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) Capital reserve

Capital reserve represents the capital contributed by the equity holders in excess of the then paid in registered capital and the transactions as set out in note 29 above.

(ii) Statutory surplus reserve

In accordance with the Company Law of the Chinese mainland, companies which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant accounting standards of the Chinese mainland, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the Chinese Mainland, part of the statutory surplus reserve may be converted into capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The Company

	Capital reserve	Statutory reserves	Retained profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022 and 1 January 2023	7,309	4,402	29,537	41,248
Profit and total comprehensive income for the year	—	—	23,651	23,651
As at 31 December 2023 and 1 January 2024	7,309	4,402	53,188	64,899
Profit and total comprehensive income for the year	—	—	25,263	25,263
As at 31 December 2024 and 1 January 2025	7,309	4,402	78,451	90,162
Profit and total comprehensive income for the year	—	—	62,481	62,481
Conversion into a joint stock company	11,444	(4,402)	(7,042)	—
Capitalisation of retained earnings . . .	—	—	(37,267)	(37,267)
Dividend declared and paid	—	—	(64,600)	(64,600)
Transfer from retained profits	—	6,248	(6,248)	—
As at 31 December 2025	18,753	6,248	25,775	50,776

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB259,000, nil and RMB3,532,000, respectively, in respect of lease arrangements for buildings.

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Changes in liabilities arising from financing activities

	Interest bearing bank borrowings	Lease liabilities	Payable for-[REDACTED] expenses
	RMB'000	RMB'000	RMB'000
At 1 January 2023	–	10,445	–
Changes from financing cash flows	–	(2,097)	–
New leases	–	259	–
Interest expense	–	449	–
At 31 December 2023 and 1 January 2024	–	9,056	–
Changes from financing cash flows	–	(2,165)	–
Interest expense	–	374	–
At 31 December 2024 and 1 January 2025	–	7,265	–
Changes from financing cash flows	9,912	(2,153)	[REDACTED]
Changes from operating cash flows	–	–	[REDACTED]
New leases	–	3,532	–
Interest expense	95	310	–
Increase in deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
As at 31 December 2025	10,007	8,954	[REDACTED]

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities	42	90	66
Within financing activities	2,097	2,165	2,153
Total	2,139	2,255	2,219

32. COMMITMENTS

The Group had the following capital commitments as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:			
Properties, plant and equipment	113	–	64

33. RELATED PARTY TRANSACTIONS

The directors are of the opinion that the following parties are related companies that had material transactions or balances with the Group during the Relevant Periods.

Name	Relationship with the Group
eKontrol Co., Ltd.	Company of which Mr. Hao Qingjun (Note) is a beneficial equity holder
Beijing eKontrol Drive Technology Co., Ltd.	Subsidiary of eKontrol Co., Ltd
Zhongqi Electric Motor (Suzhou) Co., Ltd.	Subsidiary of eKontrol Co., Ltd

Note: Mr. Hao Qingjun is a beneficial equity holder of the Company.

APPENDIX I

ACCOUNTANTS’ REPORT

(a) Transactions with related companies:

In addition to the transactions detailed elsewhere in the accountants’ report, the Group had the following transactions with related companies during the Relevant Periods:

Transactions with related companies	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Purchase of products/services			
eKontrol Co., Ltd.	—	158	24,067
Purchase of property, plant and equipment			
eKontrol Co., Ltd.	—	—	3,377
Purchase of intangible assets eKontrol Co., Ltd.	—	—	5,896
Sales of products			
Zhongqi Electric Motor (Suzhou) Co., Ltd.	—	—	69
eKontrol Co., Ltd.	33,834	4,638	7,812
Total	33,834	4,638	7,881
The Group as lessee			
eKontrol Co., Ltd.	1,896	1,943	1,921
Interest on lease liabilities			
eKontrol Co., Ltd.	415	346	287
Loans advanced to related companies			
eKontrol Co., Ltd.	—	80,480	20,353
Beijing eKontrol Drive Technology Co., Ltd.	—	10,000	—
Total	—	90,480	20,353
Loans repaid by related companies			
eKontrol Co., Ltd.	—	55,020	46,674
Beijing eKontrol Drive Technology Co., Ltd.	—	—	10,236
Total	—	55,020	56,910
Interest income			
eKontrol Co., Ltd.	—	61	800
Beijing eKontrol Drive Technology Co., Ltd.	—	81	155
Total	—	142	955

These transactions were carried out in accordance with the terms and conditions mutually agreed between the parties involved.

The Group guaranteed certain banking borrowings granted to eKontrol Co., Ltd., to the extent of RMB298,854,000, RMB278,865,000 and nil as at 31 December 2023, 2024 and 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Outstanding balances with related companies:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from related companies			
Trade related			
eKontrol Co., Ltd.	20,937	—	15,293
Zhongqi Electric Motor (Suzhou) Co., Ltd.	—	—	78
Impairment	(277)	—	(281)
Subtotal	20,660	—	15,090
Non-Trade related			
eKontrol Co., Ltd.	—	25,521	—
Beijing eKontrol Drive Technology Co., Ltd.	—	10,081	—
Impairment	—	(528)	—
Subtotal	—	35,074	—
Total	20,660	35,074	15,090
Amounts due to a related company			
Trade related			
eKontrol Co., Ltd.	—	—	263
Lease liabilities			
eKontrol Co., Ltd.	8,288	6,781	7,344

The Company granted unsecured loans to Beijing eKontrol Drive Technology Co., Ltd. from September 2024 to July 2025, with an annual interest rate at 3%.

The Company granted unsecured loans to eKontrol Co., Ltd. at an annual interest rate of 2.5% from November 2024 to December 2025.

The Group performs impairment assessment under the ECL model on amounts due from related companies, which are subject to impairment assessment under IFRS 9. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	839	1,588	2,698
Performance related bonuses	264	453	1,406
Pension scheme contributions and social welfare	193	246	370
Total	1,296	2,287	4,474

Further details of the director’s and the chief executive’s emoluments are included in note 8 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at 31 December 2023, 2024 and 2025 of the Group are as follows:

The Group

As at 31 December 2023

Financial assets

	Financial assets at fair value through comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial investments at fair value through profit or loss	–	10,000	–	10,000
Trade and bills receivables at amortised cost	–	–	26,135	26,135
Amounts due from related companies	–	–	20,660	20,660
Financial assets included in prepayments, other receivables and other assets	–	–	64	64
Bills receivable at fair value through other comprehensive income	1,414	–	–	1,414
Pledged deposits	–	–	1,408	1,408
Cash and cash equivalents	–	–	35,735	35,735
Total	<u>1,414</u>	<u>10,000</u>	<u>84,002</u>	<u>95,416</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	45,938
Financial liabilities included in other payables and accruals	<u>1,059</u>
Total	<u>46,997</u>

As at 31 December 2024

Financial assets

	Financial assets at fair value through comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade and bills receivables at amortised cost	–	10,933	10,933
Amounts due from related companies	–	35,074	35,074
Financial assets included in prepayments, other receivables and other assets	–	54	54
Bills receivable at fair value through other comprehensive income	1,834	–	1,834
Time deposits	–	62,042	62,042
Pledged deposits	–	12,129	12,129
Restricted cash	–	2,298	2,298
Cash and cash equivalents	–	19,070	19,070
Total	<u>1,834</u>	<u>141,600</u>	<u>143,434</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	59,585
Financial liabilities included in other payables and accruals	1,685
Total	61,270

As at 31 December 2025

Financial assets

	Financial assets at fair value through comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	—	—	18,473	18,473
Amounts due from related companies	—	—	15,090	15,090
Financial assets included in prepayments, other receivables and other assets	—	—	807	807
Bills receivable at fair value through other comprehensive income	552	—	—	552
Financial investments at fair value through profit or loss	—	10,020	—	10,020
Pledged deposits	—	—	12,060	12,060
Restricted cash	—	—	2,300	2,300
Cash and cash equivalents	—	—	84,483	84,483
Total	552	10,020	133,213	143,785

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	72,825
Amounts due to a related company	263
Interest-bearing bank borrowings	10,007
Financial liabilities included in other payables and accruals	5,559
Total	88,654

35. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that were derecognised in their entirety

During the Relevant Periods, the Group endorsed certain bank acceptance notes to certain suppliers in order to settle the trade payables such suppliers and discounted certain bank acceptance bills with commercial banks (collectively, the “Derecognised Bills”) with carrying amounts in aggregate of RMB4,811,000, RMB957,000 and RMB520,000 as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity ranging from 1 to 12 months at the end of each reporting periods. In accordance with the Law of Negotiable Instruments of the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons/entities who are liable for the Derecognised Bills, including the Group, regardless of the order of precedence (the “Continuing Involvement”). In the opinion of the Company’s directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is their carrying amounts. In the opinion of the Company’s directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

Transferred financial assets that were not derecognised in their entirety

During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “Endorsed Bills”). In the opinion of the Company’s directors, the Group has retained substantially the risks and rewards, which include the default risks relating to those Endorsed Bills, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group has not retained any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers have recourse were RMB500,000, nil and nil as at 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, pledged deposits, trade and bills receivables at amortised cost, financial assets included in prepayments, other receivables and other assets, amounts due from related companies, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to a related company, lease liabilities and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, 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 valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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 Group invests in financial investments at fair value through profit or loss, which represent structured deposits and wealth management products issued by banks in the Chinese mainland. The Group has estimated the fair values of these structured deposits by using discounted cash flow valuation models with reference to observable inputs including fluctuation of market prices or rates. The fair values of the wealth management products are determined based on the net values announced by the banks.

The fair values of bills receivable at fair value through other comprehensive income 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 changes in fair values as a result of the Group for bills receivable at fair value through other comprehensive income as at 31 December 2023, 2024 and 2025 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	RMB’000
Bills receivable measured at fair value through other comprehensive income	–	1,414	–	1,414
Structured deposits measured at fair value through profit or loss . . .	–	10,000	–	10,000
Total	–	11,414	–	11,414
	=	=	=	=

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	RMB’000
Bills receivable measured at fair value through other comprehensive income	–	1,834	–	1,834
	=	=	=	=

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivable measured at fair value through other comprehensive income	–	552	–	552
Wealth management products measured at fair value through profit or loss .	10,020	–	–	10,020
Total	10,020	552	–	10,572

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments, comprise interest-bearing bank borrowings, cash and deposits, financial assets included in prepayments, other receivables and other assets, and amounts due from related companies. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables at amortised cost 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, foreign currency risk, credit risk and liquidity risk. The board of 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 market interest rates relates primarily to the Group’s bank borrowings.

The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2025, none of the Group’s interest-bearing borrowings bore interest at floating rates. Accordingly, as at 31 December 2023, 2024 and 2025, the Group did not have any significant exposure to the interest rate risk in the cash flows.

Foreign currency risk

The functional currency of the Company and its subsidiaries established in the Chinese mainland is RMB, the Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. In addition, in the Chinese mainland, the Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies that are not the functional currencies of the relevant group entities.

As at 31 December 2023, 2024 and 2025, the Group did not have significant exposure to foreign currency risk.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 44.70%, 59.12%, 47.00% and 98.41%, 96.93%, 90.13% of the Group’s trade receivables were due from the Group’s largest debtor and five largest debtors, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

APPENDIX I

ACCOUNTANTS’ REPORT

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables at amortised cost*	–	–	–	26,399	26,399
Bills receivable at fair value through other comprehensive income*	–	–	–	1,414	1,414
Amounts due from related companies*	–	–	–	20,937	20,937
Financial assets included in prepayments, other receivables and other assets					
– Normal**	65	–	–	–	65
Pledged deposits					
– Not yet past due	1,408	–	–	–	1,408
Cash and cash equivalents					
– Not yet past due	35,735	–	–	–	35,735
Total	<u>37,208</u>	<u>–</u>	<u>–</u>	<u>48,750</u>	<u>85,958</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables at amortised cost*	–	–	–	11,357	11,357
Bills receivable at fair value through other comprehensive income*	–	–	–	1,834	1,834
Amounts due from related companies*	35,602	–	–	–	35,602
Financial assets included in prepayments, other receivables and other assets					
– Normal**	55	–	–	–	55
Time deposits					
– Not yet past due	62,042	–	–	–	62,042
Pledged deposits					
– Not yet past due	12,129	–	–	–	12,129
Restricted cash					
– Not yet past due	2,298	–	–	–	2,298
Cash and cash equivalents					
– Not yet past due	19,070	–	–	–	19,070
Total	<u>131,196</u>	<u>–</u>	<u>–</u>	<u>13,191</u>	<u>144,387</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables at amortised cost*	–	–	–	19,570	19,570
Bills receivable at fair value through other comprehensive income*	–	–	–	552	552
Amounts due from related companies*	–	–	–	15,371	15,371
Financial assets included in prepayments, other receivables and other assets					
– Normal**	811	–	–	–	811
Pledged deposits					
– Not yet past due	12,060	–	–	–	12,060
Restricted cash					
– Not yet past due	2,300	–	–	–	2,300
Cash and cash equivalents					
– Not yet past due	84,483	–	–	–	84,483
Total	<u>99,654</u>	<u>–</u>	<u>–</u>	<u>35,493</u>	<u>135,147</u>

* For trade and bills receivables, bills receivable at fair value through other comprehensive income and amounts due from related companies to which the Group applies the simplified approach/general approach for impairment, information based on the provision matrix is disclosed in notes 19, 20 and 33 to the Historical Financial Information, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group’s financial liabilities as at 31 December 2023, 2024 and 2025, based on the contractual undiscounted payments, is as follows:

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
Lease liabilities	2,164	2,097	5,826	10,087
Trade and bills payables	45,938	–	–	45,938
Financial liabilities included in other payables and accruals	1,059	–	–	1,059
Total	<u>49,161</u>	<u>2,097</u>	<u>5,826</u>	<u>57,084</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2024				
Lease liabilities	2,097	2,030	3,796	7,923
Trade and bills payables	59,585	–	–	59,585
Financial liabilities included in other payables and accruals	1,685	–	–	1,685
Total	<u>63,367</u>	<u>2,030</u>	<u>3,796</u>	<u>69,193</u>

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2025				
Lease liabilities	2,989	2,725	3,804	9,518
Trade and bills payables	72,825	–	–	72,825
Amounts due to a related company . .	263	–	–	263
Interest-bearing bank borrowings . . .	10,024	–	–	10,024
Financial liabilities included in other payables and accruals	5,559	–	–	5,559
Total	<u>91,660</u>	<u>2,725</u>	<u>3,804</u>	<u>98,189</u>

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. As at 31 December 2023, 2024 and 2025, the Group’s debt-to-asset ratios were 45%, 42% and 49%, respectively.

38. EVENTS AFTER THE RELEVANT YEARS

[There are no significant subsequent events undertaken by the Company or by the Group after 31 December 2025.]

39. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 December 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 III

SUMMARY OF THE ARTICLES OF ASSOCIATION

A summary of the principal provision of the Articles of Association of the Company (the “Articles of Association”) is set out below to provide an overview for investors. As this is only a summary, it does not contain all of the information that may be important to potential investors.

SHARES

Issuance of Shares

The shares of the Company shall take the form of registered shares. The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price; any entity or individual subscribers shall pay the same price for each share subscribed for.

The shares issued by the Company shall have a par value denominated in Renminbi, which shall be RMB1.00 per share.

Subject to the completion of the necessary procedures stipulated in the *Trial Management Measures* and other applicable laws, administrative regulations, and normative documents, the Company may issue shares to domestic investors and overseas investors. The overseas investors referred to in the preceding paragraph mean investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors mean investors within the territory of the People’s Republic of China, other than those from the regions mentioned above, who subscribe for shares issued by the Company.

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas listed foreign shares (H Shares). Shareholders of domestic shares, shareholders of unlisted foreign shares and shareholders of overseas listed foreign shares are all holders of ordinary shares of the Company, and shall enjoy the same rights in any distribution made by way of dividends or other forms.

The foreign currency referred to in the preceding paragraph refers to the legal currency of other countries or regions, other than Renminbi, which is freely convertible.

The unlisted shares issued by the Company shall be centrally deposited with the domestic securities registration and settlement institution. The H Shares of the Company are primarily held in custody at the Central Clearing and Settlement System under Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names.

Subject to the completion of the necessary procedures stipulated in the *Trial Management Measures* and other applicable laws, administrative regulations, and normative documents, shareholders of domestic shares of the Company may transfer all or part of the unlisted shares (as defined below in this paragraph) held by them to overseas investors, and list and trade them on an overseas stock exchange; or convert all or part of the unlisted shares into overseas listed foreign shares and list and trade them on an overseas stock exchange. The aforementioned conversion of unlisted shares into overseas listed shares and their listing and trading on an overseas stock exchange shall not require a vote at a shareholders’ meeting. The listing and trading of the aforementioned shares on an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements of the overseas securities market. Shares issued by the Company but not listed or traded on a domestic or overseas stock exchange are referred to as unlisted shares.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Increase, Decrease and Repurchase of Shares

According to the operation and development needs of the Company, subject to the provisions of laws and regulations, the Company may increase the registered capital in the following ways upon approval of resolutions at the shareholders' meetings:

- (1) Public issuance of shares;
- (2) Non-public issuance of shares;
- (3) Distribution of bonus shares to existing shareholders;
- (4) Converting the reserve funds into share capital;
- (5) Other methods as provided for by laws, administrative regulations and normative documents, or approved by the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

The Company may decrease the registered capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the *Company Law*, other relevant regulations and the Articles of Association.

Transfer of Shares

All fully paid-up overseas listed shares listed in Hong Kong may be freely transferred in accordance with the Articles of Association; however, the Board of Directors may refuse to acknowledge any instrument of transfer without stating any reason unless the following conditions are met:

- (1) Transfer documents and other documents relating to or affecting the title to any shares shall be registered, and a fee shall be paid to the Company for such registration in accordance with the fee standards stipulated in the Hong Kong Listing Rules, and such fee shall not exceed the maximum fee prescribed in the Hong Kong Listing Rules from time to time;
- (2) The instrument of transfer involves only H Shares listed in Hong Kong;
- (3) The stamp duty required by Hong Kong law has been paid on the instrument of transfer;
- (4) Relevant share certificates and evidence reasonably required by the Board of Directors proving that the transferor has the right to transfer the shares shall be provided;
- (5) If the shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed four;
- (6) The relevant shares are free from any lien of the Company; and
- (7) No share shall be transferred to minors or persons of unsound mind or other legally incapacitated persons.

If the Company refuses to register a transfer of shares, the Company shall, within two months from the date of the formal application for the transfer, provide the transferor and the transferee with a notice of refusal to register such transfer. All instruments of transfer shall be kept at the legal address of the Company or such other address as the Board of Directors may designate from time to time.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

All transfers of H Shares shall be effected by an instrument of transfer in writing in a general or common form or in any other form accepted by the Board of Directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument of transfer may be signed by hand or by the valid seal of a company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent as defined by the relevant ordinances in force in Hong Kong from time to time, the instrument of transfer may be signed by hand or in machine-printed form.

All transfer documents shall be kept at the legal address of the Company, the address of the share registrar or such other address as the Board of Directors may designate from time to time.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration and settlement institutions. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other acts requiring the confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' meeting shall determine the record date. Shareholders registered in the register of shareholders after the close of business on the record date shall be the shareholders enjoying the relevant rights and interests. The Hong Kong branch register of shareholders must be open for inspection by shareholders, but the Company may be permitted to close the register of shareholders in accordance with terms equivalent to Section 632 of the *Companies Ordinance* (Chapter 622 of the Laws of Hong Kong). That is, after issuing a notice, the Company may close its register of shareholders or the part of the register relating to shareholders holding any class of shares for a period or periods, but the total closing period in any year shall not exceed 30 days. Where applicable laws, administrative regulations, departmental rules, normative documents and the regulatory rules of the place where the Company's shares are listed have provisions on the period of suspension of share transfer registration, such provisions shall prevail.

Shareholders of ordinary shares of the Company shall enjoy the following rights:

- (1) To receive dividends and other forms of interest distribution according to the number of shares held;
- (2) To legally request, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting, and exercise corresponding rights to speak and vote;
- (3) To supervise the business operations of the Company, provide suggestions or make inquiries;
- (4) To transfer, grant or pledge the shares held according to the provisions of laws, administrative regulations, relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association;
- (5) To obtain relevant information in accordance with the provisions of the Articles of Association, including:
 1. Obtaining a copy of the Articles of Association after paying the cost;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

2. Inspecting and copying the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports; shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers.

Subject to applicable laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, if the content to be inspected and copied involves the Company's trade secrets and inside information as well as the personal privacy of relevant personnel, the Company may refuse to provide it.

- (6) To participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon the Company's termination or liquidation;
- (7) To require the Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;
- (8) Other rights conferred by laws, administrative regulations, normative documents, the Hong Kong Listing Rules and the Articles of Association.

Shareholders have the right to inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports, and to provide suggestions or make inquiries regarding the business operations of the Company.

Shareholders holding 5% or more of the Company's shares with voting rights who pledge their shares shall make a written report to the Company on the day the fact occurs.

The controlling shareholder and de facto controller of the Company shall not use their connected relationship to damage the interests of the Company. Anyone who violate the rules and cause losses to the Company shall be liable for compensation.

The controlling shareholder and de facto controller of the Company owe a fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall strictly exercise the rights of a capital contributor in accordance with the law. The controlling shareholder, de facto controller and their connected persons shall not use methods such as profit distribution, asset restructuring, external investment, fund occupation, and loan guarantees to damage the legitimate rights and interests of the Company, and shall not use their controlling position to damage the interests of the Company and the public shareholders of the Company.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:

- (1) To elect and replace Directors, and to decide on matters relating to the remuneration of Directors;
- (2) To examine and approve reports of the Board of Directors;
- (3) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (4) To decide on any increase or decrease of the Company's registered capital;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (5) To decide on the issue of corporate bonds;
- (6) To decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (7) To amend the Articles of Association;
- (8) To decide on the appointment and dismissal of an accounting firm and determine its remuneration;
- (9) To examine and approve the guarantee matters stipulated in the Articles of Association that require approval by the shareholders' meeting;
- (10) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (11) To examine and approve matters relating to changes in the use of proceeds;
- (12) To examine the equity incentive plans and employee stock ownership plans;
- (13) To examine other matters as required by laws, administrative regulations, departmental rules or the Articles of Association, which shall be decided by the shareholders' meeting;
- (14) Other matters required by the Hong Kong Listing Rules.

The powers of the shareholders' meeting stipulated in the preceding paragraph shall not be exercised by the Board of Directors or other institutions and individuals by way of authorization.

The shareholders' meeting may, when necessary, reasonable and legal, authorize or entrust the Board of Directors to handle matters authorized or entrusted by it, including but not limited to the following at the shareholders' meeting:

Subject to applicable laws, regulations and listing rules, granting the Board of Directors a general mandate to issue, allot and deal with additional overseas listed shares, the number of which shall not exceed 20% of the issued overseas listed shares (or other proportions prescribed by applicable laws, administrative regulations and the listing rules of the place where the Company's shares are listed);

Granting the Board of Directors the authority to, within the issuance limit of bonds, decide on the specific terms and related matters of the issuance of debt financing instruments such as domestic short-term financing bills, medium-term notes, corporate bonds and overseas US dollar bonds based on production and operation needs, capital expenditure needs and market conditions, including (but not limited to) determining the actual issuance amount, interest rate, term, issuance target, use of proceeds and preparing, signing and disclosing all necessary documents within the aforementioned scope.

The following external guarantees of the Company shall be examined and approved by the shareholders' meeting:

- (1) Any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets;
- (2) Any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) Guarantees provided by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets;
- (4) Guarantees provided for a guaranteed party whose asset-liability ratio exceeds 70%;
- (5) A single guarantee with an amount exceeding 10% of the latest audited net assets;
- (6) Guarantees provided to shareholders, de facto controllers and their connected parties.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings.

The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

Extraordinary shareholders' meetings are convened irregularly. The Company shall convene an extraordinary shareholders' meeting within two months when the circumstances stipulated in the *Company Law*, the *Hong Kong Listing Rules* and the Articles of Association for convening an extraordinary shareholders' meeting occur. If the extraordinary shareholders' meeting is convened in response to the regulations of the listing rules of the place where the Company's shares are listed, the actual convening date may be adjusted according to the approval progress of the regulatory authorities of the place where the Company's shares are listed.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (1) The number of Directors is less than the number provided for in the *Company Law* or less than two-thirds of the number prescribed in the Articles of Association;
- (2) The uncovered losses of the Company reach one-third of its total paid-up share capital;
- (3) A written request from shareholders who separately or jointly hold 10% or more shares in the Company;
- (4) The Board of Directors considers it necessary;
- (5) Independent non-executive Directors propose that such a meeting shall be held;
- (6) The Audit Committee proposes that such a meeting shall be held;
- (7) Other circumstances conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The venue for the Company to convene a shareholders' meeting shall be the domicile of the Company or other places specified in the notice of the shareholders' meeting.

The shareholders' meeting shall be convened at a designated venue in the forms of on-site meetings, telephone conferences or webcast meetings. The Company will provide convenience for shareholders to attend the shareholders' meeting and vote at the shareholders' meeting by means of electronic communication, online voting, etc., depending on the circumstances. Shareholders who attend the shareholders' meeting through the above methods shall be deemed to be present. Each shareholder has the right to speak and vote at the shareholders' meeting, unless individual shareholders are required to abstain from voting on individual matters under the *Hong Kong Listing Rules*.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

The time and place of the on-site meeting shall be convenient for shareholders to attend. After the notice of the shareholders' meeting is issued, the venue of the on-site meeting of the shareholders' meeting shall not be changed without justifiable reasons. If a change is indeed necessary, the convener shall notify each shareholder at least two working days before the date of the on-site meeting and explain the reasons.

Convening of Shareholders' Meetings

Independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Regarding the proposal of independent non-executive Directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

On a one-share-one-vote basis, shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and have the right to add proposals to the agenda, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; any changes to the original request in the notice shall be subject to the consent of the proposing shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own within four months after the Board of Directors receives the request. The convening shareholders shall complete the necessary reports or announcements in accordance with the regulatory rules of the place where the Company's shares are listed.

Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

For the shareholders' meeting convened by shareholders themselves, the Board of Directors and the Secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders on the record date. The register of shareholders obtained by the convener shall not be used for purposes other than convening the shareholders' meeting.

The necessary expenses for the shareholders' meeting convened by shareholders themselves shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The content of the proposal shall fall within the scope of authority of the shareholders' meeting, have a clear topic and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. Proposals for shareholders' meetings shall be in writing.

When the Company convenes a shareholders' meeting, the Board of Directors and shareholders who individually or collectively hold more than 1% of the Company's shares have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal and announce the content of the temporary proposal; however, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or if it is not within the scope of the shareholders' meeting's authority.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the announcement of the notice of the shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved by the shareholders' meeting.

The convener of the shareholders' meeting shall notify each shareholder by way of announcement at least 21 days before the annual shareholders' meeting, and at least 15 days before the extraordinary shareholders' meeting. At the same time as the notice is sent, a proxy form shall be sent, providing choices for voting for and against all resolutions proposed at the meeting.

In calculating the notice period, the Company shall not include the date of the meeting, but include the date the notice is issued. Where laws, regulations and the regulatory rules of the place where the Company's shares are listed provide otherwise, those provisions shall prevail.

A notice of a shareholders' meeting shall include the following:

- (1) The time, venue and duration of the meeting;
- (2) Matters and proposals submitted to the meeting for consideration;
- (3) A prominent written statement that: all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) The record date of registration of shareholders entitled to attend the shareholders' meeting;
- (5) The name and telephone number of the regular contact person for the meeting;
- (6) The time and procedure for voting online or through other means;
- (7) Other matters stipulated by laws, administrative regulations, normative documents and the Hong Kong Listing Rules.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose the specific contents of all proposals, as well as all information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed.

The interval between the record date and the meeting date shall not be more than seven working days. Once the record date is confirmed, it shall not be changed. Where laws, regulations and the regulatory rules of the place where the Company's shares are listed provide otherwise, those provisions shall prevail.

If the shareholders' meeting intends to discuss the election of Directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the Director candidates, including at least the following:

- (1) Personal information such as full name, educational background, work experience, and part-time jobs;
- (2) Whether there is any connected relationship with the Company or the Company's controlling shareholder and de facto controller;
- (3) Disclosure of the number of shares of the Company held;
- (4) Whether the candidate has been punished by relevant regulatory authorities and other relevant departments or disciplined by the stock exchange;
- (5) Other matters stipulated in the Hong Kong Listing Rules.

Except for the election of Directors by cumulative voting, each Director candidate shall be proposed as a single proposal.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original date of the meeting.

Holding of Shareholders' Meetings

The Board of Directors and other conveners have the right to take necessary measures to ensure the normal order of the shareholders' meeting. Acts that interfere with the shareholders' meeting, provoke trouble and infringe upon the legitimate rights and interests of shareholders shall be stopped and reported to relevant departments for investigation and punishment in a timely manner.

All shareholders or their proxies registered on the record date have the right to attend the shareholders' meeting and exercise corresponding rights to speak and vote in accordance with relevant laws, regulations and the Articles of Association.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders may attend the shareholders' meeting in person and exercise their voting rights, or they may entrust others (who need not be shareholders of the Company) to attend and exercise voting rights within the scope of authorization on their behalf. Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf.

When the shareholders' meeting is held, all Directors and the Secretary to the Board of Directors of the Company shall attend the meeting, and the General Manager and other senior management personnel shall attend the meeting as non-voting delegates.

The shareholders' meeting shall be convened by the Board of Directors in accordance with the law and presided over by the Chairman; if the Chairman is unable or fails to perform his/her duties, a Director elected by more than half of the Directors shall preside, unless otherwise provided in the Articles of Association for shareholders who meet the conditions to convene and preside over the meeting.

A shareholders' meeting convened by shareholders themselves shall be presided over by a representative elected by the convener. A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee elected by more than half of the members of the Audit Committee shall preside.

When convening a shareholders' meeting, if the chairperson of the meeting violates the rules of procedure ensuring the shareholders' meeting cannot continue, with the consent of shareholders holding more than half of the voting rights present at the scene, the shareholders' meeting may elect a person to serve as the chairperson of the meeting and continue the meeting.

The Company shall formulate rules of procedure for the shareholders' meeting, detailing the convening and voting procedures of the shareholders' meeting, including notification, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, announcements, etc., as well as the principles of authorization by the shareholders' meeting to the Board of Directors, and the content of authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

Except for matters involving the Company's trade secrets that cannot be disclosed at the shareholders' meeting in accordance with relevant laws and administrative regulations, Directors and senior management personnel shall explain and answer shareholders' inquiries and suggestions at the shareholders' meeting.

The chairperson of the meeting shall announce the number of shareholders and proxies present at the scene and the total number of shares with voting rights held by them before voting. The number of shareholders and proxies present at the scene and the total number of shares with voting rights held by them shall be based on the meeting registration.

The shareholders' meeting shall have meeting minutes, for which the Secretary to the Board of Directors is responsible. The meeting minutes shall record the following:

- (1) The time, venue, agenda of the meeting and the name of the convener;
- (2) The names of the chairperson of the meeting and the Directors, General Manager and other senior management personnel attending or present at the meeting;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) The number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares of the Company;
- (4) The consideration process, key points of speech and voting results of each proposal;
- (5) Shareholders' inquiries or suggestions and corresponding replies or explanations;
- (6) Names of lawyers (if any), vote counters and scrutineers;
- (7) Other contents that should be included in the meeting minutes as stipulated by laws, regulations, the stock exchange where the Company is listed or the Articles of Association.

The convener of the shareholders' meeting shall ensure that the contents of the meeting minutes are true, accurate and complete. The Directors, Secretary to the Board of Directors, convener or their representative, and the chairperson of the meeting attending the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the sign-in book of shareholders attending the meeting on site, the power of attorney for proxy attendance, and valid information on voting via the internet (if any) or other means.

The convener of the shareholders' meeting shall ensure that the shareholders' meeting is held continuously until a final resolution is formed. If the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and an announcement shall be made in a timely manner.

Voting and Resolutions of Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (1) Work reports of the Board of Directors;
- (2) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;
- (3) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;
- (4) The Company's annual budget plan and final accounts plan;
- (5) The Company's annual report;
- (6) Other matters other than those approved by special resolution stipulated in laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The following matters shall be approved by special resolution at the shareholders' meeting:

- (1) The increase or reduction of the registered capital of the Company;
- (2) The division, spin-off, merger, dissolution and liquidation of the Company or change of corporate form;
- (3) Any amendment to the Articles of Association;
- (4) The purchase and sale of material assets or amount of guarantee provided by the Company within one year exceeding 30% of the audited total assets of the Company as at the most recent period;
- (5) Share incentive plan;
- (6) Other matters as required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person may not serve as a Director of the Company in case of any of the following circumstances:

- (1) The person without civil conduct capacity or with limited civil conduct capacity;
- (2) The person who has committed an offense of corruption, bribery, embezzlement, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights due to crime, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;
- (3) The person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (4) The person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;
- (5) The person listed as a dishonest judgment debtor by the People's Court because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (6) The person has been banned by relevant regulatory authorities from access to the securities market, and the term of prohibition has not expired;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (7) Other circumstances stipulated by laws, administrative regulations, departmental rules or the Hong Kong Listing Rules. If a Director is elected or appointed in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid.

If a Director falls into the circumstances listed in this article during his/her term of office, the Company shall remove him/her from office.

Directors are elected or replaced by the shareholders' meeting. Subject to compliance with relevant laws and administrative regulations, the shareholders' meeting may remove any Director whose term of office has not expired by way of an ordinary resolution (but this shall not affect any claim for damages made by the Director under any contract).

The term of office for Directors is 3 years, and they may be re-elected for consecutive terms upon expiration of the term, but if the term of office of an independent non-executive Director exceeds nine years, his/her re-appointment shall be subject to the corresponding consideration procedures in accordance with the listing rules of the place where the Company's shares are listed.

The term of office for Directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If the term of office for Directors expires and a timely re-election has not taken place, causing the number of members of the Board of Directors to fall below the statutory minimum, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Directors take office.

Directors need not hold shares of the Company.

The shareholders' meeting may resolve to dismiss a Director, and the dismissal shall take effect on the date the resolution is made. If a Director is dismissed before the expiration of his/her term of office without justifiable reasons, the Director may request compensation from the Company.

Subject to the relevant laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, if the Board of Directors appoints a new Director to fill a temporary vacancy on the Board of Directors, the term of office of the appointed Director shall continue until the first annual shareholders' meeting after his/her acceptance of the appointment, and he/she shall be eligible for re-election at that time.

Directors may be served concurrently by the General Manager or other senior management personnel, but the total number of Directors serving concurrently as General Manager or other senior management personnel shall not exceed 1/2 of the total number of Directors of the Company.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe the following duties of loyalty to the Company:

- (1) Not to abuse their powers to accept bribes or other illegal income, and not to misappropriate Company property;
- (2) Not to misappropriate Company funds;
- (3) Not to deposit Company assets or funds in accounts opened in their own names or in the names of other individuals;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) Not to enter into contracts or transactions with the Company directly or indirectly without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association;
- (5) Not to abuse their position to seize business opportunities belonging to the Company for themselves or others without the consent of the shareholders' meeting, unless: (1) they have reported to the Board of Directors or the shareholders' meeting and obtained approval by resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association; (2) the Company cannot utilize such business opportunity in accordance with laws, administrative regulations or the Articles of Association;
- (6) Not to accept commissions from transactions between others and the Company as their own;
- (7) Not to disclose Company secrets without authorization;
- (8) Not to use their connected relationship to damage the interests of the Company;
- (9) Other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

The provisions of item (5) of the preceding paragraph apply to contracts or transactions entered into with the Company by close relatives of Directors or senior management personnel, enterprises directly or indirectly controlled by Directors, senior management personnel or their close relatives, and connected persons who have other connected relationships with Directors or senior management personnel.

Income obtained by Directors in violation of this article shall belong to the Company; if losses are caused to the Company, they shall be liable for compensation.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe the following duties of diligence to the Company:

- (1) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's commercial behaviors comply with the requirements of national laws, administrative regulations and various national economic policies, and that commercial activities do not exceed the scope of business specified in the business license;
- (2) They shall treat all shareholders fairly;
- (3) They shall promptly understand the status of the Company's business operations and management;
- (4) They shall sign a written confirmation on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate, and complete;
- (5) They shall provide relevant information and materials to the Audit Committee of the Board of Directors truthfully and shall not obstruct the Audit Committee of the Board of Directors or its members from exercising their powers;
- (6) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Unless otherwise provided in this section, the provisions of the Articles of Association regarding the qualifications and obligations of Directors apply to independent non-executive Directors. Independent non-executive Directors shall faithfully perform their duties and safeguard the interests of the Company, paying particular attention to ensuring that the legitimate rights and interests of public shareholders are not infringed, so as to ensure that the interests of all shareholders are fully represented.

If an independent non-executive Director falls into circumstances where he/she does not meet the qualifications or independence conditions stipulated in the *Hong Kong Listing Rules* or is otherwise unsuitable to perform the duties of an independent non-executive Director, causing the number of independent non-executive Directors of the Company to fall below the number required by the Articles of Association, the Company must immediately notify the Hong Kong Stock Exchange and explain the relevant details and reasons by way of announcement. The Company shall make up the number of independent non-executive Directors within three months after non-compliance to meet the requirements of the *Hong Kong Listing Rules*.

If a Director fails to attend Board meetings in person for two consecutive times, and does not entrust other Directors to attend, he/she shall be deemed unable to perform his/her duties, and the Board of Directors shall propose to the shareholders' meeting to replace him/her. Subject to the regulatory rules of the place where the Company's shares are listed, Directors participating in Board meetings via conference call or other communication equipment shall be deemed to be present in person.

Directors may resign before the expiration of their term. Resignation of a Director shall be submitted to the Board of Directors in the form of a written resignation report. The Board of Directors will disclose the relevant circumstances within two days.

If the resignation of a Director causes the number of members of the Board of Directors of the Company to fall below the minimum number prescribed by the *Company Law*, the outgoing Director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

Except for the circumstances listed in the preceding paragraph or where the Director's resignation report specifies a later effective date for resignation, the resignation of a Director shall take effect when the resignation report is served on the Board of Directors.

Upon the resignation taking effect or the expiration of the term of office, the Director shall complete all handover procedures with the Board of Directors, and the duty of loyalty borne by him/her to the Company and shareholders shall remain within two years after the end of his/her term of office. His/her obligation of confidentiality regarding the Company's trade secrets shall remain effective after the end of his/her term of office until such secrets become public information.

Without the provisions of the Articles of Association or the legal authorization of the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in his/her own name. When a Director acts in his/her own name, if a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors, the Director shall declare his/her position and identity in advance.

If a Director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association when performing Company duties and causes losses to the Company, he/she shall be liable for compensation.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Matters related to the independent non-executive Directors of the Company shall be implemented in accordance with the relevant provisions of laws, administrative regulations, relevant regulatory authorities and stock exchanges, and specifically stipulated by the Company's working system for independent non-executive Directors.

Board of Directors

The Company shall establish a Board of Directors, which is responsible to the shareholders' meeting.

The Board of Directors shall consist of 5-19 Directors and have 1 Chairman. The Chairman shall be elected by the Board of Directors with the approval of a majority of all Directors. Independent non-executive Directors shall include at least one person with appropriate professional qualifications or appropriate accounting or relevant financial management expertise. The Company shall have at least one independent non-executive Director ordinarily resident in Hong Kong.

The Board shall exercise the following duties and powers:

- (1) To convene shareholders' meetings and report its work to the shareholders' meetings;
- (2) To implement the resolutions of the shareholders' meetings;
- (3) To decide on the business operation plans and investment plans of the Company;
- (4) To formulate the profit distribution plans and plans for recovery of losses of the Company;
- (5) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (6) To draft plans for significant acquisitions of the Company, the purchase of shares of the Company or merger, division, dissolution and change of the form of the Company;
- (7) According to the Articles of Association or within the scope authorized by the shareholders' meeting, to determine matters such as the external investments, purchase or sale of assets, assets mortgage, external guarantee matters, entrusted wealth management, connected transactions and external donations of the Company;
- (8) To determine the internal management structure of the Company;
- (9) To decide on the appointment or dismissal of the General Manager, the Secretary to the Board of Directors and other senior management personnel of the Company, and determine their remuneration, rewards and penalties; based on the nomination of the General Manager, to decide on the appointment or dismissal of senior management personnel such as the Deputy General Manager and the Chief Financial Officer of the Company, and determine their remuneration, rewards and penalties;
- (10) To formulate the basic management system of the Company;
- (11) To formulate proposals for any amendment of the Articles of Association;
- (12) To manage the information disclosure of the Company;
- (13) To propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (14) To listen to work reports of the General Manager of the Company and check the General Manager's work;
- (15) To formulate and implement the Company's equity incentive plan;
- (16) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

The limitations on the powers of the Board of Directors in the Company's Articles of Association shall not oppose a bona fide third party.

When the Board of Directors decides on the above matters, if they fall within the scope of major issues in which the Party Organization of the Company participates in decision-making, the Board shall listen to the opinions and suggestions of the Party Organization in advance.

Matters beyond the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Major matters requiring decision-making by the Company's Board of Directors must be notified to all Directors in advance within the time stipulated in the Articles of Association, and sufficient materials must be provided at the same time, strictly in accordance with the prescribed procedures. Directors may request supplementary information. If more than one-quarter of the Directors or more than two independent non-executive Directors believe that the materials are insufficient or for other reasons they are unable to make a judgment on the relevant matters, they may jointly propose to postpone the Board meeting or postpone the discussion of some matters at the Board meeting, and the Board of Directors shall adopt such proposal.

The Board of Directors of the Company shall explain to the shareholders' meeting regarding the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

The Board of Directors shall formulate rules of procedure for the Board of Directors to ensure that the Board of Directors implements the resolutions of the shareholders' meeting, improves work efficiency, and ensures scientific decision-making.

The rules of procedure for the Board of Directors shall be an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

The Board of Directors shall organize relevant experts and professionals to review major investment projects.

The Board of Directors shall have one Chairman, who shall be elected by the Board of Directors with the approval of a majority of all Directors. The Chairman exercises the following powers:

- (1) To preside over shareholders' meetings and convene and preside over Board meetings;
- (2) To sign important documents of the Board of Directors;
- (3) To supervise and check the implementation of Board resolutions;
- (4) Other powers granted by the Board of Directors;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (5) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the Chairman is unable or fails to perform his/her duties, the Vice Chairman shall perform the duties; if the Vice Chairman is unable or fails to perform his/her duties, one Director shall be elected by a majority of the Directors to perform the duties.

The Board of Directors shall convene meetings regularly. Regular Board meetings shall be convened twice a year, called by the Chairman. All Directors shall be notified in writing at least 14 days prior to the regular meeting, and if necessary, the General Manager and other senior management personnel shall be notified.

Shareholders representing more than one-tenth of the voting rights or more than one-third of the Directors may propose to convene an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over the Board of Directors meeting within 10 days after receiving the proposal.

The notice of an extraordinary meeting of the Board of Directors shall be given to all Directors and the General Manager 24 hours before the meeting is convened, and if necessary, to other senior management personnel of the Company.

The notice of the Board meeting shall include the following:

- (1) Date and place of the meeting;
- (2) Duration of the meeting;
- (3) Cause and topic;
- (4) Date of issuance of notice.

A meeting of the Board of Directors shall be held only if more than half of the Directors are present. Unless otherwise provided in the Articles of Association, resolutions of the Board of Directors must be passed by a majority of all Directors.

The voting on resolutions of the Board of Directors shall be conducted on a one-person, one-vote basis.

If a Director has a connected relationship with the enterprise involved in the resolution matter of the Board of Directors, such Director shall not exercise the voting right on such resolution, nor shall such Director act on behalf of other Directors in exercising the voting right, and his/her voting rights shall not be counted in the total number of voting rights. The Board meeting may be held if more than half of the unconnected Directors are present, and unless otherwise provided in the Articles of Association, resolutions made at the Board meeting must be passed by a majority of the unconnected Directors. If the number of unconnected Directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

The voting method for Board resolutions shall be: registered voting or show of hands.

Unless otherwise provided by relevant laws, administrative regulations and normative documents or the *Hong Kong Listing Rules*, extraordinary meetings of the Board of Directors may be conducted and resolutions may be made by means of video conference, conference call or written circulation, provided that the Directors can fully express their opinions, and signed by the participating Directors. If the Board of Directors has distributed the proposal to all Directors, and the number of Directors signing and agreeing to the proposal has reached the quorum required for

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

making a decision, and the signed documents agreeing to the proposal have been delivered to the Secretary to the Board of Directors in the above manner, the proposal shall become a Board resolution and shall be deemed to have the same legal effect as a resolution passed at a Board meeting convened in accordance with the procedures stipulated in the relevant clauses of the Articles of Association.

Regular meetings of the Board of Directors shall not be convened by way of written circulation.

Board meetings shall be attended by the Directors in person; if a Director is unable to attend for any reason, he/she may appoint another Director in writing to attend on his/her behalf. The power of attorney shall state the name of the proxy, the matters of agency, the scope of authorization and the period of validity, and shall be signed or sealed by the principal. The Director attending the meeting on behalf of another Director shall exercise the rights of the Director within the scope of authorization. If a Director fails to attend a Board meeting and fails to appoint a representative to attend, he/she shall be deemed to have waived his/her voting rights at that meeting.

The Board of Directors shall keep minutes of the decisions on the matters discussed at the meeting, and the Directors present at the meeting shall sign on the minutes. The minutes of the Board meeting shall be kept by the Secretary to the Board of Directors as Company files.

The minutes of the Board meeting shall include the following:

- (1) The date and place of the meeting and the name of the convener;
- (2) The names of the Directors present and the names of the Directors (proxies) appointed by others to attend the Board meeting;
- (3) Agenda of the meeting;
- (4) Key points of Directors' speeches;
- (5) The voting method and result of each resolution (the voting result shall state the number of votes for, against or abstaining).

Board Committees

The Board of Directors of the Company shall establish three specialized committees: the Remuneration and Appraisal Committee, the Nomination Committee and the Audit Committee. The specialized committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and decision. The Board of Directors is responsible for formulating the working rules of the specialized committees to regulate the operation of the specialized committees.

The specialized committees of the Board of Directors shall be composed entirely of Directors, and the composition is as follows:

- (1) The Audit Committee shall be composed of at least (inclusive) three Directors, all of whom shall be Non-executive Directors, with a majority being Independent Non-executive Directors, and an independent non-executive Director shall serve as the chairman. More than half of the members of the Audit Committee shall not hold other positions in the Company other than Directors, and shall not have any relationship with the Company that may affect their independent and objective judgment. Employee representatives among the members of the Board of Directors of the Company may become members of the Audit Committee;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (2) The Nomination Committee shall be composed of at least (inclusive) three Directors, of which the majority of members shall be independent non-executive Directors. The Chairman or an independent non-executive Director shall serve as the chairman, and there shall be at least one member of a different gender;
- (3) The Remuneration and Appraisal Committee shall be composed of at least (inclusive) three Directors, of which the majority of members shall be independent non-executive Directors, and an independent non-executive Director shall serve as the chairman.

For details on the powers of the aforementioned specialized committees and the remuneration assessment mechanism for Directors and senior management personnel, please refer to the working rules of the specialized committees mentioned above.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall have one General Manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have several Deputy General Managers, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several senior management personnel, who shall be appointed or dismissed by the Board of Directors.

The circumstances stipulated in the Articles of Association regarding persons who may not serve as Directors shall also apply to the General Manager and other senior management personnel.

The provisions of the Articles of Association regarding the duties of loyalty and diligence of Directors shall also apply to the General Manager and other senior management personnel.

Personnel holding administrative positions other than directors and supervisors in the Company's controlling shareholder unit shall not serve as senior management personnel of the Company.

Senior management personnel of the Company only receive salaries from the Company and are not paid by the controlling shareholder.

The General Manager shall serve a term of three years and may be re-appointed upon expiry of the term if consecutively appointed by the Board of Directors.

The General Manager is responsible to the Board of Directors and exercises the following powers:

- (1) To preside over the Company's production and business management activities, organize and implement the resolutions of the Board of Directors, and report work to the Board of Directors;
- (2) To organize and implement the Company's annual business plan and investment programs;
- (3) To draft proposals for the establishment of internal management institutions of the Company;
- (4) To draft the Company's basic management systems;
- (5) To formulate specific regulations of the Company;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (6) To propose to the Board of Directors the appointment or dismissal of the Deputy General Manager, Chief Financial Officer and other senior management personnel of the Company;
- (7) To decide on the appointment or dismissal of responsible management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (8) Other powers granted by the Articles of Association or the Board of Directors.

When the Manager decides on the above matters, if they fall within the scope of major issues in which the Party Organization of the Company participates in decision-making, he/she shall listen to the opinions and suggestions of the Party Organization in advance.

The General Manager shall attend the meetings of the Board of Directors.

The General Manager may resign before the expiration of his/her term. The specific procedures and methods for the resignation of the General Manager are stipulated in the labor contract between the General Manager and the Company. The General Manager shall formulate working rules for the General Manager and implement them after approval by the Board of Directors.

Other senior management personnel shall be nominated by the General Manager and appointed or dismissed by the Board of Directors.

The Company shall have a Secretary to the Board of Directors, responsible for the preparation of the Company's shareholders' meetings and Board meetings, document custody, management of Company shareholder information, and handling information disclosure affairs.

The Secretary to the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

If the General Manager and other senior management personnel violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association when performing Company duties and cause losses to the Company, they shall be liable for compensation.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

BOARD AUDIT COMMITTEE

The Company does not establish a Supervisory Board, and the Audit Committee of the Board of Directors exercises the following powers:

- (1) To review the periodic reports of the Company prepared by the Board of Directors and provide written review opinions;
- (2) To check the Company's finance;
- (3) To supervise the behavior of Directors and senior management personnel in performing Company duties, and propose the dismissal of Directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) To require Directors and senior management personnel to correct their behaviors when such behaviors damage the interests of the Company;
- (5) To propose the convening of extraordinary shareholders' meetings, and to convene and preside over shareholders' meetings when the Board of Directors fails to perform its duty of convening and presiding over shareholders' meetings as stipulated in the Company Law;
- (6) To submit proposals to the shareholders' meeting;
- (7) To initiate litigation against Directors and senior management personnel in accordance with the provisions of the Company Law;
- (8) To conduct investigations when abnormal operation of the Company is found; when necessary, professional institutions such as accounting firms and law firms may be engaged to assist in the work, and the expenses shall be borne by the Company;
- (9) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the "Terms of Reference of the Board Audit Committee".

The Board Audit Committee shall hold at least two meetings per year. The Company's external auditors may request a meeting if they consider it necessary. The Board Audit Committee shall formulate relevant rules of procedure to clarify the consideration methods and voting procedures of the Board Audit Committee, so as to ensure the work efficiency and scientific decision-making of the Board Audit Committee.

The voting on resolutions of the Audit Committee shall be one person, one vote. Resolutions of the Audit Committee shall be passed by more than half of the members of the Audit Committee.

The Board of Directors shall obtain the approval of more than half of all members of the Audit Committee before making resolutions on the following matters:

- (1) Appointment and dismissal of the accounting firm undertaking the Company's audit business;
- (2) Appointment and dismissal of the Chief Financial Officer;
- (3) Disclosure of financial and accounting reports;
- (4) Other matters stipulated by the securities regulatory authority of the State Council or the securities regulatory authority of the place where the Company is listed.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant national departments.

The Company's fiscal year adopts the Gregorian calendar year system, that is, from January 1 to December 31 of the Gregorian calendar each year is a fiscal year. The Company shall prepare financial and accounting reports at the end of each fiscal year, and have them audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations and departmental rules.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

The Company shall publish financial reports based on international or overseas listing place accounting standards twice in each fiscal year, that is, publish an interim financial report within three months after the end of the first six months of each fiscal year, and publish an annual financial report within four months after the end of the fiscal year.

The Company shall publish results announcements twice in each fiscal year, that is, publish an interim results announcement within two months after the end of the first six months of each fiscal year, and publish an annual results announcement within three months after the end of the fiscal year.

Where relevant laws, administrative regulations, the securities supervision and administration institution of the place where the Company's shares are listed and the Hong Kong Stock Exchange have other provisions on the above announcements, such provisions shall prevail.

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with Chinese accounting standards and regulations, and also in accordance with international or overseas listing place accounting standards.

The Company shall not establish accounting books other than the statutory accounting books. The Company's assets shall not be kept under any account opened in the name of any individual.

When distributing after-tax profits of the year, the Company shall allocate 10% of its profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the Company has appropriated the statutory reserve fund from the post-tax profit, it may, upon resolution of the shareholders' meeting, also appropriate a discretionary reserve fund from the post-tax profit.

The remaining post-tax profit after the Company has made up for losses and appropriated reserve funds shall be distributed in accordance with the proportion of shares held by the shareholders.

If the shareholders' meeting distributes profits to the shareholders in violation of the preceding paragraph before the Company has made up for losses and appropriated the statutory reserve fund, the shareholders must return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the shareholders and the responsible Directors and senior management personnel shall bear compensation liability.

Shares held by the Company itself do not participate in the profit distribution.

The Company's reserve funds are used to make up for the Company's losses, to expand the Company's production and operations, or to increase the Company's registered capital.

When using reserve funds to make up for losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if they are still insufficient to make up for the losses, the capital reserve fund may be used in accordance with regulations.

When the statutory reserve fund is converted into capital, the amount of such reserve fund retained shall not be less than 25% of the Company's registered capital before the increase.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

The Company may distribute dividends in the following forms (or take both forms at the same time):

- (1) Cash;
- (2) Stocks.

The Company pays cash dividends and other payments to domestic shareholders in Renminbi. The Company pays cash dividends and other payments to unlisted foreign shareholders, denominated and declared in Renminbi and paid in foreign currency. The Company pays cash dividends and other payments to overseas listed shareholders, denominated and declared in Renminbi and paid in Hong Kong dollars. The foreign currency required by the Company to pay cash dividends and other payments to overseas listed shareholders shall be handled in accordance with relevant national foreign exchange management regulations.

Unless otherwise provided by relevant laws and administrative regulations, if cash dividends and other payments are paid in Hong Kong dollars, the exchange rate shall be the average selling price of the relevant foreign exchange published by the People's Bank of China one calendar week before the date of declaration of dividends and other payments.

Internal Audit

The Company implements an internal audit system and is equipped with full-time auditors to conduct internal audit supervision on the Company's financial revenues and expenditures and economic activities.

The Company's internal audit system and the duties of auditors shall be implemented after approval by the Board of Directors. The person in charge of audit shall be responsible to and report work to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint an accounting firm which has complied with the laws and regulations and has a good reputation for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed.

The appointment, dismissal or non-renewal of appointment of an accounting firm must be decided by the shareholders' meeting.

The Company guarantees to provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or make false reports.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state to the shareholders' meeting whether the Company has committed any improper act.

If the accounting firm wishes to resign, it may place a written notice at the registered office of the issuer. The notice shall include one of the following statements:

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (1) A statement that its resignation does not involve any circumstances that should be explained to the issuer's shareholders or creditors;
- (2) Any statement that should be explained;
- (3) Such notice shall take effect on the date it is placed at the registered office of the issuer or on a later date specified in the notice.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The Company may merge or divide in accordance with the law.

The absorption of other companies by one company is an absorption merger, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new establishment merger, and all parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and an asset list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement within 30 days.

Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, require the Company to repay the debt or provide corresponding guarantees.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement within 30 days.

Debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division. However, this does not apply if a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of registered capital and shall publish an announcement within 30 days. Creditors have the right to require the Company to repay the debt or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

The registered capital of the Company after capital reduction shall not be lower than the statutory minimum.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; if the Company is dissolved, it shall go through the deregistration of the company in accordance with the law; if a new company is established, the company establishment registration shall be completed in accordance with the law.

When the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (1) Expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (2) A resolution on dissolution is passed by a shareholders' meeting;
- (3) Dissolution is required due to the merger or division of the Company;
- (4) The business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (5) The Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of all shares of the Company may plead the People's Court to dissolve the Company.

If the Company has the cause for dissolution stipulated in the preceding paragraph, it shall publicize the cause for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under the circumstances of items (1) and (2) of Article 184 of the Articles of Association and has not distributed property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' meeting.

Amending the Articles of Association or passing a resolution of the shareholders' meeting in accordance with the provisions of the preceding paragraph requires the approval of more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

If the Company is dissolved due to the provisions mentioned in items (1), (2), (4), and (5) above of the Articles of Association, a liquidation group shall be established within 15 days from the date the cause for dissolution arises to start the liquidation. The liquidation group shall be composed of Directors or personnel determined by the shareholders' meeting. If the liquidation obligors fail to perform the liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation. If the liquidation group is not established within the time limit to carry out liquidation or if the liquidation is not carried out after the establishment of the liquidation group, creditors and other interested parties may apply to the People's Court to designate relevant personnel to form a liquidation group to carry out liquidation.

After the liquidation group has sorted out the Company's assets, prepared the balance sheet and property list, if it finds that the Company's assets are insufficient to repay the debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law. After the People's Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the People's Court.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the People's Court for confirmation, file it with the company registration authority, apply for the cancellation of the company registration, and announce the termination of the Company.

Members of the liquidation group shall perform their liquidation duties and owe a duty of loyalty and diligence. If members of the liquidation group are negligent in performing their liquidation duties and cause losses to the Company's property, they shall be liable for compensation; if they cause losses to the Company or creditors due to intentional or gross negligence, they shall be liable for compensation.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (1) After amendments are made to the Company Law or relevant laws, administrative regulations, departmental rules, normative documents or securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised relevant regulations;
- (2) If certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (3) The shareholders' meeting has resolved to amend the Articles of Association.

Amendments to the Articles of Association shall follow the following procedures:

- (1) The Board of Directors first passes a resolution to amend the Articles of Association and formulates a plan for amendment of the Articles of Association;
- (2) The Board of Directors convenes a shareholders' meeting to vote on the plan for amendment of the Articles of Association;
- (3) The shareholders' meeting passes the amendment to the Articles of Association by a special resolution;
- (4) The Company files the amended Articles of Association with the company's competent market supervision and administration authority.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the competent authorities for approval; where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with relevant laws and administrative regulations shall be announced in accordance with provisions thereof.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Establishment of our Company

Our Company was incorporated as a limited liability company under the laws of the PRC on June 18, 2008 and was converted into a joint stock company with limited liability on November 7, 2025. Our registered address is at No. 268, Gongtang Road, Luzhi Town, Wuzhong District, Suzhou, Jiangsu Province, PRC and our principal place of business is at No. 666, Fenyue Road, Fenu High-Tech Industrial Development Zone, Jiangsu Province, PRC.

We have established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Mr. So Wing Chun, our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” and Appendix III to this document, respectively.

2. Changes in the Share Capital of our Company

On August 4, 2025, the registered capital of our Company increased from RMB8,803,120.17 to RMB46,069,999.

On November 7, 2025, our Company was converted into a joint stock company with limited liability with a registered capital of RMB46,069,999 divided into 46,069,999 Shares with a nominal value of RMB1.00 each.

Save as disclose above, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Changes in the Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants’ Report, the text of which is set out in Appendix I to this document.

Yike Youneng was established in the PRC as a limited liability company on September 29, 2025 with a registered capital of RMB5,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

At the general meeting of the Shareholders held on January 29, 2026, the following resolutions, among others, were duly passed:

- (1) the [REDACTED] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (2) 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] (before the exercise of the [REDACTED]), and the grant to the Overall Coordinator, [REDACTED] or other representatives of the [REDACTED] of not more than [REDACTED] of the above number of H Shares [REDACTED] pursuant to the [REDACTED];
- (3) subject to the completion of the [REDACTED], the revised Articles of Association be approved and adopted, which shall become effective on the [REDACTED] and the Board has been authorized to amend the Articles of Association in accordance with any legal or statutory requirements, or any comments from any governmental or regulatory authorities;
- (4) subject to the result of the CSRC filing, upon completion of the [REDACTED], [REDACTED] Unlisted Shares held by [REDACTED] Shareholders will be [REDACTED] into H Shares on a [REDACTED] basis; and
- (5) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] of Unlisted Shares into H Shares and the [REDACTED] and [REDACTED] of H Shares on the Stock Exchange.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this document and are or may be material:

- (a) [REDACTED]

2. Our Material Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
1. . .	JOINTECH	12	Our Company	Chinese mainland	7058981	June 21, 2020	June 20, 2030
2. . .	伊卡露斯	12	Our Company	Chinese mainland	7471848	December 7, 2022	December 6, 2032
3. . .	JOINTECH	12	Our Company	Chinese mainland	7542669	April 14, 2024	April 13, 2034
4. . .	JVS	12	Our Company	Chinese mainland	8017976	March 7, 2021	March 6, 2031
5. . .		12	Our Company	Chinese mainland	8018045	March 7, 2021	March 6, 2031

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
6. . .		12	Our Company	Chinese mainland	8021475	April 14, 2021	April 13, 2031
7. . .		12	Our Company	Chinese mainland	8741764	October 28, 2021	October 27, 2031
8. . .		12	Our Company	Chinese mainland	12271590	August 21, 2024	August 20, 2034
9. . .	伊卡路斯	12	Our Company	Chinese mainland	12271774	September 14, 2016	September 13, 2026
10. .		12	Our Company	Chinese mainland	12409027	September 21, 2024	September 20, 2034
11. .		12	Our Company	European Union, Australia, Japan, Türkiye, Singapore, Korea (Republic of), Ukraine, Russian Federation, Switzerland, Monaco, Egypt, Belarus, Iran (Islamic Republic of), Morocco, Israel	1086590	August 2, 2011	August 2, 2031
12. .		12	Our Company	European Union, Germany, Russian Federation, Sweden, Poland, Switzerland, Singapore, Iran (Islamic Republic of), Türkiye, Cuba, Belarus	1186215	November 12, 2013	November 12, 2033
13. .		12	Our Company	Taiwan	01670440	November 19, 2023	November 15, 2033
14. .		12	Our Company	Malaysia	2013063385	November 18, 2015	December 9, 2033
15. .		12	Our Company	Chile	1094640	February 25, 2015	February 25, 2035
16. .		12	Our Company	Brazil	903534967	August 22, 2017	August 22, 2027
17. .		12	Our Company	Indonesia	D002013054803	July 17, 2023	November 18, 2033
18. .		12	Our Company	The United Kingdom	UK00801186215	October 21, 2014	November 12, 2033
19. .		12	Our Company	Peru	000558374-2013	May 29, 2014	May 29, 2034

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
20.		12	Our Company	Argentina	3308068	February 7, 2014	February 7, 2034

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
1. . .	A bus articulated roof connection structure (一種客車鉸接棚連接結構)	Utility Model	Our Company	Chinese mainland	ZL202422815966.2	November 19, 2024	November 18, 2034
2. . .	A connection structure for vehicle gangway (一種車輛貫通道連接結構)	Utility Model	Our Company	Chinese mainland	ZL202422815968.1	November 19, 2024	November 18, 2034
3. . .	An oil pump test bench (一種油泵測試台架)	Utility Model	Our Company	Chinese mainland	ZL202421625923.1	July 10, 2024	July 9, 2034
4. . .	A coupling device (一種聯軸裝置)	Utility Model	Our Company	Chinese mainland	ZL202420971017.0	May 8, 2024	May 7, 2034
5. . .	An oil circuit system and transmission system (一種油路系統及變速系統)	Utility Model	Our Company	Chinese mainland	ZL202420885668.8	April 26, 2024	April 25, 2034
6. . .	A platform for vehicle articulation system (一種用於車輛鉸接系統的平臺)	Utility Model	Our Company	Chinese mainland	ZL202420604117.X	March 27, 2024	March 26, 2034
7. . .	An oil film drive structure with adjustable direction of bidirectional pump (一種雙向泵方向可調的油膜驅動結構)	Utility Model	Our Company	Chinese mainland	ZL202323651599.9	December 30, 2023	December 29, 2033
8. . .	A synchronous holding mechanism for angle sensor (一種角度感測器同步保持機構)	Utility Model	Our Company	Chinese mainland	ZL202323329667.X	December 7, 2023	December 6, 2033
9. . .	A taper sleeve structure for coupling (一種用於聯軸器的錐套結構)	Utility Model	Our Company	Chinese mainland	ZL202323329666.5	December 7, 2023	December 6, 2033
10. .	An articulation device (一種鉸接裝置)	Utility Model	Our Company	Chinese mainland	ZL202322271070.8	August 23, 2023	August 22, 2033
11. .	An integrated connection bracket and three-ball-hinge articulation device (一種整體式連接支架及三球鉸接裝置)	Utility Model	Our Company	Chinese mainland	ZL202322271075.0	August 23, 2023	August 22, 2033

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
12.	A canopy retraction structure (一種雨棚收縮結構)	Utility Model	Our Company	Chinese mainland	ZL202322150951.4	August 10, 2023	August 9, 2033
13.	A connection device for folding canopy and bottom canopy (一種折棚與底棚連接裝置)	Utility Model	Our Company	Chinese mainland	ZL202321120568.8	May 11, 2023	May 10, 2033
14.	A fixing structure for folding canopy and bottom canopy and gangway (一種折棚與底棚固定結構及貫通道)	Utility Model	Our Company	Chinese mainland	ZL202223419031.X	December 20, 2022	December 19, 2032
15.	A sledge structure (一種滑車結構)	Utility Model	Our Company	Chinese mainland	ZL202223370532.3	December 15, 2022	December 14, 2032
16.	An internal oil cleaning device for automobile shock absorber (一種汽車減震器內部油液清洗裝置)	Utility Model	Our Company	Chinese mainland	ZL202223210953.X	December 1, 2022	November 30, 2032
17.	A apron structure and gangway having the same (一種護裙結構及具有該護裙結構的貫通道)	Utility Model	Our Company	Chinese mainland	ZL202223211018.5	December 1, 2022	November 30, 2032
18.	A buffer device (一種緩衝裝置)	Utility Model	Our Company	Chinese mainland	ZL202223087866.X	November 17, 2022	November 16, 2032
19.	An articulation system and articulated bus employing the same (一種鉸接系統及選用該鉸接系統的鉸接客車)	Utility Model	Our Company	Chinese mainland	ZL202221769254.6	July 11, 2022	July 10, 2032
20.	A split gangway structure (一種分體式貫通道結構)	Utility Model	Our Company	Chinese mainland	ZL202123056431.4	December 8, 2021	December 7, 2031
21.	A telescopic and turnable passage structure (一種可伸縮翻轉的通道結構)	Utility Model	Our Company	Chinese mainland	ZL202123056350.4	December 8, 2021	December 7, 2031
22.	A mounting structure for angle sensor (一種角度感測器的安裝結構)	Utility Model	Our Company	Chinese mainland	ZL202122807039.2	November 17, 2021	November 16, 2031
23.	A surface film laminating device for industrial aluminum profiles of articulated canopy (一種鉸接棚工業鋁型材表面貼膜裝置)	Utility Model	Our Company	Chinese mainland	ZL202122585134.2	October 27, 2021	October 26, 2031

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
24.	A comprehensive test bench for suspension (一種懸架綜合測試台架)	Utility Model	Our Company	Chinese mainland	ZL202122585136.1	October 27, 2021	October 26, 2031
25.	A gear-and-rack articulated disk mechanism for bus (一種齒輪齒條客車鉸接盤機構)	Utility Model	Our Company	Chinese mainland	ZL202121988361.3	August 23, 2021	August 22, 2031
26.	A damping valve test bench (一種阻尼閥測試台)	Utility Model	Our Company	Chinese mainland	ZL202023257476.3	December 30, 2020	December 29, 2030
27.	A damping valve for shock absorber (一種用於減震器的阻尼閥)	Utility Model	Our Company	Chinese mainland	ZL202023257511.1	December 30, 2020	December 29, 2030
28.	A hydraulic mechanism for gear-and-rack articulated disk of bus (一種齒輪齒條客車鉸接盤液壓機構)	Utility Model	Our Company	Chinese mainland	ZL202021990597.6	September 14, 2020	September 13, 2030
29.	A passenger elevator vehicle passage platform (一種客梯車通道平臺)	Utility Model	Our Company	Chinese mainland	ZL201922413526.3	December 29, 2019	December 28, 2029
30.	A front and rear frame system structure (一種前、後架系統結構)	Utility Model	Our Company	Chinese mainland	ZL201922413528.2	December 29, 2019	December 28, 2029
31.	A telescopic mechanism for passenger elevator vehicle canopy (一種客梯車雨棚的伸縮機構)	Utility Model	Our Company	Chinese mainland	ZL201922379417.4	December 26, 2019	December 25, 2029
32.	A sealing device for hydraulic cylinder (一種用於液壓缸的密封裝置)	Utility Model	Our Company	Chinese mainland	ZL201922379419.3	December 26, 2019	December 25, 2029
33.	Fixed mounting piece for vehicle gangway folding canopy (用於車輛貫通道折棚的固定安裝件)	Utility Model	Our Company	Chinese mainland	ZL201922375477.9	December 26, 2019	December 25, 2029
34.	Connection reinforcing piece for vehicle gangway folding canopy (用於車輛貫通道折棚的連接加強件)	Utility Model	Our Company	Chinese mainland	ZL201922375584.1	December 26, 2019	December 25, 2029
35.	A front frame of three-ball-hinge articulated disk with box structure (一種箱體結構的三球鉸接盤前架)	Utility Model	Our Company	Chinese mainland	ZL201922359351.2	December 25, 2019	December 24, 2029

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
36.	Stapling gun for articulated canopy cloth (鉸接棚棚布打釘槍)	Utility Model	Our Company	Chinese mainland	ZL201922310204.6	December 20, 2019	December 19, 2029
37.	A front and rear frame assembly without ball hinges at both ends and articulated bus (一種兩端均無球鉸的前後架總成及鉸接客車)	Utility Model	Our Company	Chinese mainland	ZL201922310200.8	December 20, 2019	December 19, 2029
38.	Ball hinge and articulation system having front and rear ball hinges (球鉸及具有前後球鉸的鉸接系統)	Utility Model	Our Company	Chinese mainland	ZL201721919332.5	December 29, 2017	December 28, 2027
39.	A comprehensive test bench for articulated disk and test method (一種鉸接盤綜合測試台及測試方法)	Invention	Our Company	Chinese mainland	ZL202111683577.3	December 31, 2021	December 30, 2041
40.	A gangway mounting structure for rail vehicle (一種用於軌道車輛的貫通道安裝結構)	Invention	Our Company	Chinese mainland	ZL202011585729.1	December 29, 2020	December 28, 2040
41.	Fixed mounting piece for vehicle gangway folding canopy (用於車輛貫通道折棚的固定安裝件)	Invention	Our Company	Chinese mainland	ZL201911363393.1	December 26, 2019	December 25, 2039
42.	Crimping tool for crimping articulated canopy cloth and edge banding profile (用於鉸接棚棚布與包邊型材壓接的壓接工具)	Invention	Our Company	Chinese mainland	ZL201911355309.1	December 25, 2019	December 24, 2039
43.	Hydraulic buffer system and assembly method (液壓緩衝系統及組裝方法)	Invention	Our Company	Chinese mainland	ZL201510982280.5	December 24, 2015	December 23, 2035
44.	Integrated intelligent current collector (一體式智能集電器)	Invention	Our Company	Chinese mainland	ZL201510078842.3	February 13, 2015	February 12, 2035
45.	Articulation system for articulated vehicle chassis (鉸接車底盤鉸接系統)	Invention	Our Company	Chinese mainland	ZL201410584284.3	October 27, 2014	October 26, 2034
46.	Hydraulic buffer system achieving force balance output (實現力平衡輸出的液壓緩衝系統)	Invention	Our Company	Chinese mainland	ZL201410584223.7	October 27, 2014	October 26, 2034

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
47.	Chassis articulation system for front and mid-mounted drive articulated bus (前、中置驅動鉸接客車用底盤鉸接系統)	Invention	Our Company	Chinese mainland	ZL201410363293.X	July 28, 2014	July 27, 2034
48.	Articulated bus system with single-rack swing-arm hydraulic damping control (單齒條的擺臂式液壓阻尼控制的客車鉸接系統)	Invention	Our Company	Chinese mainland	ZL201410031896.X	January 23, 2014	January 22, 2034
49.	A current collector with an intelligent control system (一種具有智能控制系統的集電桿)	Invention	Our Company	Chinese mainland	ZL201510080036.X	February 13, 2015	February 12, 2035
50.	Swing hydraulic cylinder proportional control buffer system for articulated vehicle and control and oil filling method (鉸接車的擺動液壓缸比例控制緩衝系統及控制和注油方法)	Invention	Our Company	Chinese mainland	ZL201310713164.4	December 20, 2013	December 19, 2033
51.	Rotary damper hydraulic buffer system (旋轉阻尼器液壓緩衝系統)	Invention	Our Company	Chinese mainland	ZL201310156827.7	April 28, 2013	April 27, 2033
52.	Articulation system for articulated vehicle chassis (鉸接車底盤鉸接系統)	Invention	Our Company	Chinese mainland	ZL201310156454.3	April 28, 2013	April 27, 2033
53.	Articulation system for low-floor articulated train or bus (低地板鉸接式列車或客車的鉸接系統)	Invention	Our Company	Chinese mainland	ZL201210391148.3	October 16, 2012	October 15, 2032
54.	Infinite damping shock absorption system (無極阻尼減震系統)	Invention	Our Company	Chinese mainland	ZL201210328577.6	September 7, 2012	September 6, 2032
55.	Articulated bus canopy (客車鉸接棚)	Invention	Our Company	Chinese mainland	ZL201110346236.7	November 5, 2011	November 4, 2031
56.	Articulation system for articulated vehicle chassis (鉸接車底盤鉸接系統)	Invention	Our Company	Chinese mainland	ZL201110119429.9	May 10, 2011	May 9, 2031
57.	Folding canopy for articulated vehicle transition part and manufacturing method (鉸接車過渡部的折棚及其製作方法)	Invention	Our Company	Chinese mainland	ZL201110078126.7	March 30, 2011	March 29, 2031

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
58.	Highly integrated damping control buffer system (高集成阻尼控制緩衝系統)	Invention	Our Company	Chinese mainland	ZL201110037897.1	February 15, 2011	February 14, 2031
59.	Constant pressure damping control buffer system (恒壓阻尼控制緩衝系統)	Invention	Our Company	Chinese mainland	ZL201010502222.5	October 11, 2010	October 10, 2030
60.	Rear cross beam connection mechanism in articulated vehicle chassis articulation system (鉸接車底盤鉸接系統中後橫樑連接機構)	Invention	Our Company	Chinese mainland	ZL201010289650.4	September 25, 2010	September 24, 2030
61.	Pressure-boosting locking hydraulic buffer system (增壓鎖止液壓緩衝系統)	Invention	Our Company	Chinese mainland	ZL201010240593.0	July 30, 2010	July 29, 2030
62.	Steering angle sensing device in articulated vehicle chassis articulation system (鉸接車底盤鉸接系統中轉向角度感應裝置)	Invention	Our Company	Chinese mainland	ZL201010201390.0	June 17, 2010	June 16, 2030
63.	Ball hinge bracket structure in articulated vehicle chassis articulation system (鉸接車底盤鉸接系統中的球鉸支架結構)	Invention	Our Company	Chinese mainland	ZL201010189143.3	June 2, 2010	June 1, 2030
64.	Hydraulic buffer system (液壓緩衝系統)	Invention	Our Company	Chinese mainland	ZL201010141173.7	March 29, 2010	March 28, 2030
65.	An isometric angle mechanism for articulated bus canopy (一種客車鉸接棚用等角機構)	Invention	Our Company	Chinese mainland	ZL201010000025.3	January 4, 2010	January 3, 2030
66.	An articulated bus canopy (一種客車鉸接棚)	Invention	Our Company	Chinese mainland	ZL201010001302.2	January 4, 2010	January 3, 2030
67.	A wiring harness bracket for articulated bus canopy (一種客車鉸接棚用線束架)	Invention	Our Company	Chinese mainland	ZL201010000026.8	January 4, 2010	January 3, 2030
68.	Controllable damping shock absorbing hydraulic control system (可控阻尼減震液壓控制系統)	Invention	Our Company	Chinese mainland	ZL200910196796.1	September 29, 2009	September 28, 2029

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
69.	Hydraulic damper on the basis of an articulated system for safe turning of a vehicle and method of its implementation (ГИДРАВЛИЧЕСКИЙ АМОРТИЗАТОР НА ОСНОВЕ ШАРНИРНО-СОЧЛЕНЕННОЙ СИСТЕМЫ ДЛЯ ВЫПОЛНЕНИЯ БЕЗОПАСНОГО РАЗВОРОТА ТРАНСПОРТНОГО СРЕДСТВА И СПОСОБ ЕГО ВЫПОЛНЕНИЯ)	Invention	Our Company	Russian Federation	RU2017116896	November 14, 2014	November 14, 2034
70.	Articulated vehicle	Invention	Our Company	Belarus	BYa20170165	November 14, 2014	November 14, 2034
71.	Articulated chassis system of articulated vehicle (ШАРНИРНО-СОЧЛЕНЕННАЯ СИСТЕМА ШАССИ СОЧЛЕНЕННОГО ТРАНСПОРТНОГО СРЕДСТВА)	Invention	Our Company	Russian Federation	RU2017118345	November 5, 2014	November 5, 2034
72.	Hydraulic shock absorbing system for improvement of the forces balancing at the output (ГИДРАВЛИЧЕСКАЯ СИСТЕМА АМОРТИЗАЦИИ ДЛЯ ОСУЩЕСТВЛЕНИЯ БАЛАНСИРОВКИ СИЛ НА ВЫХОДЕ)	Invention	Our Company	Russian Federation	RU2017118322	October 30, 2014	October 30, 2034
73.	Articulated vehicle system and hydraulic shock absorber therefor (Сочленённая система транспортного средства и гидравлический амортизатор для неё)	Invention	Our Company	Belarus	BYa20170185	October 30, 2014	October 30, 2034
74.	Rotary damper type hydraulic buffer system	Invention	Our Company	European Patent Office	EP13883514	July 29, 2013	July 29, 2033

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
75.	Rotary damper type hydraulic buffer system (HYDRAULISCHES PUFFERSYSTEM VOM ROTATIONS-DÄMPFERTYP)	Invention	Our Company	Germany	DE602013040291	July 29, 2013	July 29, 2033
76.	Articulated chassis system of large articulated vehicle	Invention	Our Company	The United States	US13/700628	December 29, 2010	December 29, 2030
77.	Articulated chassis system of large articulated vehicle (SISTEMA DE CHASSI ARTICULADO DE VEÍCULO ARTICULADO GRANDE)	Invention	Our Company	Brazil	BR112012030617	December 29, 2010	December 29, 2030
78.	Rotary damper type hydraulic buffer system (Döner damper tipi hidrolik tampon sistemi.)	Invention	Our Company	Türkiye	TR201813688	July 29, 2013	July 29, 2033
79.	Four-bar linkage mechanism for a current collector (一種用於集電桿的四連桿機構)	Invention	Our Company	Chinese mainland	ZL201510481731.7	August 7, 2015	August 6, 2035
80.	An automatic reset mechanism for a current collector frame (一種用於集電架的自動復位機構)	Utility Model	Our Company	Chinese mainland	ZL201720119039.4	January 25, 2017	January 24, 2027
81.	Wiring control system and a current collector having the same (搭線控制系統及具有該系統的集電桿)	Utility Model	Our Company	Chinese mainland	ZL201720119036.0	January 25, 2017	January 24, 2027
82.	An energy management system for a trolleybus and a control method therefore (一種用於無軌電車的能源管理系統及控制方法)	Invention	Our Company	Chinese mainland	ZL201510489101.4	August 11, 2015	August 10, 2035
83.	An offline multi-channel IT circuit insulation detection system (一種離線多路IT電路絕緣檢測系統)	Utility Model	Our Company	Chinese mainland	ZL201720469854.3	April 24, 2017	April 23, 2027
84.	A waterproof and heat-dissipating integrated structure and a current collector (一種防水及散熱一體式結構及集電器)	Utility Model	Our Company	Chinese mainland	ZL201720469851.X	April 24, 2017	April 23, 2027

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
85. . .	A double-insulation modular DC-DC (一種雙絕緣模組化DC-DC)	Utility Model	Our Company	Chinese mainland	ZL201720472610.0	April 24, 2017	April 23, 2027
86. . .	DC-DC converter housing (DC-DC變換器殼體)	Design Patent	Our Company	Chinese mainland	ZL201730154054.8	April 24, 2017	April 23, 2027
87. . .	A lock rod mechanism (一種鎖桿機構)	Invention	Our Company	Chinese mainland	ZL201510755840.3	November 5, 2015	November 4, 2035
88. . .	Rainwater separator (雨水分離器)	Utility Model	Our Company	Chinese mainland	ZL201720469855.8	April 24, 2017	April 23, 2027
89. . .	A heat dissipation system for a DC-DC converter (一種用於DC-DC變換器的散熱系統)	Utility Model	Our Company	Chinese mainland	ZL201720469961.6	April 24, 2017	April 23, 2027
90. . .	A double-insulation isolated power supply system (一種雙絕緣隔離供電系統)	Utility Model	Our Company	Chinese mainland	ZL201720472706.7	April 24, 2017	April 23, 2027
91. . .	A cleaning system for an automatic capture system of a current collector frame (一種用於集電架自動捕捉系統的清潔系統)	Utility Model	Our Company	Chinese mainland	ZL201920502762.X	April 15, 2019	April 14, 2029
92. . .	A pantograph for a trolley-type mine car (一種用於架線式礦車的受電弓)	Utility Model	Our Company	Chinese mainland	ZL202022618848.4	November 13, 2020	November 12, 2030
93. . .	A waterproof and heat dissipation integrated structure and a current collector (一種防水及散熱一體式結構及集電器)	Invention	Our Company	Chinese mainland	ZL201710291939.1	April 24, 2017	April 23, 2037
94. . .	Rainwater separator (雨水分離器)	Invention	Our Company	Chinese mainland	ZL201710291991.7	April 24, 2017	April 23, 2037
95. . .	An automatic reset mechanism for a current collector frame (一種用於集電架的自動復位機構)	Invention	Our Company	Chinese mainland	ZL201710072268.X	January 25, 2017	January 24, 2037
96. . .	Wiring control system and a current collector having the same (搭線控制系統及具有該系統的集電桿)	Invention	Our Company	Chinese mainland	ZL201710072269.4	January 25, 2017	January 24, 2037
97. . .	Pantograph (受電弓)	Design Patent	Our Company	Chinese mainland	ZL202330735035.X	November 10, 2023	November 9, 2038
98. . .	A monitoring system and method for improving the insulation performance of an isolated dual-source trolleybus (一種提升隔離式雙源無軌電車絕緣性能的監測系統及方法)	Invention	Our Company	Chinese mainland	ZL202011264679.7	November 13, 2020	November 12, 2040

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent type	Patentee	Place of registration	Patent number	Application date	Expiry date
99.	A pantograph with a flexible connection device and an electric mining truck (一種帶柔性連接裝置的受電弓及電動礦用卡車)	Utility Model	Our Company	Chinese mainland	ZL202322326088.3	August 29, 2023	August 28, 2033
100.	An adjustable-length anti-rotation screw assembly (一種可調長度的防轉絲桿組件)	Utility Model	Our Company	Chinese mainland	ZL202323026349.6	November 9, 2023	November 8, 2033
101.	A drive module for extending the automatic capture function of a current collector frame (一種用於擴展集電架自動捕捉功能的驅動模塊)	Utility Model	Our Company	Chinese mainland	ZL202323026354.7	November 9, 2023	November 8, 2033
102.	A multi-link transmission mechanism for a current collector frame and a control method therefore (一種用於集電架的多連桿傳動機構及其控制方法)	Invention	Our Company	Chinese mainland	ZL202210344978.4	March 31, 2022	March 30, 2042
103.	A dual-source trolleybus branching system and branching method (一種雙源無軌電車分線系統及分線方法)	Invention	Our Company	Chinese mainland	ZL202310123972.9	February 16, 2023	February 15, 2043
104.	Hydraulic buffer based on articulation system for vehicle safe turning and method thereof (基於鉸接系統實現車輛安全回轉的液壓緩衝器及其方法)	Invention	Our Company	Chinese mainland	ZL201410624557.2	November 7, 2014	November 6, 2034

(c) Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business:

No.	Copyright	Owner	Place of registration	Registration number	Registration date
1.	The control software for the electric-hydraulic system of the JVS articulated system (referred to as: Electric-Hydraulic System Control Software) V1.0 (伊卡路斯鉸接系統的電控液壓系統控制軟件[簡稱：電控液壓系統控制軟件]V1.0)	Our Company	PRC	2017SR036858	February 9, 2017

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(d) Domain names

As of the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain name	Registered owner	Expiry date
1. . .	i-jvs.com	JVS Beijing	November 12, 2035

Save as disclosed above, as at the Latest Practicable Date, there were no other intellectual property rights which were material in relation to our Group’s business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests of our Directors and Chief Executive

Immediately following the completion of the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares, the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange, will be as follows:

(a) Interests in our Company

Name of Director or Chief Executive	Nature of Interest	Number and Description of Shares held upon completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares ⁽²⁾
Mr. Hao ⁽³⁾	Beneficial Owner Interest in controlled corporation	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of [REDACTED] H Shares in [REDACTED] immediately after the completion of the [REDACTED] (without taking into account the H Shares to may be [REDACTED] upon the exercise of the [REDACTED]) and the [REDACTED] of Unlisted Shares into H Shares.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (3) As of the Latest Practicable Date, Mr. Hao, our non-executive Director and the chairman of the Board, directly held 32,737,745 Shares, representing 71.06% of our total issued share capital. Additionally, Suzhou Kairen, a company owned as to 99.00% by Mr. Hao, directly held 1,119,962 Shares, representing 2.43% of our total issued capital as of the Latest Practicable Date. Under Part XV of the SFO, Mr. Hao is deemed to be interested in all the Shares held by Suzhou Kairen upon the [REDACTED].

2. Substantial Shareholders

(a) *Interests in our Company*

Save as disclosed in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), our Directors are not aware of any other person (other than a Director or chief executive of our Company) who 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 Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, 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.

(b) *Interests of substantial shareholders of other members of our Group*

Save as set out below, our Directors are not aware of any other person (other than our Directors or chief executive of our Company) 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:

<u>Our subsidiary</u>	<u>Registered capital</u>	<u>Name of substantial shareholder</u>	<u>Percentage of shareholding</u>
Yike Youneng ⁽¹⁾	RMB5,000,000	Mr. Niu Zhen (鈕震)	28.00%

Notes:

- (1) As of the Latest Practicable Date, Yike Youneng was 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.

3. Particulars of Directors’ Service Contracts and Appointment Letters

Each of our executive Directors has entered into a service contract with our Company and we have issued letters of appointment to our non-executive Director and each of our independent non-executive Directors. The service contracts with each of our executive Directors and the letters of appointment with our non-executive Director and each of our independent non-executive Directors are for an initial fixed term of three years. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

4. Remuneration of Directors and Supervisors

See “Directors, Supervisors and Senior Management” and note 8 to the Accountants’ Report in Appendix I to this document for the remuneration or benefits in kind paid to our Directors and Supervisors for each of the years ended December 31, 2023, 2024 and 2025.

During the Track Record Period, no fees were paid by our Group to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

5. Disclaimers

Save as disclosed in this Appendix and in sections headed “Business”, “Directors, Supervisors and Senior Management” and “Substantial Shareholders” in this document:

- (a) none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have taken 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 in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED] on the Stock Exchange;
- (b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, 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 other member of our Group;
- (c) none of our Directors, Supervisors nor any of the persons listed in “D. Other Information — 4. Qualifications and Consents of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors, Supervisors nor any of the persons listed in “D. Other Information — 4. Qualifications and Consents of Experts” below is materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group as a whole;
- (e) save in connection with [REDACTED], none of the persons listed in “D. Other Information — 4. Qualifications and Consents of Experts” below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (g) none of our Directors, Supervisors or their respective close associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers and five largest suppliers in each year during the Track Record Period.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty under PRC Law is likely to fall on our Company or our subsidiaries.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on our business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares to be [REDACTED] pursuant to the [REDACTED] and the H Shares to be [REDACTED] from the Unlisted Shares upon completion of the [REDACTED]. All necessary arrangements have been made to enable our H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive an aggregate fee of HK\$3,500,000 for acting as the sponsor for the [REDACTED].

4. Qualifications and Consents of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

Name	Qualification
Zhongtai International Capital Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Ernest & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Han Kun Law Offices	Legal advisor to our Company as to PRC Law
Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo)	Legal advisor to our Company as to International Sanctions laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and references to their names included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

5. Promoters

Information of our promoters as of the time of our Company’s conversion into a joint stock limited company on November 7, 2025 is as follows:

No.	Name
1. . .	Mr. Hao
2. . .	Linyi Zhengzhi
3. . .	Suzhou Dayi
4. . .	Suzhou Kairen
5. . .	Ms. Hao Yun
6. . .	Huang Juan
7. . .	Suzhou Oriental
8. . .	Wuxi Guojing
9. . .	Suzhou Yikai
10. .	Huafeng Group
11. .	Suzhou Yihe
12. .	Suzhou Qianrong Yingrun
13. .	Wenzhou Fund
14. .	Suzhou Qianrong Taizhen
15. .	Ruian Industrial Fund

Within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

7. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

8. Preliminary Expenses

We have not incurred any material preliminary expenses.

9. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

10. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

11. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

12. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document:

- (i) neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
- (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) save as in connection with the [REDACTED], no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;
- (iv) no commission has been paid or payable (except commission to [REDACTED]) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;
- (v) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued; and
- (vi) there is no arrangement under which future dividends are waived or agreed to be waived.

(b) our Directors confirm that:

- (i) since December 31, 2025 (being the date on which the latest audited consolidated financial statements of our Group were made up), there has been no material adverse change in our financial or trading position or prospects;
- (ii) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this document;

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

- (iii) our Company has no outstanding convertible debt securities or debentures; and
- (iv) there are no treasury shares held by our Company or our subsidiaries or through our agents or nominees.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV; and
- (b) the written consents referred to in the section headed “Statutory and General Information — D. Other Information — 4. Qualifications and Consents of Experts” in Appendix IV.

B. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of our Company at www.i-jvs.com and on the website of the Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Ernst & Young, the text of which is set out in Appendix I;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (d) the report prepared by Ernst & Young on the unaudited [REDACTED] financial information of our Group, the texts of which are set out in Appendix II;
- (e) the PRC legal opinions issued by Han Kun Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;
- (f) the legal memorandum issued by Ashurst Tokyo, our legal advisor as to International Sanctions laws;
- (g) the industry report issued by Frost & Sullivan referred to in “Industry Overview”;
- (h) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV;
- (i) the service contract and appointment letters referred to in “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 3. Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix IV;
- (j) the written consents referred to in “Statutory and General Information — D. Other Information — 4. Qualifications and Consents of Experts” in Appendix IV; and
- (k) the PRC Company Law, the Securities Law, and the Trial Measures, together with unofficial English translations thereof.