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OVERVIEW

We are a technology-driven provider of new energy heavy-duty trucks and intelligent road freight technologies, dedicated to advancing the road freight industry into zero-carbon, high-efficiency, and safe logistics through electrification and intelligentization technologies. We ranked the 9th in China’s new energy heavy-duty truck market by sales volume in 2025, according to CIC.

Currently, our primary business line and revenue source is the sale of new energy heavy-duty trucks, including DeepWay Xingchen and DeepWay Xingtū. In 2023, 2024 and 2025, we delivered 509, 3,002 and 8,020 new energy heavy-duty trucks, respectively, and generated revenues of approximately RMB425.2 million, RMB1,961.2 million and RMB3,928.7 million, accounting for 99.9%, 99.6% and 99.2% of our total revenue. We also generated revenue from sale of spare parts and began to commercialize Tianji Suixing and Tianji Yanxing, two of our intelligent road freight technologies, under annual or lifetime subscription model. As of December 31, 2025, we were the first and the only new energy heavy-duty truck company in the world to have realized such subscription revenue from intelligent road freight technologies, according to CIC. As of December 31, 2025, we were one of only two companies in China to commercialize L4 technology through new energy heavy-duty trucks, according to CIC.

The global road freight market is vast, reaching US\$3.9 trillion in 2025 and forming a vital component of the modern economy, according to CIC. However, the industry has long been constrained by three major pain points: high carbon emissions, high total cost of ownership (TCO), and safety risks. We focus on addressing these challenges through electrification and intelligentization technologies. We have chosen line-haul road freight, which accounts for over 50% of total road freight capacity, as the entry point for commercialization of our technologies, where high technological and capital barriers to entry reinforce the competitiveness of established participants.

We adopt a two-phase strategy to address these pain points and achieve our objectives. In the first phase, we provide new energy heavy-duty truck guided by our forward-engineering philosophy. The new energy heavy-duty trucks we provide are based on dedicated architecture rather than traditional fuel-powered vehicle platforms, which allows us to better integrate hardware, software and components for electrification and intelligent functions. According to CIC, our new energy heavy-duty trucks reduce TCO by 22.8% and 10.8% compared to traditional fuel-powered trucks and fuel-to-electric conversion trucks, respectively, highlighting their economic advantages in addition to reduction in carbon emissions. In the second phase, we aim to further enhance the overall efficiency of the road freight industry through intelligent operations and transport. We focus on continuously reducing maintenance and operating costs to address the industry’s long-standing challenge of high TCO, while leveraging increasingly developed intelligentization technologies to reduce human error and improve safety. Since May 2025, our self-developed Tianji Suixing system had been a standard feature in all trucks we deliver, and as of December 31, 2025, had been installed in more than 6,000 delivered trucks. Our Tianji Yanxing intelligent platooning transport system (IPTs) had completed core functional development and technical validation. Both of these intelligent road freight technologies had started to generate revenue for us as of the Latest Practicable Date.

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Industry Opportunities

The global road freight market has developed into a vast network underpinning the real economy, according to CIC. As a core component of modern logistics, its efficiency is critical to the stability of industrial and supply chains. However, the industry has long been constrained. For instance, China’s road freight market is challenged by the following pain points:

- High carbon emissions permeate the entire road freight value chain. Specifically, vehicle carbon emission accounts for 10% of China’s total carbon emissions, among which road freight is responsible for over 85% of such vehicle-related emissions, according to CIC, making it a key challenge in achieving the “dual carbon” goals in China;
- High TCO severely squeezes industry profit margins. Fuel costs account for 30–40% of total expenditure for road freight operators, and when combined with vehicle maintenance and labor expenses, average industry profit margins fall below 10%, according to CIC;
- While accounting for less than 10% of total vehicles on the road, freight vehicles are responsible for nearly 25% of road accidents in China.

In light of these challenges, new energy heavy-duty trucks offer greater economic and environmental benefits, while intelligentization technologies further optimize energy consumption, enhance safety and user experience, and reduce logistics costs. With ongoing improvements in TCO of new energy heavy-duty trucks, advances in battery and charging technologies, favorable environmental policies, and rising global demand, the industry is poised for a significant transition towards electrification and intelligentization.

Our Offerings

New Energy Heavy-duty Trucks. Since our inception, we have adhered to a forward-engineering philosophy, under which the new energy heavy-duty trucks are developed from the ground up to optimize electric powertrains, enhance safety, and facilitate the integration of intelligent systems, rather than adapting traditional fuel-powered truck platforms through fuel-to-electric conversion. Our key technologies and innovations include vehicle architecture, core components, and function and performance. This allows us to better coordinate vehicle structure, key components and software integration. We currently offer the DeepWay Xingchen and DeepWay Xingtuo, each covering different commercial transportation scenarios. The launch of DeepWay Xingtuo in 2025 further expanded our product mix and contributed a comparatively higher gross profit margin.

Spare Parts. We generate a small portion of revenue from the sale of spare parts. As our installed vehicle base expands, we expect our spare parts business to benefit from broader product coverage, growing aftermarket demand and recurring customer needs, and we plan to further strengthen this business through expanded distribution and enhanced after-sales support.

Intelligent Road Freight Technologies. We have developed a suite of intelligent road freight technologies compatible with our heavy-duty truck models, including Tianji Suixing, Tianji Yanxing, Tianji Duxing and DeepWay Tianshu. These technologies are designed to improve safety, efficiency and fleet operations. During the Track Record Period, we began generating a small portion of revenue in the form of annual or lifetime subscription fee from Tianji Suixing and Tianji Yanxing, while our other technology products remained at various stages of testing, validation or early commercialization. Over time, we expect intelligent road freight technologies to become an increasingly important part of our product and revenue mix, subject to specific business plans and future regulatory developments.

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Our Operating Results

During the Track Record Period, we achieved rapid growth with revenue primarily derived from the sale of new energy heavy-duty trucks. In 2023 and 2024, our revenue amounted to RMB425.6 million and RMB1,968.6 million, respectively, representing a year-on-year growth of 362.5% from 2023 to 2024. Our revenue further increased by 101.2% to RMB3,961.1 million for the year 2025. In 2023, 2024 and 2025, we delivered 509, 3,002, and 8,020 new energy heavy-duty trucks, respectively. As of December 31, 2025, we had delivered to 539 customers, with 34, 186, and 319 newly added customers in 2023, 2024, and 2025, respectively, demonstrating rapid customer base expansion. Starting in late 2025, we also generated revenue from Tianji Suixing and Tianji Yanxing, two of our intelligent road freight technologies, under annual or lifetime subscription model.

OUR COMPETITIVE STRENGTHS

A Major Player with Proven Large-scale Deliveries

According to CIC, we rank 9th in China’s new energy heavy-duty truck market in terms of sales volume in 2025, capturing a 3.4% market share in this highly fragmented sector. Since our inception, we have adhered to a forward-engineering philosophy by which new energy heavy-duty trucks are developed from the ground up to optimize electric powertrains, enhance safety, and facilitate the integration of intelligent systems, rather than adapting traditional fuel-powered truck platforms through fuel-to-electric conversion. According to CIC, we ranked the 1st among the market participants adopting the forward-engineering approach globally in terms of sales volume in 2025. The heavy-duty trucks we deliver offer a maximum range of 660 km, which is among the longest-range mass-delivered new energy heavy-duty truck models in the market, according to CIC. As of December 31, 2025, we were one of only two new energy heavy-duty truck companies in China operating an L4 driverless fleet of new energy heavy-duty trucks, according to CIC.

Our products have gained strong customer recognition for their reliable performance. In 2023, 2024 and 2025, we had cumulatively delivered over 11,000 units of new energy heavy-duty trucks, demonstrating clear market validation of our product competitiveness. By achieving scaled sales and mass deliveries ahead of peers, we are able to continuously collect customer feedback, optimize product performance, iterate and continuously improve our intelligentization technologies, and enhance reliability through real-world operations.

Strong In-house Capabilities in Core Electrification Technologies

We are committed to independently developing core electrification technologies, key components, and critical subsystems for heavy-duty trucks, thereby building long-term competitive barriers. We have achieved full-stack in-house development of the core three-electric systems of new energy heavy-duty trucks, which have already been applied to our latest models. In addition, we have commenced phased construction of our Changxing Three-Electric Smart Factory in Huzhou. The Changxing Three-Electric Smart Factory is designed to support in-house production of battery systems, electric drive systems and power domain controllers. By March 31, 2026, Changxing Three-Electric Smart Factory had commenced mass production of key three-electric components in the completed phase I construction. Upon the expected completion of phase II construction after 2027, this facility is expected to produce sufficient three-electric components to support approximately 50,000 vehicles per year at full utilization.

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Our self-developed battery packs adopt an integrated single-box design, reducing the number and types of peripheral components compared with standard battery pack systems, thereby lowering costs and improving efficiency. The design integrates the housing with the load-bearing structure, achieving an energy density of 153 Wh/kg and reducing weight by more than 200 kg compared to products with equivalent capacity. Our self-developed battery management system enables precise monitoring and control of battery status and maintains optimal operating temperature through accurate thermal management. Our energy recovery management system leverages full-range deep learning training to maximize recovery potential, improving recovery power by 20%. Our dual-motor distributed and single-motor four-speed electric drive axles deliver high power, high voltage, and low energy consumption. Among them, the DW130S axle is the most highly integrated new-generation heavy-duty truck drive axle in China with third-generation technological features, according to CIC. Our high-voltage integrated controller and low-voltage controller further reduce weight and improve efficiency through system integration.

Through in-house development of the core three-electric systems under a forward-engineering philosophy, we are better positioned to meet market demands for electrification and intelligentization, enhance the economics, safety, and driving adaptability of our products, and achieve technology-driven cost reduction, thereby continuously improving margins. In addition, we are able to reduce reliance on external suppliers, simplify our supply chain, and lower costs, with our scale advantages expected to grow as our business expands. By maintaining independent control of core technologies, we are also able to respond to market demands more effectively and swiftly, enabling rapid product iteration and upgrades through innovation and agile development, thereby sustaining our influence in industry innovation and reinforcing our technological moat.

Intelligentization Technologies Tailored to the Road Freight Industry

By concentrating on intelligent transport and intelligent operations, we empower the road freight industry through continuous technological innovation. From inception, our forward-engineered new energy heavy-duty trucks were designed based on the full range of intelligent road freight scenarios, enabling deep compatibility with intelligent operations and intelligent driving requirements at the hardware level. This forward-looking approach has laid a solid foundation for the large-scale implementation of our products and given us a distinctive competitive edge in the industry.

We have developed a full suite of intelligent road freight technologies designed to address specific logistics scenarios, with strong applicability and practical value. Our self-developed Tianji driving matrix covers the full spectrum of assisted driving, platooning, and fully driverless autonomous driving, meeting diverse needs of heavy-duty truck logistics. Since May 2025, our Tianji Suixing system had become standard configuration across all of our latest models. As of December 31, 2025, we had accumulated a scenario library of over 7,000 cases and more than four million kilometers of simulation and road testing, with our products certified under ISO21448 safety standards. Our platooning transport system enables a “lead vehicle with driver + driverless following vehicles” model. Our platooning fleet has already commenced on-road operations on approved routes and within applicable regulatory parameters, reducing labor costs and, when integrated with our telematics platform, forming a closed-loop solution that optimizes efficiency across the transport process.

DeepWay Tianshu, our fully self-developed intelligent operations system, demonstrates significant advantages over traditional solutions. Centered on dynamic closed-loop safety management, refined cost control, enhanced operational efficiency, cross-platform interaction, and ecosystem openness, it comprehensively addresses differentiated customer needs. The platform establishes a dynamic safety loop of “detection–alert–evidence–response,” integrating mapping and real-time video for traceable risk

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management, far beyond traditional single-alarm or GPS tracking. For cost control, it conducts 3D analysis of environment, driver behavior, and vehicle conditions, combined with geo-fencing and remote control capabilities to actively optimize charging strategies, offering far greater efficiency than traditional one-dimensional statistics and manual management. On operational efficiency, the platform leverages intelligent assistance function to provide multi-turn analytical insights and optimization recommendations, transforming fleet management from passive monitoring to proactive optimization. Furthermore, the platform spans PC, mobile, and in-vehicle systems, ensuring real-time data connectivity and cross-platform collaboration, while supporting third-party product integration to meet customization needs, thereby overcoming the fragmentation and closed nature of traditional solutions.

Our intelligent transport and intelligent operations systems are highly aligned with the upgrading needs of the road freight industry, giving our intelligent solutions strong practical value and market competitiveness, and providing robust support for the development of the intelligent road freight sector.

Products Effectively Addressing Industry Pain Points

Through our outstanding product competitiveness, we address the road freight industry’s pain points with precision across three dimensions — decarbonization, economics, and safety — creating differentiated competitive advantages that distinguish us in the market.

In terms of decarbonization, our new energy heavy-duty trucks achieve significant emission reduction through full-cycle low-carbon design. They produce zero tailpipe emissions during operation. This provides core support for road freight enterprises to achieve their “dual carbon” goals and aligns with the global logistics industry’s transition toward sustainability.

In terms of economics, our products demonstrate cost efficiency throughout their entire lifecycle. The integration of battery and chassis increases cargo space and enhances transport revenue, while the innovative exterior design delivers one of the lowest drag coefficients among mass-delivered trucks globally, according to CIC. Higher battery energy density, lightweight design, and lower center of gravity improve driving stability and the synergy of our three-electric systems significantly enhances energy efficiency. According to CIC, over a five-year assumed lifecycle, our heavy-duty trucks reduce costs by 22.8% compared with fuel-powered trucks and by 10.8% compared with fuel-to-electric conversions, establishing meaningful economic advantages across the full product lifecycle.

In terms of safety, compared with fuel-to-electric conversions, our products deliver comprehensive enhancements and, through the integration of intelligent transport and intelligent operations, establish a holistic, scenario-based safety assurance system. On the transport side, our Tianji Suixing system senses the environment in real time, avoiding risks with functions such as forward collision warning and automatic emergency braking, while intelligent cruise assist and intelligent platoon control mitigate driver fatigue and reduce human error. The Tianji Yanxing platooning system enables synchronized obstacle avoidance through vehicle-to-vehicle coordination, and the Tianji Duxing intelligent driving system further enhances safety through multi-sensor fusion and precise decision-making. On the operations side, the DeepWay Tianshu telematics platform provides real-time safety management: when the driver monitoring system detects fatigue, alerts are immediately triggered and synchronized to the cloud for administrator intervention. This dual-layer safeguard of “intelligent transport risk prevention + intelligent operations monitoring” significantly enhances truck safety, lowering accident rates by more than 60% compared with traditional operations, and provides a systematic solution for road freight safety.

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Road Freight Service Ecosystem Creating Synergistic Value

We have established a comprehensive road freight service ecosystem covering telematics management and energy replenishment to provide one-stop solutions for customers and create a network effect that is difficult to replicate. Users can integrate their own management systems into the vehicle’s central control unit, which, under secure conditions, enables vehicle control capabilities and improves operational efficiency through seamless data interconnection. Our open fleet management interfaces allow users to extend vehicle operation and management functions within their existing systems. On the energy supply fronts, we integrate ecosystem resources to address customers’ practical needs. For energy replenishment, we collaborate with charging and swapping network operators to build a coverage network for line-haul logistics, supported by the charging management module of our DeepWay fleet management platform, which optimizes charging costs through geo-fencing and route planning, effectively alleviating customers’ range anxiety in new energy trucks.

Experienced Management Team Supported by Strong Strategic Shareholders

Our visionary founding team, known for strong execution capabilities, has deep expertise in the commercial vehicle and technology industries. Our founder, Mr. Wan Jun, has nearly 20 years of management and entrepreneurial experience in the commercial vehicle sector, with sharp business insights into the electrification and intelligentization trends of the sector. We also have a diversified management team comprising seasoned experts from globally renowned technology and heavy-duty truck companies such as Baidu, FAW Jiefang, and SANY. Working closely together, our team drives the effective execution of our development strategies. Throughout our growth journey, we have received multiple rounds of strategic investment from shareholders such as Baidu and Weiqiao, and achieved significant synergies in areas such as intelligent technologies. Baidu, our shareholder, is an AI company with strong internet foundations and launched its autonomous driving project in 2013, with us being its sole commercial vehicle platform in the autonomous driving ecosystem. Weiqiao Group, a conglomerate spanning textiles, home furnishings, thermal power, and aluminum, not only supplies us with key aluminum materials for vehicle bodies but also provides extensive industrial application scenarios for our business operations.

OUR STRATEGIES

Advancing In-house Development and Production of Core Components

We will continue to strengthen our in-house research, development, and production capabilities for core electrification technologies, focusing on innovations in batteries, electric drive axles, and charging/swapping systems. For example, we aim to enhance the power output and energy efficiency of electric drive axles, significantly improving energy utilization for heavy-duty trucks, thereby delivering greater efficiency and economic value to customers and reinforcing product competitiveness. We commenced the operation of two temporary production lines at leased properties in April and June 2025, including a battery system line in Changzhou and an electric drive axle line in Nanjing, marking an important step toward vertical integration of our supply chain. We have also commenced construction of our Changxing Three-Electric Smart Factory in Huzhou, which we expect to further support the scaling-up of our self-developed three-electric systems, enhance production efficiency and product consistency, and strengthen supply chain resilience. See “Future Plans and Use of [REDACTED].” At the same time, we will deepen integration across the value chain to strengthen commercialization. Upstream, we will strengthen collaboration with vehicle customization partners and suppliers to ensure a stable and efficient supply chain, enabling rapid mass deliveries while expanding

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our partner base to improve delivery quality and reduce costs. Downstream, we will empower strategic partners with technologies, broaden customer application scenarios, and accelerate the commercialization of our technological achievements.

Accelerating Intelligent Technology R&D

We believe that intelligent technologies will drive the road freight industry, and we are committed to long-term investment in this area. In intelligent driving, we are rapidly accumulating data and achieving closed-loop algorithm iterations. We leverage data to optimize algorithms, continue advancing fully driverless technologies, and promote the development of RoboTruck and large-scale application of Tianji Yanxing subject to applicable regulatory requirements, approval progress and commercialization readiness. RoboTruck is our fully autonomous heavy-duty truck supported by Tianji Duxing. It is currently at the testing and validation stage and has not yet been commercialized. We also plan to further upgrade our assisted driving systems and related software specifically designed for heavy-duty truck logistics, and to continue our research, development, testing and verification of assisted driving, intelligent platooning, autonomous driving and related supporting infrastructure. See “Future Plans and Use of [REDACTED].” In intelligent operations, we focus on upgrading DeepWay Tianshu, enhancing safety systems through iterative upgrades to the DeepWay Zaitu risk monitoring module to enable real-time management of fleets. We are also optimizing energy management models with enhanced charging strategies for different vehicle models.

Enhancing Domestic Sales Coverage and Expanding Global Presence

In the domestic market, we plan to deepen sales coverage through a direct sales model, focusing on key logistics scenarios and major customers to further increase our market share. Globally, we aim to strengthen our market penetration in core regions such as Asia-Pacific, Australia, New Zealand, and the Middle East, while accelerating our expansion into other countries and regions. We will establish stable distribution channels and adopt customized cooperation models to fit local market needs, driving timely implementation of partnerships and gradually building brand influence. We also plan to strengthen our sales and after-sales service capabilities, including the expansion of domestic sales coverage, development of overseas sales and technical teams, enhancement of regional service capabilities, and improvement of customer responsiveness through service systems and after-sales support infrastructure. See “Future Plans and Use of [REDACTED].” Furthermore, aligned with global trends in intelligentization, we will progressively introduce intelligent driving and intelligent operations systems into overseas markets, integrating them with local logistics systems to build a global road freight ecosystem and position ourselves as an international provider of new energy heavy-duty trucks and intelligent road freight technologies.

Continuously Expanding Our Product Portfolio to Drive Business Growth

We will continue to focus on product iteration and technological upgrades as our core drivers of business growth, enabling us to respond effectively to evolving market demand in the road freight industry. We plan to develop more adaptable products and systems to enrich our portfolio, including standard long-range models for mid-to-long-haul transport and extended-range flagship models for ultra-long-distance routes. We will also offer standard and premium customized models across different pricing tiers to meet diverse customer requirements. We also plan to support customized solutions and certification for international markets. See “Future Plans and Use of [REDACTED].” Through continuous product and solution enhancements, we aim to expand our customer base, scale our operations, and strengthen our market position in the road freight sector.

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Expanding Our Ecosystem to Provide Comprehensive One-stop Solutions

We will continue to cultivate and expand partnerships across the value chain, attracting more high-quality partners in areas such as charging and swapping infrastructure, heavy-duty truck maintenance, battery leasing, and financial services to join our ecosystem. By continuously improving our products, we aim to meet customers’ comprehensive needs across all usage scenarios for heavy-duty trucks. We believe this will not only enhance user satisfaction and strengthen our market competitiveness but also create new revenue opportunities for our business.

OUR OFFERINGS

During the Track Record Period, we generated substantially all of revenues from the sale of new energy heavy-duty trucks. To a lesser extent, we derived revenues from (i) the sale of spare parts during the Track Record Period and (ii) offering Tianji Suixing and Tianji Yanxing, two of intelligent road freight technologies, under our other revenues since 2025. The following table sets forth a breakdown of our revenue, in absolute amounts and as percentages of revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sale of new energy heavy-duty trucks	425,196	99.9	1,961,182	99.6	3,927,491	99.2
Sale of spare parts	444	0.1	7,380	0.4	32,358	0.8
Others	—	—	—	—	1,257	0.0
Total	425,640	100.0	1,968,562	100.0	3,961,106	100.0

The following table sets forth the by-region breakdown of our revenue from sales of new energy heavy-duty trucks for the periods indicated. During the Track Record Period, revenue from China increased significantly across major regions, with East China remaining the primary contributor and other regions also recording substantial growth. Overseas revenue commenced in 2024 and further increased in 2025, indicating initial progress in international market expansion, although overseas contribution remained relatively small compared to the domestic market during the Track Record Period. In 2024 and 2025, we had delivered two and seven new energy heavy-duty trucks in overseas markets.

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB (in million)	RMB
China			
East China	27.0	85.8	2,472.0
North China	6.1	32.6	552.8
Northwest China	4.2	24.1	398.7
Southwest China	3.3	25.6	260.1
Central South China	1.8	27.7	237.9
Northeast China	0.1	—	—
Overseas⁽¹⁾	—	0.2	6.0
Total	42.5	196.0	3,927.5

Note:

- (1) In 2024 and 2025, our overseas markets included UAE, Australia, New Zealand, Thailand, Singapore and Malaysia, respectively.

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The following table sets forth the breakdown of revenue, sales volume, gross profit, gross profit margin and average selling price in relation to our new energy heavy-duty trucks and spare parts for the periods indicated. With respect to our intelligent road freight technologies, for Tianji Suixing, by 2025, (i) over 6,000 units of vehicles equipped with Tianji Suixing had been delivered, covering over 300 end-customers, (ii) there were 35 vehicles sold under the lifetime buyout model, and (iii) there were 224 vehicles for which customers enrolled in post-sale annual subscription model. For Tianji Yanxing, in 2025, we completed the delivery of 10 vehicles equipped with Tianji Yanxing and completed road testing for Tianji Yanxing covering approximately 703,000 kilometers of testing mileage under controlled and designated operating conditions.

	For the years ended December 31,		
	2023	2024	2025
New Energy Heavy-duty Trucks			
DeepWay Xingtu ⁽¹⁾			
Revenue (RMB million)	/	/	1,747.3
Sales Volume (units)	/	/	3,985
Gross Profit (RMB million)	/	/	164.6
Gross Profit Margin (%)	/	/	9.4
Average Selling Price (RMB thousand)	/	/	439
DeepWay Xingchen			
Revenue (RMB million)	425.2	1,961.2	2,180.2
Sales Volume (units)	509	3,002	4,035
Gross Profit (RMB million)	1.7	7.2	21.4
Gross Profit Margin (%)	0.4	0.4	1.0
Average Selling Price (RMB thousand)	835	653	540
Spare Parts			
Revenue (RMB million)	0.4	7.4	32.4
Sales Volume (units) ⁽²⁾	/	/	/
Gross Profit (RMB million)	0.2	2.6	7.7
Gross Profit Margin (%)	38.1	35.5	23.7

Notes:

- (1) The key metrics for DeepWay Xingtu are only available after its launching in 2025.
- (2) Spare parts do not have a meaningful sales volume metric as they comprise a broad range of components with different specifications, pricing and usage scenarios, and are typically sold on a demand-driven and non-standardized basis.

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The above key metrics indicated an overall increasing trend. The introduction of DeepWay Xingtu in 2025 expanded the product mix and recorded a comparatively higher gross profit margin. The significant increase in revenue from DeepWay Xingchen during the Track Record Period was primarily driven by substantial growth in delivery volume following production ramp-up. We experienced a decrease in average selling price during the Track Record Period for Deepway Xingchen, which, according to CIC, was due to (i) reductions in battery-related costs following the decline in lithium carbonate prices, (ii) cost optimization as we enhanced self-development of core three-electric components, and (iii) market competition. Spare parts revenue increased materially in line with the expanding installed base, while margin fluctuations were mainly attributable to pricing adjustments and broader product coverage. In addition, R&D expenses as a percentage of revenue decreased from 82.7% in 2023 to 18.5% in 2024 and further to 9.8% in 2025, primarily because our revenue increased significantly following commercialization and production ramp-up, while our R&D expenses remained relatively stable.

New Energy Heavy-duty Trucks

Our new energy heavy-duty trucks include DeepWay Xingtu and DeepWay Xingchen (including DeepWay Xingchen I and DeepWay Xingchen II). During the Track Record Period, we delivered 509, 3,002 and 8,020 new energy heavy-duty trucks, respectively, the majority of which were DeepWay Xingchen models. The sales of DeepWay Xingtu models commenced in May 2025 and 3,985 units of this model were delivered by December 31, 2025. Our new energy heavy-duty truck comprise multiple versions, each tailored to different commercial transportation scenarios. We undertake product development to enhance market adaptability and meet diverse operational requirements across logistics applications. To address the specific needs of overseas markets, we have localized and upgraded the new energy heavy-duty trucks for international deployment. In particular, according to CIC, we are the first company in China to develop the right-hand-drive new energy heavy-duty trucks for international markets. We have commenced overseas sales of our right-hand-drive models.

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The following table sets forth the specifications of our latest new energy heavy-duty truck models. During the Track Record Period, the suggested retail price of our new energy heavy-duty trucks in China typically ranged between approximately RMB450 thousand to RMB550 thousand for DeepWay Xintu series, and RMB500 thousand to RMB650 thousand for DeepWay Xingchen, respectively (including VAT tax).

				
Product	DeepWay Xintu		DeepWay Xingchen	
Launch time	May 2025		May 2025 (Xingchen II); June 2023 (Xingchen I)	
Product positioning	Medium-short haul (100–300km), short haul (0–100km)		Medium haul trunk (300–500km) and feeder routes (>500km)	
Vehicle category	Tractor		Tractor	
Target markets	Bulk, port, muck, stirring		Courier, express delivery, cold chain logistics, general cargo	
Drive types	6-wheel drive type (including 4 drive wheels and 2 steering wheels)		6-wheel drive type (including 4 drive wheels and 2 steering wheels) or 4-wheel drive type (including 2 drive wheels and 2 steering wheels)	
Battery level	404 kWh/505 kWh charging	513 kWh charging and swapping integrated	466 kWh/505 kWh/ 600 kWh charging	513 kWh charging and swapping integrated
Battery provider	Changzhou Chuangpan	CATL	CATL/Changzhou Chuangpan	CATL
Voltage platform ⁽¹⁾	600V/800V	600V	600V/800V	600V
Energy replenishment efficiency ⁽¹⁾	0.5C/1C fast charging	6min-swapping	0.5C/1C fast charging	6min-swapping
Maximum speed	89km/h		120km/h	
Maximum power ⁽²⁾	540 kW@600V, 600kW@800V		540kW@600V, 600kW@800V	
Assisted driving system	Compatible with all of our intelligent road freight technologies			
Alternative versions	Southwest Version, Cold Region Version		Southwest Version, Cold Region Version, Express Version, Port Version, International Version (left-hand drive/ right-hand drive)	

Notes:

- (1) The voltage platform and charging efficiency are related to the vehicle's battery capacity and must be determined based on the actual vehicle configuration. The data here reflects the status of our major models.
- (2) The maximum power is related to the electric drive axle model. The data here reflects the maximum power of the electric drive axle equipped with our major models.

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We provide new energy heavy-duty trucks with different drive configurations, primarily including “6×4” and “4×2” drive types. The “4×2” drive type refers to a two-axle configuration with one drive axle (i.e., two drive wheels), typically consisting of a front steering axle and a rear drive axle, and is generally suited for lighter-load and shorter-distance transportation scenarios. The “6×4” drive type refers to a three-axle configuration with two drive axles (i.e., four drive wheels), typically consisting of a front steering axle and two rear drive axles, providing stronger traction and load-bearing capacity and is generally used for heavy-duty and long-haul transportation. During the Track Record Period, our sales were primarily driven by 6×4 models, which accounted for 500, 2,874 and 7,677 units in 2023, 2024 and 2025, respectively, while 4×2 models accounted for 9, 128 and 343 units for the same periods. This reflects the prevailing demand for heavy-duty and long-distance freight applications.

In terms of driving range, based on vehicles operating under typical conditions with full load, the estimated driving range under full battery capacity varies depending on battery configuration. Specifically, vehicles equipped with a 404 kWh battery can achieve a driving range of approximately 280 km, those equipped with 505/513 kWh batteries can achieve approximately 350 km, and those equipped with a 600 kWh battery can achieve approximately 420 km.

The key innovations of our new energy heavy-duty truck include:

- **Vehicle Architecture.** Our full-stack electronic and electrical architecture enables high-speed communication, highly integrated components, improved control efficiency, simplified system structure, and reduced cost and failure rates. These trucks’ aerodynamic low-drag body design, featuring a streamlined cab, smooth side lines, and a tapered rear, reduces resistance, lowers energy consumption, and extends range. These trucks’ integrated chassis and bottom-swapping battery solution increases goods volume utilization by 9.6% compared to fuel-to-electric conversions, enables six-minute battery swapping, and reduces manufacturing and maintenance costs. These trucks’ distributed-drive powertrain solution, incorporating high-efficiency distributed electric drive axles and multi-speed integrated electronic control, increases energy conversion efficiency by 14%.
- **Core Components.** We continue to invest in the independent R&D of battery packs, electric drive axles, and controllers. Our battery packs are designed for ease of manufacturing and maintenance, and allow rapid identification and replacement of faulty modules, thereby improving repair efficiency and extending overall service life. These battery packs have an energy density of 153 Wh/kg, with a 90.6% energy retention rate after 10 hours of static storage at -30°C. Our battery management system, tailored for complex truck applications, provides high-precision monitoring, supported by algorithms for accurate analysis and thermal management to maintain optimal battery performance. We developed the industry’s first dual-motor two-speed and single-motor four-speed electric drive axles, according to CIC, integrating flat-wire motors and high-voltage SiC controllers to deliver breakthroughs in power, torque, speed, and load capacity. Our in-house power domain integrated controller consolidates traditionally distributed high-voltage components into one, saving space, reducing weight by about 40%, lowering costs by about 30%, and has already entered mass production. To enhance our in-house production, we have commenced construction of our Changxing Three-Electric Smart Factory in Huzhou, which, upon full ramp-up, is expected to produce sufficient three-electric components to support approximately 50,000 vehicles per year.

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- **Function and Performance.** We have implemented a series of performance optimization measures in vehicle design. For lightweighting, (i) more than 60% of the vehicle body is made of high-strength steel, which offers superior strength while reducing overall weight; (ii) key structural components such as the battery frame, door panels, engine hood, and mounting brackets are made of high-performance aluminum alloys to further lower vehicle mass; and (iii) the interior extensively adopts lightweight composite materials to improve performance and energy efficiency. In addition, according to CIC, we developed China’s first hydrogen-electric co-platform architecture, which features a chassis compatible with fuel cell systems and an electrical architecture that supports both battery-electric and hydrogen-electric powertrains, providing an efficient, flexible, and future-ready vehicle solution. Our cockpit provides spacious driving and living areas, enriched with voice and entertainment systems, and adopts an architecture to support both and third-party application development, enabling a reduced TCO along with efficient and user-friendly experience.

Spare Parts

We generated a small portion of revenue from the sales of spare parts. Going forward, we plan to expand spare parts business by broadening the product range, enhancing aftermarket services, and optimizing the supply chain for quicker and more cost-effective deliveries. We will also focus on expanding our distribution network, both domestically and internationally, and educate customers on the value of original spare parts to increase customer loyalty and drive recurring revenue.

Intelligent Road Freight Technologies

We have developed a suite of intelligent road freight technologies compatible with all heavy-duty truck models under our own brand. These technologies are developed based on standardized electronic and control architectures, enabling integration across our product lineup. Subject to technical compatibility, market demand and commercial arrangements, our intelligent road freight technologies may also be deployed on trucks of other brands, although we had not done so as of the Latest Practicable Date.

Since 2025, we have generated a small portion of revenue for offering Tianji Suixing and Tianji Yanxing, while our other intelligent road freight technologies have yet to reach commercialization. Collectively, we generated approximately RMB1.3 million in revenue for Tianji Suixing and Tianji Yanxing in 2025. Tianji Suixing and Tianji Yanxing are offered under annual or lifetime subscription model, where customers can make one-off payment for the use of the entire functions or pay recurring annual fees to access the relevant functions during the year. We plan to commercialize intelligent road freight technologies while expanding business scales and ecosystem maturity, with the further commercialization timetable of higher-level intelligent road freight technologies, including Tianji Yanxing and Tianji Duxing subject to specific business plans and regulatory developments. See “Risk Factors — Risks related to Our Business and Our Industry — Changes in PRC regulations, regulatory policies or approval practices relating to intelligent connected vehicles and autonomous-driving technologies may affect the development and commercialization of our intelligent road freight technologies.”

Tianji Suixing. Tianji Suixing offers functions such as forward collision warning, lane departure warning, automatic emergency braking, adaptive cruise control, intelligent queuing control and intelligent energy-saving reminders. Tianji Suixing system integrates with our new energy heavy-duty trucks to enhance safety, efficiency, and comfort.

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Since May 2025, Tianji Suixing has been a standard feature in DeepWay Xingchen II and DeepWay Xingtu. By 2025, (i) over 6,000 units of vehicles equipped with Tianji Suixing had been delivered, covering over 300 end-customers, (ii) there were 35 vehicles sold under the lifetime buyout model, and (iii) there were 224 vehicles for which customers enrolled in the post-sale annual subscription model.

Going forward, we plan to develop the third generation of Tianji Suixing to enhance vehicle perception capabilities and introduce additional safety features such as blind spot assistance and emergency lane keeping. The system will further improve operational efficiency and safety, making it suitable for more complex scenarios.

Tianji Yanxing. Our self-developed Intelligent Platooning Transport System (IPTs), Tianji Yanxing, operates with a lead vehicle driven by a human driver, while the following vehicles are autonomously controlled through coordinated platooning technology. It is designed for large-scale bulk transport on fixed routes such as ports, mines, and highways. In 2025, we completed the delivery of 10 vehicles equipped with Tianji Yanxing and completed road testing for Tianji Yanxing covering approximately 703,000 kilometers of testing mileage under controlled and designated operating conditions. In particular, we have made further progress in pilot deployment and commercialization of Tianji Yanxing. In Inner Mongolia, we have obtained regulatory approval for designated testing and pilot routes between Bayannur and Wuhai, allowing us to conduct road testing, demonstration applications and commercial pilot operations on the approved routes and within applicable regulatory parameters. We have also entered into transport service agreements with local customers, which contemplates the deployment of commercial vehicles and additional testing vehicles within 2026.

From 2026 onward, we plan to advance Tianji Yanxing from permit applications, pilot testing and demonstration operations toward broader regional deployment and next-generation development, subject to regulatory developments and market conditions. Beginning in 2026, we expect to increase R&D investment in autonomous driving technologies. Subject to regulatory developments, we plan to scale Tianji Yanxing deployment and initiate development of the second-generation Tianji Yanxing for more complex operational environments in the near term, the specific progress of which are subject to specific business plans and regulatory developments.

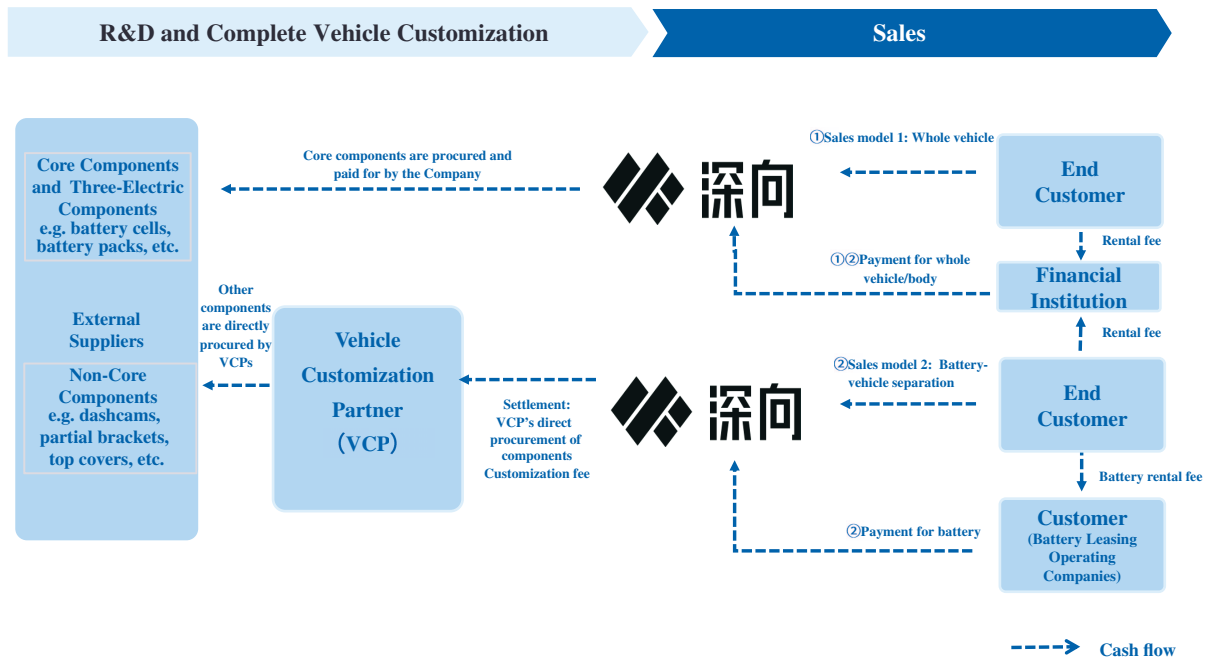
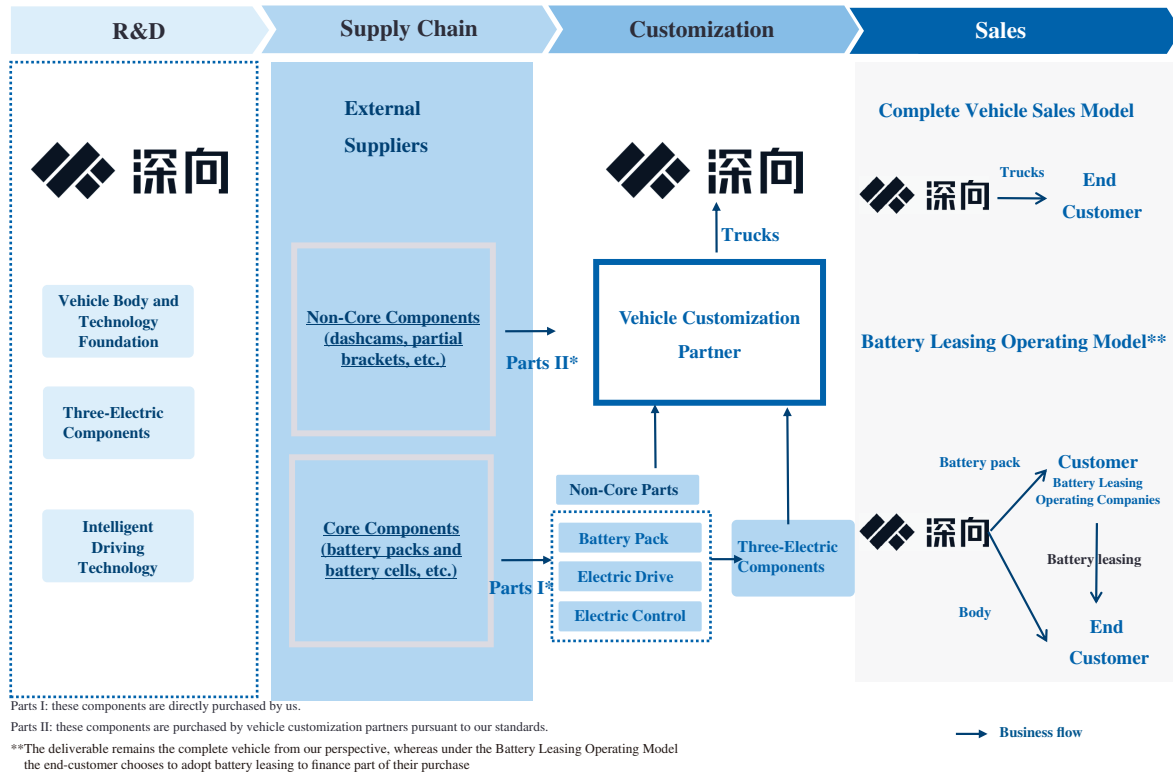
Tianji Duxing and DeepWay Tianshu. Tianji Duxing and DeepWay Tianshu have yet to reach commercialization, as both technologies remain at an early stage of development with their large-scale commercialization subject to substantial technological, regulatory and market uncertainties. Our single-vehicle driving system, Tianji Duxing is under continuous testing and has already received permits for use in Beijing, Tianjin, and Hefei. Routine testing is conducted on the Beijing — Tianjin — Tanggu Expressway and urban roads in Hefei. In 2023, Tianji Duxing won the “Outstanding Solution of the Year” award at the National Intelligent Driving Competition. The system will be integrated with our DeepWay Tianshu telematics platform, enabling real-time monitoring of vehicle status, goods, and transport routes, creating a comprehensive and intelligent transport solution. We plan to accelerate the large-scale commercialization of Tianji Duxing only after the applicable regulatory conditions and technology validation are sufficiently mature.

DeepWay Tianshu is our fully self-developed operations system, designed as a comprehensive solution for managing the commercial operations of our new energy heavy-duty trucks. Built on IoT and big data technologies, DeepWay Tianshu integrates a telematics system for multi-dimensional vehicle control and large-scale data processing. The system features a cockpit tailored for the logistics industry and a fleet management platform with assistance functions.

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ECOSYSTEM

We collaborate with ecosystem partners across four key categories, namely (i) vehicle customization, (ii) core components, (iii) service network and (iv) customer financing, which collectively support product development, vehicle customization, sales and delivery. The following flowcharts demonstrate the transaction and fund flows among, and the different roles of, the stakeholders along the ecosystem value chain.



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Vehicle customization partners. We engage qualified vehicle customization partners, including JAC Motors and Shandong Reach, with the requisite licenses for heavy-duty vehicles and established production infrastructure. These partners are responsible for final vehicle assembly based on our design specifications, technical standards and production requirements. Our value-add is to maintain full control over vehicle engineering, system architecture and key integration parameters, and provide core modules, engineering specifications and on-site technical support to ensure consistency in quality and performance. We are responsible for the purchase and selection of core components, including key three-electric components, and determine the technical interfaces, while vehicle customization partners carry out assembly based on such specifications. The transaction flow involves our engagement of vehicle customization partners for assembly services, while the fund flow primarily comprises payments made by us to such partners. In 2023, 2024 and 2025, we worked with one, one and two vehicle customization partners, respectively, and the fees paid to them, including customization and assembly service fees, as well as the costs of certain non-core components and raw materials procured by such partners in connection with the vehicle assembly, amounted to RMB352.6 million, RMB589.5 million and RMB213.4 million, respectively.

Core component partners. We collaborate with core component suppliers with established industry experience and technical capabilities, primarily including suppliers of battery systems, electric drive systems and other key automotive components. These supplier, such as Supplier B, C, D, E, F and H in our five largest suppliers, generally manufacture components based on our technical specifications and interface requirements. Prior to the commencement of in-house production of our three-electric components in 2025, such core components were primarily externally sourced, and our value-add was focused on system and technical specification and integration capabilities. Since 2025, we have gradually commenced in-house production of certain three-electric components, thereby further enhancing our value-add in addition to design and integration. The transaction flow involves purchase orders issued by us to suppliers, while the fund flow comprises payments made by us for the procurement of such components. In 2023, 2024 and 2025, we worked with seven, 12 and 10 core component partners, respectively, and the procurement amounts paid to them were RMB217.7 million, RMB1,134.6 million and RMB2,915.6 million, respectively, primarily reflecting business expansion prior to our gradual transition to in-house production since 2025.

Service network partners. We collaborate with service network partners to support product delivery, after-sales services and energy replenishment, including charging and battery swapping. These partners primarily consist of regional service providers and infrastructure operators. Our value-add is to design the service standards and operational processes, and integrate such partners into our service network to ensure consistent service quality and customer experience. The transaction flow involves the provision of services by such partners, while the fund flow comprises service fees paid by us to such partners. In 2023, 2024 and 2025, we worked with 28, 141 and 366 service network partners, respectively, and the relevant transaction amounts were RMB0.1 million, RMB2.5 million and RMB16.3 million, respectively, primarily comprising service, logistics and after-sales related expenses.

Customer financing partners. Customers may obtain financing for vehicle purchases through two main structures: (i) customers can obtain financing from third-party financing providers to purchase the entire vehicle, including the battery, and (ii) customers can purchase the vehicle body and separately lease the battery from a battery operating leasing company, or the “battery operating leasing model”. In case (i), we collaborate with third-party financing providers, including financial leasing companies and other financing service providers, to offer end-customers flexible financing solutions. We refer to these financing institutions as our customer financing partners, who provide financing services independently based on their own risk assessment and pricing mechanisms, while we focus on vehicle sales. In 2023, 2024 and 2025, we worked with one, seven and 16 customer financing partners, respectively. The

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amount of financing provided by such partners to our customers for vehicle purchases were RMB95.1 million, RMB670.0 million and RMB2,947.3 million, respectively. In case (ii), please see “— Battery Operating Leasing Model” below.

As disclosed in the “Directors and Senior Management” section, certain of our management members hold, or had held, previous or present positions in Lionbridge Group, which controls one of our customer financing partners. Save for the foregoing, as of the Latest Practicable Date, none of our ecosystem partners, nor their ultimate beneficial owners or directors, has any current relationship (family, business, employment, trust, financing or otherwise) with us, our subsidiaries, shareholders, Directors, senior management or their respective associates.

Notwithstanding our cooperation with the above ecosystem partners, we do not believe that we are materially dependent on any single vehicle customization partner, core component supplier, service network partner or customer financing partner. For vehicle customization, our vehicle customization partners primarily provide assembly services, while we retain control over core vehicle engineering, electronic and electrical architecture, software systems, system integration, key intellectual property and commercialization. See also “— Supply Chain and Customization Model.” For core component suppliers, we adopt a multi-supplier strategy with non-exclusive arrangements and retain control over product design and technical specifications. We are also progressively enhancing our in-house production capabilities for certain core components. For service network partners, our network comprises multiple localized partners with overlapping capabilities. For customer financing partners, we cooperate with multiple independent financial institutions on a non-exclusive basis, and do not participate in financing transactions nor derive income from such transactions. Accordingly, our cooperation with such ecosystem partners is conducted in the ordinary course of business on normal commercial terms and does not give rise to material dependence on any single party.

Battery Operating Leasing Model

End-customers may also choose to obtain separate financing for (i) vehicle bodies without batteries and (ii) the batteries (the “**battery operating leasing model**”). Under this model, in essence, the end-customers choose a financing structure under which the vehicle body and the battery are subject to different contractual and financing arrangements, primarily to reduce the end-customers’ initial capital expenditure. From an accounting perspective, we sell the battery packs to battery operating leasing companies, which in turn lease the batteries to end users under separate leasing agreements; accordingly, the battery operating leasing companies are recognized as our customers, while end users pay recurring leasing fees to these companies. We are not a party to such leasing arrangements and we do not receive any income or profit share from such leasing arrangements. See Note 6 to the Accountants’ Report included in Appendix I to this Document.

Notwithstanding such arrangement, from a business model perspective, we provide integrated new energy heavy-duty trucks to end-customers, and battery packs are not treated as a standalone commercial product or separate product line. Accordingly, there is no separate commercial “split” of the sales consideration for a new energy heavy-duty truck between the truck buyer and the battery operating leasing company from our perspective, and we do not view or manage such transaction as involving a separate split of consideration, but rather as a single integrated commercial arrangement for the sale of a new energy heavy-duty truck. The pricing of the battery is determined as part of the relevant new energy heavy-duty truck, taking into account vehicle configuration, market conditions, customer needs and overall profitability targets, and does not constitute a separable standalone transaction unit. Our sales, delivery and key operating metrics, including revenue recognition, cost allocation and gross margin analysis, are managed and assessed at the whole-vehicle level.

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Specifically, three separate contracts are typically involved.

First, we enter into vehicle sales agreements directly with end-customers, the key terms of which are substantially the same as those applicable to sales of entire trucks. See “— Key Terms of Sales Agreements.”

Second, we enter into separate arrangements with battery operating leasing companies to facilitate the relevant battery-related financing or leasing structure. The agreements with these battery leasing companies generally have the following key terms.

- *Contractual form.* The battery-related arrangements are documented under legally binding agreements between the battery operating leasing company and us.
- *Product scope and specifications.* The agreements cover battery packs corresponding to specific vehicles. The relevant product model, quantity, pricing and battery identification information are confirmed through product lists or purchase schedules.
- *Pricing and settlement.* The agreements provide for agreed pricing and settlement arrangements. Payment is generally made after specified conditions are satisfied, including confirmation of the product list, receipt of relevant receivables or deposits under the battery leasing arrangements, and issuance of valid tax invoices.
- *Delivery and title transfer.* Battery packs are delivered for installation and use together with the relevant vehicles. Title generally transfers upon delivery, after which the relevant party may use and dispose of the products in accordance with the agreement.
- *Quality and warranty.* We are responsible for product quality and defects, and the agreements set out warranty and after-sales responsibilities.
- *Liability allocation.* The agreements allocate liability for delayed delivery, product defects, failure to proceed with battery leasing arrangements and other contractual breaches.
- *Other key terms.* The agreements also include provisions on intellectual property, confidentiality, related parties, termination, notices and dispute resolution.
- *Duration.* The agreement is effective upon execution and remains valid unless otherwise terminated in accordance with its terms.

Third, the end-customer separately enters into a battery leasing arrangement with the relevant battery operating leasing company, and we are not a party to such leasing arrangement.

In a typical transaction involving a battery operating leasing company, the transaction and fund flows are correspondingly separated. We receive consideration relating to the vehicle directly from the end-customer and receive the relevant proceeds under the battery-related arrangement directly from the battery operating leasing company. Although the battery operating leasing company may be recognized as our customer for accounting purposes in connection with the relevant arrangement, such classification is technical in nature and does not change the underlying business substance, as we (i) are not a party to the battery leasing agreement, (ii) do not collect lease payments, (iii) do not participate in lease pricing determination, (iv) do not receive lease income or profit share, and (v) do not bear lease default risk or provide financing, credit enhancement, minimum return guarantees, repurchase commitments or residual value undertakings to battery operating leasing companies.

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During the Track Record Period, our revenue attributable to the transactions involving such battery operating leasing model amounted to RMB256.1 million, RMB552.0 million and RMB440.5 million in 2023, 2024 and 2025, respectively, representing approximately 60.1%, 28.0% and 11.2% of our total revenue for the same years. The percentage of revenue attributable to such model decreased over the Track Record Period. This was primarily because the gradual mass production of our lower-cost self-developed battery packs increased the proportion of vehicles sold with such battery packs, thereby reducing demand for the battery operating leasing model. In 2023, 2024 and 2025, the number of battery operating leasing companies involved in such arrangements was two, two and one, respectively.

The founder of Customer B, one of the battery operating leasing companies, previously served as a deputy general manager of Lionbridge Group. Save for the foregoing, to the best knowledge of the Company, during the Track Record Period and up to the Latest Practicable date, none of battery operating leasing companies or their ultimate beneficial owners/directors has any past or present relationships (family, business, employment, trust, financing or otherwise) with the Company or its subsidiaries, their shareholders, directors or senior management, or any of their respective associates.

According to CIC, the battery operating leasing model is a common market practice in China’s new energy heavy-duty truck industry, and our cooperation model, pricing basis and contractual arrangements with battery operating leasing companies are consistent with prevailing industry practices.

RESEARCH AND DEVELOPMENT

We believe our strong R&D capabilities are a core competency that positions us as a reputable player in the industry. We independently develop the core technologies and system architectures of our intelligent road freight technology as well as our three-electric system. Meanwhile, certain supporting R&D services are provided by third-party suppliers, including but not limited to hardware development and related functions. As of December 31, 2025, we had 412 R&D employees, with an average of over 11 years of R&D experience in truck-related hardware and software technologies and over 24% of whom hold a master’s degree or above. Our R&D expenses in 2023, 2024 and 2025 were RMB352.0 million, RMB364.8 million and RMB386.6 million, respectively.

Our structured R&D process ensures rigorous testing and validation at every stage of product development. We begin new product development by assessing current product development needs and aligning them with our overall development strategy and market demand. We conduct feasibility studies, market analysis, and regulatory requirement assessments to determine the project’s strategic alignment with the company’s long-term goals. We develop product specifications and technical solutions, plan the required resources, prepare product prototypes and subsequently conduct tests to verify that the design concepts meet performance and safety standards. By following this rigorous R&D process, we ensure that every vehicle meets our strict standards for quality, safety, and performance. Our commitment to comprehensive testing and validation at every stage enables us to deliver innovative and reliable products in the new energy heavy-duty truck market.

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The following flowchart demonstrates the key steps of our R&D process in relation to our new energy heavy-duty trucks.

Key Step	Description	Typical Duration
Requirement Definition & Planning	Define product requirements, key performance indicators, cost targets and development objectives.	approximately two to four weeks
System & Architecture Engineering	Develop system architecture, functional architecture and technical specifications for the relevant product or module.	approximately four to eight weeks
Detailed Design	Conduct detailed software and hardware design, including software architecture, hardware schematics and component-level design.	approximately four to eight weeks
Development & Prototyping	Carry out coding, model development, prototype build and sample preparation.	approximately four weeks

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Our Major R&D Projects

As of the Latest Practicable Date, our major ongoing and strategic R&D projects primarily relate to self-developed three-electric components and related technologies, the details of which are set forth below. The allocated budget for our three-electric components generally ranged between approximately RMB4.0 million to RMB30.0 million during the Track Record Period, while the allocated budget for intelligent road freight technologies generally ranged between RMB25.0 million to RMB130.0 million during the same periods.

Project Name	Intended Objective and Core Technology	Technical Advancement/ Key Features	Corresponding Patents and Expiry	Expected Timeframe	Latest Status
Hunyuan II Battery Pack	Mass production and batch delivery of a self-developed battery pack. The project upgrades the existing short-module battery pack to a long-module design, with side cooling structure replacing bottom cooling to improve thermal consistency, and adopts cold-plate bonding to enhance module rigidity and structural integration	Long-module design shortens the x-direction dimension by approximately 250mm under the same capacity; reduces system weight by approximately 300kg compared to competing products; improves ground clearance to approximately 380mm; achieves cost reduction of over RMB8,000 under the same capacity; enhances thermal management and structural efficiency	Based on shared battery pack patent portfolio	Expected to achieve mass production in 2026	Completed durability testing; obtained GB 38031 certification report; undergoing regulatory announcement process and small-batch installation
Water-cooled Lightweight Electric Drive Axle	Mass production and batch delivery of a self-developed single-motor electric drive axle with integrated drive system combining motor, controller, gearbox, axle housing, PTO unit and brake system for heavy-duty trucks	Four-speed single-motor axle based on planetary gear shifting technology; designed to improve efficiency and vehicle performance	Single-motor Multi-speed Electric Drive Axle Structure and Vehicle with expected expiry by 2033	Expected mass production and batch delivery in 2026	Prototype verification stage

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Project Name	Intended Objective and Core Technology	Technical Advancement/ Key Features	Corresponding Patents and Expiry	Expected Timeframe	Latest Status
Self-developed Low-voltage Controller	Mass production and vehicle installation of a self-developed low-voltage controller with integrated vehicle control, intelligent chassis power distribution, battery thermal management, electric air suspension control and driver assistance functions into a single system	Hardware development and key DV validation substantially completed; software substantially completed and in vehicle-level integration testing	Supported by shared smart driving technology capabilities rather than project-specific patents	Planned mass production and large-scale vehicle installation after 2026	Small-batch trial installation and vehicle-level testing stage
IPTS	Reduce logistics costs and improve transport efficiency through intelligent platooning transport with platooning system using a “1+N” formation, where one lead truck is human-driven and following trucks operate autonomously	Platooning capability; designated-route road testing; small-batch prototypes completed third-party testing and certification	Supported by shared intelligent driving technology capabilities rather than project-specific patents	Expected commercial deployment starting from 2026	Testing and validation stage on designated routes
RoboTruck	Achieve fully autonomous freight transport featuring fully unmanned heavy-duty truck capable of operating without platooning	Testing permits obtained in Beijing, Tianjin and Hefei; technical validation ongoing	Supported by shared smart driving technology capabilities rather than project-specific patents	Expected small-batch and then scaled commercial deployment deliveries after 2028	Technical validation stage

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IP Licensing Agreement with Baidu

As one of our shareholders, Baidu has granted us access to certain underlying technologies and technical support relating to Apollo, Baidu’s intelligent driver assistance technology, for commercial vehicle applications on a white-box basis. We are currently the only partner in the commercial vehicle sector authorized to utilize Apollo and related technologies. In 2021, we entered into the IP Licensing Agreement with Baidu. See “Connected Transactions — Summary of Our Continuing Connected Transactions.” Under this arrangement, Baidu is responsible for licensing the agreed underlying technologies and providing the relevant software and technical support, while we are responsible for all subsequent development and commercialization based on such licensed technology, including system architecture design, secondary development, algorithm optimization, vehicle-level integration, calibration, validation and productization for new energy heavy-duty truck applications. At the initial stage, Baidu primarily provided a white-box foundational framework and underlying technical support, which enabled us to accelerate early development and deployment. As our technological capabilities matured, we gradually shifted from such foundational support to greater reliance on our in-house R&D capabilities and product-specific development for commercial truck and freight transportation scenarios. In particular, we have increasingly pursued our own standalone R&D direction and technological roadmap, with a growing focus on self-developed capabilities in key areas. Accordingly, Tianji Suixing, Tianji Yanxing and Tianji Duxing reflect our product-specific development, system integration and commercial truck adaptation efforts beyond Baidu’s support at the early stage, and the overall system integration and commercial deployment are undertaken by us. The arrangement is a technology licensing arrangement, and we pay agreed license and related service fees in accordance with the contract. Baidu retains ownership of its pre-existing licensed intellectual property, while we retain ownership of our independently developed technology, product adaptations and other new intellectual property generated through our subsequent research, development and iteration based on the licensed technology, subject to the agreed contractual allocation of rights. The agreement also contains customary restrictions on unauthorized use, disclosure, sublicensing and misuse of the licensed technology. We obtained a non-exclusive license to certain underlying technologies, while retaining responsibility for subsequent development, system integration and commercialization for our heavy-duty truck applications. The relevant technologies have already been deployed on our mass-produced vehicles starting in 2025, and we continue to undertake independent productization and commercial application on the basis of the licensed foundational technologies.

In 2025, we had fully settled the licensing fees payable under the relevant agreement, and the continued development and deployment of our intelligent road freight technologies are not expected to be subject to ongoing royalty payments or material recurring licensing fees under that arrangement.

The Directors are of the view, and the Sponsors concur, that the IP Licensing Agreement with Baidu does not constitute material reliance, considering that (i) we have established our own R&D capabilities and, since 2025, have deployed our independently developed, product-specific intelligent road freight technologies and adaptations on mass-produced vehicles, (ii) we retain ownership of the technologies and product adaptations independently developed by us based on the licensed technology, and (iii) in 2025, we had fully settled the licensing fees payable under the relevant agreement, and our continued development and deployment of intelligent freight solutions are not contingent upon ongoing royalty payments or material recurring licensing fees to Baidu.

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Our Three-electric System

Battery System

We focus on developing battery systems fully tailored to the specific requirements of heavy-duty trucks, in contrast to mainstream battery companies that primarily provide standard-box modular solutions. We have adopted a fully forward-engineering R&D process and an integrated battery-to-chassis architecture, resulting in a bottom-mounted, single-box system known as the “Hunyuan” battery. Our self-developed 505 kWh battery system demonstrates the following advantages:

- ***Superior Performance:*** Built on a 800V high-voltage platform, our battery system improves charging and discharging efficiency while reducing energy loss compared with conventional 600V systems. It also supports fast charging, ensuring rapid and efficient energy replenishment for commercial operations. The battery is equipped with thermal insulation technology, maintaining battery temperature above 0°C even after 10 hours of idle time at -30°C, thereby reducing low-temperature energy loss by 50% compared to previous battery solution. It is powered by a self-developed battery management system algorithm.
- ***Cost Advantages:*** Our battery system reduces approximately 50 categories and 400 units of external connectors, significantly lowering material and assembly costs, improving assembly efficiency and reducing manufacturing costs.
- ***Mass Production Readiness:*** The first batch of vehicles equipped with the self-developed battery system entered mass production in April 2025 and had since been sold to the market.

Electric Drive

Our distributed electric drive system significantly enhances vehicle performance, control, and energy efficiency. The system uses multiple electric motors to drive the axles or wheels independently, overcoming the limitations of traditional centralized power systems in torque, response speed, and layout flexibility. This provides stronger acceleration and gradeability, especially suitable for demanding conditions like heavy loads and steep slopes.

- ***Distributed Architecture and Power Distribution:*** Through torque vectoring and intelligent power distribution, our system optimizes stability and traction during turning, improves handling, and reduces the risk of slippage, comprehensively enhancing driving safety.
- ***Energy Recovery and Efficiency Improvement:*** The system integrates energy recovery functions, where the electric motors act as generators during braking or deceleration to recharge the battery. Combined with intelligent energy management strategies, this maximizes kinetic energy recovery efficiency and significantly improves overall energy efficiency. Compared to traditional centralized drive systems, the overall energy conversion efficiency is improved by 14%, making it a key component of our new energy heavy-duty truck.
- ***Mass Production Readiness:*** The first batch of vehicles equipped with our self-developed electric drive entered mass production in May 2025.

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Electronic Control

Power Domain Controller

We are developing a fully integrated power domain controller to further enhance the efficiency, safety, and intelligence of our electric heavy-duty trucks. The controller integrates dual MCUs, brake air pump controller, steering oil pump controller, current detection, insulation monitoring, battery management systems and high-power charging interface into one compact unit. It supports 600V and 800V high-voltage platforms and 500A-1000A power output, achieving high system efficiency and integration.

- ***Superior Performance:*** Designed as a product series, it supports multi-platform and multi-function configurations, flexibly compatible with 600V/800V voltage platforms, various power modules and charging capabilities to meet diverse vehicle models and customer customization needs.
- ***Cost Advantages:*** By integrating distributed high-voltage components into a single unit, the controller significantly reduces the number of parts, optimizes vehicle layout, decreases overall system weight by approximately 40%, and lowers system costs by about 30% compared to previous models.
- ***Mass Production Readiness:*** The first batch of vehicles equipped with our power domain controller entered mass production in April 2025.

Intelligent Domain Controller

Our intelligent domain controller marks a major innovation from traditional function-based architecture to a location-based domain design, significantly reducing wiring complexity and cost. Both the in-cabin and chassis controllers adopt MCUs certified to ASIL-D safety standards as their main control units. In addition to the logical and low-current load-driving functions of conventional domain controllers, they incorporate multiple independently controllable intelligent power distribution circuits capable of real-time voltage monitoring, along with an automatic short-circuit protection mechanism that greatly enhances vehicle electrical safety.

- ***Superior Performance:*** The in-cabin controller integrates the functions of the air-conditioning controller, instrument electrical box, Bluetooth entry system, and body controller, while the chassis controller integrates the vehicle control unit, network gateway, electronic suspension controller, thermal management controller, and chassis electrical box. By consolidating nine hardware subsystems into two main units, the system achieves a cost reduction of over 20%.
- ***Reduced Wiring and Weight:*** Through the high level integration and coordination between the two controllers, the vehicle’s total wiring loops are reduced by approximately 59%, wire length by 16%, and harness weight by 37%, leading to improved assembly efficiency and lower manufacturing costs.

Multi-Domain Fusion Electrical/Electronic (EE) Architecture

Our self-developed full-stack multi-domain fusion EE architecture significantly enhances vehicle intelligence and control efficiency by consolidating multiple ECUs into a unified platform with high computing capacity. Unlike traditional distributed architectures that rely on numerous independent

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ECUs to perform vehicle functions, our EE architecture centralizes and coordinates key control tasks, achieving higher computational efficiency, lower system complexity, and support for flexible software updates, ensuring seamless integration of future intelligent driving functions. Furthermore, this architecture has excellent hardware and software adaptability, providing a strong technical foundation for full vehicle by-wire control, intelligent driving, and continuous upgrades of in-vehicle systems.

Energy Optimization Technologies

We have developed a suite of energy optimization technologies that enhance the efficiency and cost-effectiveness of our new energy heavy-duty trucks. These innovations, including our *Xixing* energy recovery system, *Canglong* power distribution system, and adaptive cruise control algorithms, not only significantly reduce energy consumption but also markedly improve vehicle performance and operational economy.

- ***Xixing Energy Recovery System:*** Our energy recovery system captures braking and inertial energy, converting it into electrical energy for later use. For example, when the truck is coasting or decelerating, the system uses the electric motors to generate power, feeding it back into the battery, thereby improving overall energy efficiency.
- ***Canglong Power Distribution System:*** This intelligent power distribution system dynamically adjusts power allocation based on real-time load conditions and driving scenarios. By optimizing the balance between torque output and energy consumption, the system ensures maximum powertrain efficiency and reduces unnecessary energy loss.
- ***Adaptive Cruise Control Algorithm:*** Our adaptive cruise control algorithm utilizes real-time traffic and terrain data to dynamically adjust the vehicle’s speed and power output. By intelligently modulating acceleration and deceleration patterns, the truck can maintain optimal energy efficiency, reducing battery consumption during line-haul journeys.

By integrating these energy-saving innovations into our new energy heavy-duty trucks, we provide customers with more cost-effective and high-performance transportation solutions while significantly reducing their electricity consumption.

Thermal Management System

We have developed a thermal management system that optimizes battery cooling, air conditioning efficiency, and the overall temperature control of the vehicle. Our integrated thermal management system is particularly effective in cold regions and mountainous areas, ensuring stable battery performance in extreme climates. The first-generation thermal management system has been successfully developed and has entered mass production, featuring higher system reliability and cost-effective temperature control.

Vehicle Intelligence Algorithms

We have developed a series of intelligent algorithms that elevate perception, planning, prediction, and control capabilities, representing a breakthrough in the intelligentization of heavy-duty trucks. Our algorithms enable high-precision environmental sensing, adaptive trajectory planning, and predictive decision-making, allowing the new energy heavy-duty trucks to maintain stable and safe operations under complex road, traffic, and weather conditions.

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Our algorithmic architecture integrates multi-sensor fusion perception, intelligent control, and real-time data learning. Specifically, our perception algorithms combine data from LiDARs, radars, and cameras to achieve high recall and environmental awareness. Our planning algorithms dynamically adjust steering and acceleration to ensure stability and comfort in line-haul operations. Our adaptive control algorithms optimize power and braking responses according to payload and terrain variations. This combination significantly enhances safety, energy efficiency, and operational reliability for road freight scenarios.

We have obtained Safety of the Intended Functionality certification and established a rigorous development and validation framework to ensure algorithmic safety, reliability, and compliance. Our continued advancements in intelligent control algorithms lay a strong foundation for scaling our intelligent driving functions and realizing fully autonomous road freight logistics in the future.

Intelligent Cockpit

Our intelligent cockpit is designed specifically for heavy-duty trucks, addressing multi-dimensional safety monitoring, granular cost management, and high operational efficiency. Our intelligent cockpit is equipped with hardware and software designed to enhance driving safety, convenience, and operational efficiency. It integrates driver monitoring devices capable of recognizing driver behavior and detecting signs of fatigue or unsafe driving in real time, as well as a voice recognition system that enables safer interaction. Built on a service-oriented architecture, the in-vehicle software of our DeepWay TianShu operates seamlessly within the cockpit system. This open architecture also allows users to develop and integrate their own customized management applications directly into the cockpit interface, helping them improve fleet management efficiency and operational visibility.

Hydrogen-Electric Common Platform

We are developing our hydrogen-electric common platform that enables modular compatibility between hydrogen fuel cell and battery-electric powertrain systems, significantly enhancing the flexibility of vehicle configurations for various commercial applications. This platform design effectively reduces R&D costs, improves system reliability, and accelerates the product development process, ensuring the new energy heavy-duty trucks we provide remain at the forefront of sustainable transportation solutions.

INTELLECTUAL PROPERTIES

We consider our domain names, copyrights, trademarks, trade secrets and other intellectual property rights critical to our operations and the foundation of our success and competitiveness. Accordingly, we have devoted substantial time and resources to their development and protection. We rely on laws of patents, copyrights, trademarks and trade secrets, restrictions on disclosure and other measures to protect our intellectual property. As of December 31, 2025, we and our PRC subsidiaries owned 265 registered trademarks, 195 granted patents, and 108 registered software copyrights in China, as well as 19 registered domain names. For details of our material intellectual property, please refer to “Appendix IV — Statutory and General Information — 2. Further Information About Our Business — Our Intellectual Property Rights”.

In addition to filing trademark and patent applications, we have adopted a range of measures to protect our intellectual property. We generally require our employees to enter into standard employment contracts containing confidentiality provisions and clauses acknowledging that all inventions, trade secrets, R&D results and other processes created during their employment belong to us, and assigning

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to us any ownership rights they may claim in such results. We actively monitor and pursue any unauthorized use of our intellectual property. In addition, we implement screening procedures in our recruitment process to help us avoid potential disputes arising from hiring employees from competitors.

As of the Latest Practicable Date, our intellectual property portfolio primarily comprises patents relating to our self-developed three-electric components and related technologies. Based on our patent register, the majority of our granted patents have statutory protection terms of 10 to 20 years from the filing date and are expected to expire between 2033 and 2035, with certain later-filed patents extending beyond such period. The Directors do not expect the expiry of individual patents to have a material adverse impact on our business operations or financial performance, as our products are based on an integrated technology system rather than any single patent. In addition, we maintain continuous R&D and product iteration, and rely on a combination of patents, software copyrights, trade secrets, algorithms and execution capabilities. Accordingly, the Directors do not expect any concentration of key patent expirations in the near term that would give rise to a material patent cliff or otherwise materially affect our business or financial performance. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material disputes or claims alleging infringement of third-party trademarks, licences or other intellectual property rights.

SUPPLY CHAIN AND CUSTOMIZATION MODEL

Our supply chain and customization model primarily comprises two parts: (i) vehicle customization, under which we rely on qualified vehicle customization partners, including JAC Motors and Shandong Reach, for final vehicle assembly; and (ii) the sourcing and production of raw materials and core components. Beginning in 2025, we commenced production of certain self-developed core components through temporary production lines at leased properties and gradually integrated such components into the new energy heavy-duty trucks. We have since further advanced this transition through the Changxing Three-Electric Smart Factory, which is expected to support larger-scale in-house production of core three-electric components. In 2025, approximately 4,386 vehicles, 531 vehicles and 5,428 vehicles were equipped with our self-developed battery systems, electric drive systems and power domain controllers. After the completion of Phase I infrastructure construction in the first quarter of 2026, Changxing Three Electric Smart Factory is able to support the key three-electric components for 20,000 vehicles per year. Upon the completion of the entire project, Changxing Three Electric Smart Factory is able to support the key three-electric components for 50,000 vehicles after production ramp-up.

Procurement of Vehicles from Vehicle Customization Partners

During the Track Record Period, we collaborated with our vehicle customization partners, including JAC Motors and Shandong Reach, and procured manufactured vehicles from them, in compliance with relevant laws and regulations. We are primarily responsible for product engineering and development, overall vehicle architecture, sourcing and specification of core components, technical integration, sales and service arrangements. In particular, we determine the product positioning, vehicle specifications, electronic and electrical architecture, software systems, three-electric system requirements and integration standards. Prior to 2025, we primarily sourced core three-electric components and key controllers from qualified third-party suppliers and integrated them into vehicle designs. Beginning in 2025, with the commencement of in-house production of certain three-electric components, our role further expanded from sourcing and integration to include production of selected core components.

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Our vehicle customization partners’ role remained focused on final assembly throughout the Track Record Period. Accordingly, we retained control over product design, development, component specifications, system integration and commercialization throughout the Track Record Period.

During the Track Record Period, our vehicle customization partners include JAC Motors and Shandong Reach, the details of which, including the salient terms of the relevant agreements, are set forth below.

JAC Motors. JAC Motors is a state-owned comprehensive automotive group with substantial experience in heavy-duty vehicle production. Under our customized product arrangement with JAC Motors, in terms of roles and responsibilities, we are responsible for proposing product requirements, customized vehicle layout, selection of core components, and sales and after-sales services, while JAC Motors is responsible for handling the relevant product certification procedures, implementing necessary production line modification and maintenance, and carrying out final assembly and production. In terms of solution features, JAC Motors primarily supports the customization of our DeepWay Xingchen. In terms of exclusivity provisions, the customized products are sold by us, and JAC Motors granted us exclusive sales rights for the customized products in Chinese mainland during the agreed term. In terms of cost and profit allocation, we bear the costs associated with certification, technical documentation, certain key components, mold development and agreed production line modifications. The agreement also contains delivery-related arrangements and risk-sharing provisions. In respect of intellectual property, JAC Motors is only authorized to use our customized technology materials for purposes of performing the cooperation, while ownership of such customized technology materials and related intellectual property remains with us. The agreement further restricts unauthorized use, disclosure, reverse engineering and independent registration of our intellectual property by JAC Motors. In terms of current status, the agreement with JAC Motors remains in effect and continues to support the production and delivery of our customized models.

Shandong Reach. Shandong Reach is a new energy commercial vehicle company, with production facilities in Shandong. In terms of roles and responsibilities, Shandong Reach is responsible for procuring certain non-core equipment, providing the project site and production resources, and supporting the operation of the relevant production line, while we are responsible for product R&D, vehicle sales and after-sales services. In terms of cost and profit allocation, the parties agree on operational arrangements such as equipment usage fees, utilities settlement and project management coordination, while each party independently bears its own costs and does not share downstream sales profits. In terms of solution features, the cooperation primarily supports the production of our DeepWay Xingtu. As to intellectual property, the agreement provides that each party retains ownership of its pre-existing intellectual property. Shandong Reach is granted only a limited right to use the relevant technology for the project within the agreed scope. In terms of exclusivity provisions, the arrangement is non-exclusive in nature and does not prevent us from cooperating with other customization partners. In terms of current status, the cooperation is ongoing and forms part of our multi-partner manufacturing strategy.

Our collaboration with vehicle customization partners has historically supported our production ramp-up and is expected to continue enhancing our production flexibility, supply chain resilience and cost efficiency. During the Track Record Period, we initially worked with JAC Motors to support early-stage commercialization and mass production. In 2025 we introduced Shandong Reach as an additional customization partner to diversify capacity and improve production flexibility. From a financial perspective, the fees paid to customization partners represented a relatively small portion of

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total vehicle cost during the Track Record Period. As production scale increased and our customization arrangements became more diversified, unit customization fees showed an improving trend, which further supported our production flexibility and overall cost optimization efforts.

The Directors are of the view, and the Joint Sponsors concur, that we do not place undue reliance on our vehicle customization partners, and that any existing concentration is commercially manageable and does not pose a material adverse risk to our business, operations or financial performance, considering that (i) we retain control over our core architecture, software systems, integration capability and the relevant intellectual property, while our customization partners principally provide customization and assembly services in accordance with our technical specifications and quality standards, (ii) our customization arrangements are conducted on arm’s-length commercial terms, and do not restrict us from engaging additional customization partners, and (iii) we have already diversified our customization base and continue to strengthen our internal production capabilities, including through the Changxing Three-Electric Smart Factory, which is expected to further enhance our operational independence over time.

To further mitigate potential concentration risks, we have implemented and will continue to implement a diversification strategy. In particular, we have expanded our scope of vehicle customization partners during the Track Record Period, and will continue to identify and onboard additional qualified partners where commercially appropriate. In parallel, we are advancing our vertical integration initiatives, including the development of in-house production capabilities for core components, which will enhance supply chain flexibility and reduce dependence on external partners over time.

Changxing Three-Electric Smart Factory

We are developing Changxing Three-Electric Smart Factory as a key part of our vertical integration strategy. It is intended to enhance cost predictability, gross margin resilience and long-term supply chain control. The facility is located in Huzhou, Zhejiang Province, covers approximately 100 acres and focuses on the in-house production of battery packs, electric drive axles and electric control systems.

The total planned investment for the project is approximately RMB910 million. As of December 31, 2025, we had secured a 10-year project loan facility to support the facility’s infrastructure construction. In addition, a portion of the [REDACTED] will be allocated to the project, with the remaining funding requirements supported by our internal cash reserves. See “Future Plans and Use of [REDACTED].”

We have adopted a phased investment approach to align capital deployment with delivery scale expansion. Phase I infrastructure construction was completed in late 2025. By March 31, 2026, the Phase I infrastructure has reached the capacity to support the production of 20,000 sets per year. Phase II construction is scheduled to commence in 2026, and upon the expected completion after 2027, total annual production capacity is expected to reach 50,000 sets.

We expect the Changxing Three-Electric Smart Factory to support our transition toward greater in-house production of three-electric systems, improve supply chain coordination and enhance operating resilience. Vertical integration is also expected to strengthen quality control, shorten R&D iteration cycles and improve responsiveness to market demand.

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Procurement of Raw Materials and Components

We primarily procure various raw materials and components, such as battery cells, electric drives, electronic control components, and high-voltage cables, from suppliers in China. We have established cooperative relationships with several companies with strong technical capabilities in the industry, creating a mutually beneficial cooperation model between our suppliers and us. We manage the volatility of prices of raw materials and components by signing long-term cooperation agreements with suppliers, under which (i) pricing and supply terms are agreed for a one-year period and (ii) for the subsequent year, revised pricing can be negotiated based on expected procurement volume, prevailing market conditions and annual price reduction mechanisms based on cost changes. We believe that these arrangements enhance cost transparency, reduce exposure to extreme price volatility and facilitate cost pass-through mechanisms, thereby mitigating the impact of raw material price fluctuations on our overall procurement costs.

Prior to our self-production of certain key components, our value add primarily consisted of determining technical specifications and interface standards for core components, selecting and coordinating externally sourced battery systems, electric drive systems and control units, managing the bill of materials, and ensuring that such components are effectively integrated with our self-developed software systems and overall vehicle architecture. In accordance with industry practice, we procure certain components directly from single suppliers, such as battery cells and components for electronic control and intelligent driving systems. We do not believe that procuring components from a single supplier poses a direct risk to our business operations, considering the numerous alternative suppliers available in the market. We actively manage supply chain risks by monitoring qualified suppliers other than such single suppliers to ensure the stability of core component supply. During the Track Record Period and up to the Latest Practicable Date, we did not experience any serious shortages of raw materials and components, nor did we experience any fluctuations in raw material procurement costs that had a material impact on our overall financial performance.

In 2025, approximately 4,386 vehicles, 531 vehicles and 5,428 vehicles were equipped with our self-developed battery systems, electric drive systems and power domain controllers, respectively. The Changxing Three-Electric Smart Factory has commenced phased mass production of key components since the first quarter of 2026, and its designed annual production capacity is sufficient to support approximately 50,000 vehicles per annum after full ramp-up once the construction is completed. As production ramps up, the proportion of new energy heavy-duty trucks utilizing our self-produced key components is expected to increase. During the transition phase, we expect to maintain a hybrid production model and may continue to source certain components externally where commercially or operationally appropriate.

Supplier Selection and Management

We have established comprehensive policies and detailed procedures to ensure that the components and raw materials procured from suppliers meet quality standards. When selecting and evaluating suppliers, we conduct due diligence and consider multiple factors, including, among others, the suppliers' reputation, qualifications, experience, availability of services or products, price, and delivery timeline. For components customized for the new energy heavy-duty trucks, we require suppliers to develop, test, and produce them according to our project plans and quality control standards.

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We require all suppliers to comply with our internal supply management policies. Our designated quality control team is responsible for communicating quality standards to suppliers and conducting comprehensive inspections of product samples to ensure they meet all our specific technical requirements. We may conduct on-site inspections of suppliers periodically or on an ad-hoc basis and require suppliers to resolve quality issues promptly upon notification.

Key Terms of Supply Agreements

To ensure supply stability, we enter into long-term procurement agreements with our main suppliers. These agreements stipulate the general terms and conditions under which we place individual purchase orders. Upon receipt of an invoice, we are usually granted a credit period of 30 to 90 days. When placing purchase orders, we specify the product quantity, detailed specifications, and delivery schedule, while the unit price and payment terms are determined in accordance with separate pricing agreements. Suppliers must meet the quality requirements we set and are responsible for any product defects. We will continue to seek and engage qualified suppliers to expand our supplier base. We believe that as our business continues to expand, we will be able to negotiate and secure stable supplies on terms comparable to those with our existing suppliers.

Our procurement agreements with suppliers are generally entered into in the ordinary course of business under framework arrangements supplemented by individual purchase orders. The term of the framework agreements is typically medium- to long-term, while specific supply, quantity and delivery arrangements are set out in the relevant purchase orders. Credit terms are determined on a case-by-case basis depending on the supplier, product type and project stage, and range from prepayment arrangements to settlement prior to shipment or after product acceptance. We generally settle payments by bank transfer, wire transfer or bank acceptance bills. Our procurement arrangements generally do not impose mandatory minimum purchase commitments, and purchases are usually made on an as-needed basis. Suppliers are required to ensure that the products comply with agreed technical specifications, quality standards and applicable legal or industry requirements. They are also responsible for packaging and timely delivery of products to the agreed location, and may bear liability for losses caused by improper packaging or delivery failures. Prices for sample-stage products are usually fixed, while prices for ongoing supply may be adjusted by mutual agreement to reflect changes in raw material prices, market conditions or updated commercial arrangements.

In addition, our procurement agreements with suppliers of core three-electric components and intelligent driving-related hardware generally contain additional provisions reflecting the technical importance of such components. These agreements typically specify the scope of procurement, including battery system assemblies, electric drive axle assemblies, motor control units, vehicle control units and intelligent driving domain controllers. Pricing is generally determined through arm’s-length commercial negotiations with reference to technical specifications, production volume, market conditions and, where applicable, raw material cost trends. Where components are developed based on our specifications, the agreements contain provisions to protect our designs, technical solutions, molds, tooling and technical drawings, and suppliers are generally restricted from using such materials for third-party production without our prior written consent. These agreements also typically contain confidentiality, warranty and liability allocation provisions, and generally do not impose broad exclusivity restrictions on us, allowing us to retain sourcing flexibility where commercially appropriate.

In case of breach, both parties are subject to contractual remedies, including liquidated damages for delayed performance, failure to remedy significant quality issues, wrongful termination, or breach of intellectual property and brand protection provisions. Upon delivery, we are entitled to inspect and test the products within an agreed period. If products are defective, non-compliant or inconsistent with

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agreed technical specifications, we may require return, replacement or repair at the supplier’s cost. Suppliers also generally provide warranty coverage, with the warranty period depending on the type of goods supplied and typically being no shorter than the warranty period we offer to our customers.

Top Five Suppliers

Our suppliers mainly include vehicle customization partners, and suppliers of battery cells, automotive electronics, and R&D services and equipment, such as supporting R&D services in relation to hardware development and related functions. During the Track Record Period, all of our suppliers are located in China. We are subject to a certain degree of supplier concentration risk. See “Risk Factors — Risks related to Our Business and Our Industry — Our reliance on key strategic partners, including JAC Motors, Shandong Reach and major suppliers, may materially adversely affect our business, financial condition and results of operations.” In each year during the Track Record Period, our purchases from the top five suppliers amounted to RMB839.1 million, RMB3,372.1 million and RMB6,903.4 million, accounting for 88.1%, 92.3% and 79.4% of our total purchases for each year. In each year during the Track Record Period, our purchases from the largest supplier amounted to RMB607.6 million, RMB2,229.7 million and RMB2,336.0 million, accounting for 63.8%, 61.0% and 26.9% of our total purchases for each year.

Below sets forth the details of our five largest suppliers for the years indicated by amount of purchases. For our top five suppliers, our credit terms are generally within 60 days, and the payment methods is typically bank transfer.

For the Year Ended December 31, 2023

Supplier A is a comprehensive automotive group incorporated in China in 1964, listed on the Shanghai Stock Exchange, with a business scale of approximately RMB46.5 billion in terms of revenue in 2024. We commenced our relationship with Supplier A in 2023. We purchased vehicles from Supplier A and made purchase of RMB607.6 million in 2023, accounting for 63.8% of our total purchase in the same year.

Supplier B is a global leader in new energy innovative technologies, incorporated in China in 2011, listed on the Shenzhen Stock Exchange and the Stock Exchange, with a business scale of approximately RMB423.7 billion in terms of revenue in 2025. We commenced our relationship with Supplier B in 2022. We purchased batteries and molds from Supplier B and made purchase of RMB207.4 million in 2023, accounting for 21.8% of our total purchase in the same year.

Supplier C is a provider of automotive molds and manufacturing service incorporated in China in 2020 with a registered capital of RMB5.0 million. We commenced our relationship with Supplier C in 2022. We purchased components and molds from Supplier C and made purchase of RMB8.5 million in 2023, accounting for 0.9% of our total purchase in the same year.

Supplier D is a provider of automotive components and molds incorporated in China in 2020 with a registered capital of RMB30.0 million. We commenced our relationship with Supplier D in 2023. We purchased components and molds from Supplier D and made purchase of RMB8.0 million in 2023, accounting for 0.8% of our total purchase in the same year.

Supplier E is a provider of automotive components incorporated in China in 2011 with a registered capital of RMB387.3 million. We commenced our relationship with Supplier E in 2023. We purchased components from Supplier E and made purchase of RMB7.5 million in 2023, accounting for 0.8% of our total purchase in the same year.

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For the Year Ended December 31, 2024

We purchased vehicles from Supplier A and made purchase of RMB2,229.7 million from Supplier A in 2024, accounting for 61.0% of our total purchase in the same year.

We purchased batteries from Supplier B and made purchase of RMB960.4 million from Supplier B in 2024, accounting for 26.3% of our total purchase in the same year.

We purchased components from Supplier E and made purchase of RMB82.4 million from Supplier E in 2024, accounting for 2.3% of our total purchase in the same year.

Supplier F is an assembly and manufacturing company incorporated in China in 2009 with a registered capital of US\$23.2 million. We commenced our relationship with Supplier F in 2023. We purchased components from Supplier F and made purchase of RMB57.0 million in 2024, accounting for 1.5% of our total purchase in the same year.

We purchased components from Supplier D and made purchase of RMB42.6 million from Supplier D in 2024, accounting for 1.2% of our total purchase in the same year.

For the Year Ended December 31, 2025

Supplier G is a new energy commercial vehicle company incorporated in China in 2011 with a registered capital of RMB360 million. We commenced our relationship with Supplier G in 2025. We purchased vehicles from Supplier G and made purchase of RMB2,336.0 million in 2025, accounting for 26.9% of our total purchase in the same year.

We purchased vehicles from Supplier A and made purchase of RMB1,896.8 million from Supplier A in 2025, accounting for 21.8% of our total purchase in the same year.

We purchased batteries from Supplier B and made purchase of RMB1,666.5 million from Supplier B in 2025, accounting for 19.2% of our total purchase in the same year.

Supplier H is a leading lithium battery research and manufacturing company incorporated in China in 2012, listed on the Shanghai Stock Exchange, with a business scale of approximately RMB61.5 billion in terms of revenue in 2025. We commenced our relationship with Supplier H in 2024. We purchased molds and battery cells from Supplier H and made purchase of RMB750.8 million in 2025, accounting for 8.6% of our total purchase in the same year.

We purchased electric drive axle from Supplier E and made purchase of RMB253.3 million from Supplier E in 2025, accounting for 2.9% of our total purchase in the same year.

During the Track Record Period, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties, and none of our Directors, their close associates or any Shareholder which, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Save as disclosed below, to the best of our knowledge, none of our major suppliers, nor their ultimate beneficial owners or directors, has any current relationship (including business, employment, family, trust, financing, shareholding or otherwise) with us, our subsidiaries, shareholders, Directors, senior management or their respective associates, other than arm’s-length commercial relationships in the ordinary course of business.

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Supplier A holds a 30% partnership interest in Anhui Zhongan, which is one of our Pre-[REDACTED] investors. Save for such indirect relationship, Supplier A does not hold any equity interest in us and does not participate in our management or operations. Supplier G is controlled by a corporate group which, through certain investment vehicles, also participates in our shareholding structure with non-controlling interests. According to CIC, it is not uncommon in the new energy heavy-duty truck industry for upstream or downstream participants, including suppliers or manufacturing partners, to participate in the shareholding structure of industry players, and such relationships do not, by themselves, indicate a lack of independence or affect the commercial fairness of underlying transactions. Notwithstanding the above, we believe that our procurement arrangements with these suppliers are conducted on normal commercial terms and in the ordinary course of business. We adopt a multi-partner strategy for vehicle customization and component sourcing, and retain control over our core technologies, system design and integration. Our cooperation with suppliers is based on their manufacturing qualifications, capacity, cost efficiency and delivery capability, and we maintain flexibility in allocating orders among different partners based on commercial considerations. Accordingly, we do not believe that we are materially reliant on any single supplier.

Inventory Management

Our inventory mainly consists of raw materials and finished goods. Our inventory turnover days were 66, 29 and 36 in 2023, 2024 and 2025. We implement strict inventory control policies and monitor inventory levels in our warehouses. We generally adopt a build-to-order approach, thus maintaining low inventory levels. To shorten the delivery cycle of our products, we adjust our planned inventory levels based on current inventory levels and forecasts of future demand.

QUALITY CONTROL

Since we purchase vehicles from the vehicle customization partners and sell them to customers, we have defined quality control arrangements and requirements. Generally, the vehicle customization partners are responsible for inspections at various stages of the production process, while we conduct independent acceptance inspection of the completed vehicles. We require that all vehicles and their components meet relevant regulatory standards, industry standards, and/or standards jointly set and confirmed by both parties.

On this basis, we have established a quality management and control mechanism together with our vehicle customization partners, which spans the entire vehicle development and production process. This joint framework enables us to ensure consistent quality standards across all stages of design, vehicle customization, and delivery.

- ***Rapid Response and Defect Control Mechanism:*** We adhere to the “three realities principle” (on-site, actual item, actual situation) to ensure that issues identified are responded to within 15 minutes, with a cross-functional team organized to develop a handling plan within 24 hours, enabling timely risk control and prevention of defect escalation.
- ***Intelligent Vehicle Customization Process Quality Control and Error-Proofing Design:*** In the vehicle customization process, we promote the construction of a comprehensive error-proofing mechanism at the production facilities, including sensor confirmation in tooling, equipment, and systems, torque monitoring, and battery/motor information collection. In addition, through real-time collection of key process parameters and statistical process control monitoring, potential abnormalities can be automatically identified and

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warned. Key processes, such as electrical inspection and antifreeze filling, have also been automated and data-driven for testing, further ensuring vehicle customization quality consistency.

- We implement the following measures to enhance onsite pre-delivery quality control of vehicles:
 - ***Enhanced Vehicle Performance Inspection Dimensions:*** For key functions such as electric drive cooling and air conditioning, we have added factory data display to assist inspection, improving the detection rate of low-visibility defects and reducing the difficulty of subsequent troubleshooting.
 - ***Risk- and Data-Based Sampling Inspection Mechanism:*** We adopt a dynamic sampling strategy, flexibly adjusting the inspection scope and depth based on real-time quality data and historical problem data from the production line, avoiding inefficient fixed-ratio full inspections.
 - ***User Experience-Based Quality Review:*** We have set up a “Voice of the Customer” review area, where experienced reviewers simulate user scenarios and score quality from subjective dimensions such as operational feel, abnormal noises, and appearance gaps, to make up for the blind spots of traditional inspections.
 - ***Digital and Transparent Pre-Delivery Inspection Process:*** The pre-delivery inspection process is standardized, systemized, and fully traceable.

OUR CUSTOMERS AND SALES

Marketing Strategy

We enhance our brand influence and reach potential customers through online promotion and offline activities.

We conduct online marketing through various news platforms, automotive industry media, and social media platforms. We focus on content creation on mainstream social media and short-video platforms to increase product exposure and shape our brand image. We produce in-house high-quality videos, highlighting product specifications and vehicle intelligence technologies, and use data-driven online marketing to precisely target potential customers.

We also hold offline promotional events and actively participate in industry exhibitions to further expand our brand awareness. We actively participate in major industry events to showcase our technical strength and introduce our various new energy heavy-duty truck models.

Sales Strategy

We sell our new energy heavy-duty trucks through (i) direct sales to end-customers and (ii) to a less extent, distributor sales model.

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Direct Sales

During the Track Record Period, we primarily relied on direct sales to promote our new energy heavy-duty trucks. Through the direct sales model, we can shorten decision-making time, avoid potential conflicts of interest, fully control end-to-end pricing, and gain deep insights into customer needs and feedback. This not only helps us accelerate sales growth but also promotes the continuous iteration of our products and technologies.

We have established an extensive sales network. To better support the efficient operation of the sales team, we divide sales personnel by customer and geographical region, forming small, dedicated teams to provide customized end-to-end services for a few key customers. To better demonstrate the features and functions of our new energy heavy-duty trucks, we also invite potential customers to test our products. We provide sample new energy heavy-duty trucks for potential customers to use and test in actual transportation, providing them with a hands-on opportunity to experience the advantages of our products, and also helping us to more accurately address customer concerns during the sales process.

Key Terms of Sales Agreements

We generally enter into individual sales agreements with our direct sales customers on a transaction-by-transaction basis. Each sales agreement becomes effective upon execution by both parties and remains effective until delivery of the vehicle and full performance of all payment and related contractual obligations, unless terminated earlier in accordance with its terms.

Customers are generally required to pay a non-refundable deposit upon signing the sales agreement, together with a partial advance payment where applicable. The remaining balance is typically settled prior to or upon delivery by lump-sum payment. Where a customer elects to use financing solutions, delivery of the vehicle is generally completed prior to the release of funds by the financing institution. We generally do not grant credit terms for end-customers. Following receipt of the deposit and full payment, vehicles are typically delivered within an agreed period, subject to production schedules and other relevant factors.

Customers are entitled to inspect the vehicles upon delivery. If a customer rejects a vehicle for reasons not attributable to us, the deposit is generally not refundable. If a customer fails to complete payment, acceptance or collection within the agreed timeframe for reasons not attributable to us, we may impose contractual remedies, including charging storage fees, reselling the vehicle, terminating the agreement without refunding the deposit, and/or imposing overdue payment penalties, where applicable. Individual sales agreements generally do not contain minimum purchase commitments.

Where government subsidies are applicable, customers are required to cooperate with the relevant application procedures, and the final purchase price may be adjusted if subsidy policies change. Vehicles are generally not returnable once sold, except in the case of quality issues or where otherwise agreed after negotiation. We may terminate the sales agreement if the customer fails to pay the deposit or remaining balance within the agreed period or refuses to accept the vehicle without justified cause.

Distributor Sales

During the Track Record Period, our sales were primarily generated through direct sales. We only began to introduce distributors in selected provinces in 2025, and the distributorship channel remained immaterial to our overall operations. In 2023 and 2024, we did not work with, or generate any revenue through, distributors. In 2025, revenue generated through distributors amounted to RMB100.4 million,

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representing approximately 2.5% of our total revenue. In 2025, we worked with 15 distributors in total and there were no material distributor terminations or replacements. During the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and we did not engage or permit any sub-distributors.

We complement our direct sales model with limited use of distributors to enhance coverage in regions with smaller market presence. In such regions, local distributors help improve sales efficiency and customer access, while we retain direct control over key accounts in core markets. According to CIC, this approach is consistent with industry practice. We maintain a seller-buyer relationship with our distributors. Our distributorship arrangements are governed by standardized distributor agreements. These agreements set out key commercial and operational terms, including authorized territory, product scope, cooperation period, annual sales targets, pricing and rebate policies, payment and delivery arrangements, after-sales responsibilities, and compliance obligations. The agreements adopt a full-payment, buy-out model under which title to vehicles transfers upon payment and delivery. Our distributors purchase vehicles under a full-payment, buy-out model. The key terms of our distributor agreements generally include the following:

Term and Sales Targets. We generally enter into distributor agreements with a term of approximately one year. Such agreements typically specify an authorized territory, product scope and annual or staged sales targets. We evaluate distributor performance with reference to sales completion, customer file management, customer satisfaction, market development and other operational indicators, and reserve the right to adjust the authorized territory, product scope or terminate the agreement in cases of under-performance or material non-compliance.

Payment, Credit and Security Arrangements. Our standard arrangement generally requires a fixed deposit per vehicle upon order placement, with the remaining balance to be settled within a specified period after production scheduling and prior to vehicle dispatch. In principle, settlement is made in cash and commercial acceptance bills are generally not accepted. Distributors are also typically required to maintain a designated good-faith or security deposit for the relevant business, and their shareholders, actual controllers or other guarantors are generally required to provide joint and several guarantees for payment and performance obligations.

Title, Risk and Delivery. We generally adopt a retention-of-title arrangement under which title to vehicles remains with us until full payment is made. Distributors arrange transportation at their own cost, and the risk and responsibility for the vehicles generally transfer when the vehicles leave our warehouse. We generally require distributors to conduct business through our designated systems, such as our CRM system, and to maintain customer information and records in accordance with our management requirements.

Territory, Channel and Compliance Management. Distributors are generally authorized to operate within specified territories, and cross-regional sales are restricted unless otherwise approved by us. Distributor agreements also require compliance with our channel policies, business policies and applicable laws and regulations, and impose confidentiality obligations in respect of our business policies, pricing, promotion arrangements and other non-public information. We also reserve the right to make direct sales within the authorized territory where commercially necessary, with the distributor providing reasonable assistance and cooperation.

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Termination. We may adjust or terminate the distributorship arrangements in circumstances including, among others, failure to meet agreed sales targets, insufficient resource commitment, deterioration in customer satisfaction, material adverse changes in the distributor’s shareholding or control, breach of our business or channel policies, delayed payment, or other circumstances that may materially affect our brand, market order or commercial interests.

We implement a discretionary incentive and rebate mechanism to support distributor sales and market development. Such incentives or rebates are determined by us on a case-by-case basis with reference to factors such as model type, sales stage, procurement amount, sales performance and market development. In 2025, the total incentives granted amounted to approximately RMB2.8 million, representing approximately 2.7% of the relevant transaction amount. All such incentives and rebates are generally settled as deductions against subsequent vehicle purchases rather than cash payments.

We maintain a zero-tolerance approach toward corruption and bribery, and our general anti-corruption, anti-bribery and business conduct requirements apply to our distributorship arrangements. As part of our internal control measures for the distributorship model, we conduct onboarding review of prospective distributors, including collection of corporate registration documents, identity information of actual controllers and other background materials, and require distributors to notify us of material changes in shareholding structure, actual control or key management personnel. We also require distributors to operate through our designated internal systems to ensure centralized record-keeping and transaction traceability, and we maintain reporting and escalation channels through which distributors may report suspected misconduct by our employees or other irregularities. In addition, we reserve the right to suspend, adjust or terminate distributorship arrangements in the event of material breaches of our business policies, unethical conduct or other compliance-related concerns.

To prevent internal competition and market cannibalization, we request each distributor operates within an authorized territory, and cross-regional sales are prohibited without prior approval. Distributors are not allowed to hold inventory, and vehicle delivery only occurs after an end-customer is confirmed and full payment is received. See Note 5 to the Accountants’ Report included in Appendix I to this Document in relation to the revenue recognition for distributor sales.

Overseas Market Coverage

We are expanding our global footprint and have earned broad recognition from partners and customers across key international markets. We are systematically advancing global certification and compliance processes to accelerate the international deployment of our products. By December 2025, we have established sales channel networks in Singapore, Thailand, Malaysia, the United Arab Emirates, Oman, Australia, and New Zealand, forming a robust and efficient global sales infrastructure. Our demonstration vehicles in New Zealand have completed launch events and test drives with positive customer feedback, further strengthening our presence and influence in these markets. This strategic layout helps us prioritize countries and regions with friendly policies, large market potential, and mature operating scenarios to gradually expand our global business footprint.

Pricing Strategy

We price new energy heavy-duty trucks based on multiple factors, including cost structure, market demand, competition, and market positioning, with reference to customers’ order volume, payment terms, and other factors. We regularly benchmark our pricing against comparable products in the market and adjust prices dynamically in response to market conditions. While remaining competitive, we generally position our products at a modest premium to comparable models. For our intelligent road freight technologies, the pricing is determined with reference to factors including functionality, level of

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automation, vehicle configuration and expected value contribution to customers’ operations, and is assessed on a case-by-case basis. To incentivize customer purchases, we also offer tiered discounts determined on a case-by-case basis with references to purchase amount and other commercial factors for each customer. In general, the relevant sales contracts specify a base price, together with subsequent tiered pricing arrangements tied to different purchase volumes or sales thresholds. There is no uniform discount rate or binding purchase threshold applicable across all customers, and the specific discount arrangements are determined on normal commercial terms. During the Track Record Period, discounts granted to customers did not deviate materially from prevailing market practices and were determined on normal commercial terms.

Top Five Customers

During the Track Record Period, our customers mainly included industrial and consumer goods express service providers, logistics companies, port and mine operators and sales and service providers who may resell, lease or use the new energy heavy-duty trucks as well as certain battery leasing companies.

In each year during the Track Record Period, the total revenue generated from our top five customers amounted to RMB351.1 million, RMB998.5 million and RMB1,564.4 million, accounting for 82.5%, 50.7% and 39.5% of our total revenue for each year, respectively. In each year during the Track Record Period, the revenue generated from our largest customer amounted to RMB147.9 million, RMB504.9 million and RMB501.4 million, accounting for 34.8%, 25.7% and 12.7% of our total revenue for each year, respectively. See “Risk Factors — Risks Related to Our Business and Our Industry — We are subject to the risk of customer concentration.”

During the Track Record Period and up to the Latest Practicable Date, save for Customer I which is a subsidiary within the Lionbridge Group, to the best of our Directors’ knowledge, (i) none of our Directors, their close associates, or any shareholder holding more than 5% of our share capital had any interest in our top five customers in each year during the Track Record Period, and (ii) our top five customers in each year during the Track Record Period (including their shareholders, directors, senior management, or any of their respective associates) have no material past or present relationship (familial, employment, fiduciary, financial, or otherwise) with us, our subsidiaries, our shareholders, directors, senior management, or any of their respective associates.

To cater for their own financing needs, truck buyers sometimes choose to purchase our new energy heavy-duty trucks and subscribe for the usage of battery packs separately. Therefore, certain of our top five customers in each year during the Track Record Period were battery operating leasing companies to whom we sold battery packs. During the Track Record Period, save for Customer I in 2024 which is a subsidiary within the Lionbridge Group, all of these battery operating leasing companies were independent third parties of our Group, and our Group did not have any ownership interest in, control over, or significant influence on their operations. Through such partnerships, we sell new energy heavy-duty trucks to end-customers and the corresponding battery packs to battery operating leasing companies, which subsequently lease such battery packs to truck buyers under separate leasing agreements. Accordingly, the battery operating leasing companies are recognized as our direct customers for accounting purposes, while the end users pay recurring leasing fees to these companies pursuant to their respective leasing contracts.

We are not a party to such leasing arrangements and have no involvement in their financing, asset management or subsequent revenue recognition. Our sale of battery packs to these battery operating leasing companies is conducted on an arm’s-length basis, and the related revenue is recognized at a

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point in time when control of the battery packs is transferred to them, consistent with our accounting policies. We do not receive any income, commission or profit sharing from the leasing fees collected by the battery operating leasing companies. See Note 6 to the Accountants’ Report included in Appendix I to this Document for the related accounting policies.

Below sets forth the details of our five largest customers for the years indicated in terms of revenue contribution. For our top five customers, our credit terms are generally 90 days, and the payment methods is typically bank transfer.

For the Year Ended December 31, 2023

Customer A is an industry leading operator of charging and battery swapping infrastructure and related services incorporated in 2023 with a registered capital of RMB50.0 million, a subsidiary of Supplier B. We commenced our relationship with Customer A in 2023. We primarily sold batteries to Customer A and made sales of RMB147.9 million in 2023, accounting for 34.8% of our total sales in the same year.

Customer B is a new energy technology provider incorporated in China in 2023 with a registered capital of RMB0.1 million. We commenced our relationship with Customer B in 2023. We primarily sold batteries to Customer B and made sales of RMB108.1 million in 2023, accounting for 25.4% of our total sales in the same year.

Customer C is a logistics services provider incorporated in China in 2004 with a registered capital of RMB10.0 million. We commenced our relationship with Customer C in 2023. We primarily sold vehicles to Customer C and made sales of RMB55.9 million in 2023, accounting for 13.1% of our total sales in the same year.

Customer D is a logistics services provider incorporated in China in 2021 with a registered capital of RMB10.0 million. We commenced our relationship with Customer D in 2023. We primarily sold vehicles to Customer D and made sales of RMB20.1 million in 2023, accounting for 4.7% of our total sales in the same year.

Customer E is a logistics services provider incorporated in China in 2020 with a registered capital of RMB50.0 million. We commenced our relationship with Customer E in 2023. We primarily sold vehicles to Customer E and made sales of RMB19.1 million in 2023, accounting for 4.5% of our total sales in the same year.

For the Year Ended December 31, 2024

We primarily sold batteries to Customer A and made sales of RMB504.9 million in 2024, accounting for 25.7% of our total sales in the same year.

Customer F is an automotive sales and service company incorporated in China in 2020 with a registered capital of RMB20.0 million. We commenced our relationship with Customer F in 2024. We primarily sold vehicles to Customer F and made sales of RMB323.0 million in 2024, accounting for 16.4% of our total sales in the same year.

Customer G is a logistics services provider incorporated in China in 1999 with a registered capital of RMB217.4 million. We commenced our relationship with Customer G in 2024. We primarily sold vehicles to Customer G and made sales of RMB61.2 million in 2024, accounting for 3.1% of our total sales in the same year.

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Customer H is a new energy logistics services provider incorporated in China in 2022 with a registered capital of RMB30.0 million. We commenced our relationship with Customer H in 2024. We primarily sold vehicles to Customer H and made sales of RMB55.7 million in 2024, accounting for 2.8% of our total sales in the same year.

Customer I is a financial leasing company incorporated in 2012 with a registered capital of US\$500.0 million and is a subsidiary within the Lionbridge Group. We commenced our relationship with Customer I in 2024. We primarily sold batteries to Customer I and made sales of RMB53.7 million in 2024, accounting for 2.7% of our total sales in the same year.

For the Year Ended December 31, 2025

Customer J is an automotive sales company incorporated in China in 2014 with a registered capital of RMB2.0 million. We commenced our relationship with Customer J in 2024. We primarily sold vehicles to Customer J and made sales of RMB501.4 million in 2025, accounting for 12.7% of our total sales in the same year.

We primarily sold batteries to Customer A and made sales of RMB440.5 million in 2025, accounting for 11.1% of our total sales in the same year.

Customer K is an automotive sales company incorporated in China in 2018 with a registered capital of RMB6.0 million. We commenced our relationship with Customer K in 2024. We primarily sold vehicles to Customer K and made sales of RMB256.0 million in 2025, accounting for 6.5% of our total sales in the same year.

Customer L is an automotive sales and service company incorporated in China in 2024 with a registered capital of RMB10.0 million. We commenced our relationship with Customer L in 2025. We primarily sold vehicles to Customer L and made sales of RMB219.5 million in 2025, accounting for 5.5% of our total sales in the same year.

Customer M is an automotive sales and service company incorporated in China in 2025 with a registered capital of RMB1.0 million. We commenced our relationship with Customer M in 2025. We primarily sold vehicles to Customer M and made sales of RMB147.0 million in 2025, accounting for 3.7% of our total sales in the same year.

Overlapping Customers and Suppliers

During the Track Record Period, to the best of our Directors’ knowledge, one of our top five customers was also one of our top five suppliers on a consolidated basis. Specifically, Customer A, a subsidiary of Supplier B, purchased batteries from us to lease batteries to end users, while Supplier B supplied batteries to us for use in our new energy heavy-duty trucks. This overlap arose from our battery operating leasing model. Under this model, we first procure batteries from battery suppliers, including Supplier B, for use in the new energy heavy-duty trucks we provide. Where end users choose to finance the battery component separately, we deliver the relevant vehicle to the end user and separately sell the corresponding battery to a battery operating leasing company, such as Customer A. The battery operating leasing company then leases the battery to the end user under a separate leasing agreement. Accordingly, Customer A is recognized as our customer for the battery sale, while Supplier B is recognized as our supplier for the battery procurement. Accordingly, the battery operating leasing companies, such as Customer A, are recognized as our customers, while end users pay recurring leasing fees to these companies. Such practices align with industry norms, as confirmed by CIC.

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In 2023, 2024 and 2025, we purchased RMB207.4 million, RMB960.4 million and RMB1,666.5 million from Supplier B, accounting for 21.8%, 26.3% and 19.2% of our total purchase for the same years, respectively. In 2023, 2024 and 2025, we generated RMB147.9 million, RMB504.9 million and RMB440.5 million from Customer A, accounting for 34.8%, 25.7% and 11.1% of our total revenue for the same years, respectively. This overlap primarily resulted from the close vertical integration within the new energy vehicle value chain, where certain upstream battery manufacturers also establish downstream battery operation entities to support battery leasing solutions. In this case, Supplier B focuses on the production and supply of power batteries, whereas its subsidiary, Customer A, purchases battery packs from us and leases them to end-users.

The Directors are of the view that the pricing of such transactions is commercially reasonable and does not indicate any artificial pricing or profit shifting arrangement. The Directors are of the view that the transactions with Supplier B and Customer A are genuine in nature and are not circular transactions. In particular, the procurement of batteries from Supplier B and the sale of battery packs to Customer A arise from different commercial arrangements, involve different contractual counter parties, and serve different business purposes within the battery supply and battery leasing value chain. The negotiation of sales and procurement terms with our overlapping customers and suppliers is conducted on a transaction-by-transaction basis. The overall gross profit of the relevant transactions was broadly in line with those of other comparable transactions during the Track Record Period, and no material deviation was identified. Our Directors confirm that all sales and purchases with these overlapping customers and suppliers have been duly considered, taking into account the procurement and sales prices at the relevant times, and have been conducted in the ordinary course of business on normal commercial terms and on an arm’s length basis. In addition, the relevant sales and procurement transactions are documented under separate contracts, with separate delivery arrangements and separate settlement processes, and the corresponding cash flows are settled independently rather than being offset or otherwise linked. Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to cast doubts on the Directors’ view set out above.

After-sales Service and Warranty

We offer various warranty periods depending on the specific characteristics of different components. During the warranty period of various vehicle components, if a vehicle experiences a quality issue covered by the warranty, we will provide free or conditionally free repair services. Upon completion of vehicle delivery and upload of the vehicle identification number into our internal sales management system, the warranty registration will be automatically activated. The system calculates the applicable warranty period based on the sales date and the warranty terms applicable to each component. For key components, the principal warranty terms are generally (i) eight years or 4,500 charge cycles for self-developed battery packs, (ii) six years or 2,800 charge cycles for externally procured battery packs and (iii) five years or 300,000 km for electric motors and electronic control systems, in each case whichever occurs earlier. Warranty periods for other components are subject to the terms set out in the vehicle-specific warranty manual delivered together with each vehicle. We operate a 24-hour service hotline dedicated to handling customer complaints and inquiries. In addition, we provide five-year telematics platform support for vehicles equipped with our intelligent driving and connectivity systems. Such support includes access to the telematics platform, remote diagnostics, over-the-air software updates (where applicable), data connectivity services and system maintenance support. The telematics platform support commences from the date of vehicle delivery. According to CIC, our after-sales services and return policy for all types of products are in line with prevailing industry practices in China’s new energy heavy-duty truck industry, and our warranty periods and product liability insurance coverage are in line with industry norms.

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We have established an extensive service network to provide customers with repair, maintenance, and other after-sales services. In particular, we cooperate with authorized third-party service providers in designated regions to carry out vehicle maintenance and after-sales support, while maintaining unified service standards and quality supervision. We also provide comprehensive training for our employees and authorized service partners to ensure consistent, high-quality services across our network. We are committed to responding promptly to customer repair requests and inquiries and taking measures according to relevant procedures to track customer feedback on the quality of our products and services.

During the Track Record Period and up to the Latest Practicable Date, vehicles that experienced quality issues were repaired in accordance with warranty procedures and no product returns were processed. Accordingly, there were no resales or disposals of returned vehicles during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product recalls, large-scale returns, or product liability claims. All identified warranty or quality-related incidents were resolved through standard after-sales processes without any material disputes or penalties. During the Track Record Period and up to the Latest Practicable Date, we did not receive any major complaints or penalties for these issues. As advised by our PRC Legal Advisor, according to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), sellers are prohibited to sell industrial products that do not meet the standards and requirements for the protection of human health and safety of persons and property. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to third party property, the seller shall bear liability for compensation. If we are deemed to have violated the relevant laws and regulations, we could be subject to be ordered to cease sales, confiscation of illegal products and income, fines, and in serious cases, revocation of the business license.

DATA SECURITY

The types of data we collect and process in the course of our business operations primarily include (i) personal information collected during our daily operations, such as names, addresses, phone numbers, product or after-sales service requests, and (ii) other necessary data related to product sales such as transaction records, payment information, warranty registration and other required data for after-sales services. When processing the data we collect, we make effort to ensure the security of business secrets, information materials, and customer privacy, in compliance with national laws, regulations, and policies on data security and privacy. We have formulated and implemented a group information security management policy covering computer security, email and internal messaging system usage, account security, file transfer management, printing and copying, remote access, and the use of the internal network. We have also established a confidentiality management policy, where company information must be strictly controlled and transmitted only on a need-to-know basis, with the scope determined by the department head or higher-level responsible person based on the confidentiality level of the document, and dissemination authorized only by specific personnel designated by the department head or higher-level responsible person. All personal and other information and data we collected and stored during our operations within the PRC is stored in the PRC.

We have established a comprehensive data protection compliance framework applicable to all employees and affiliates, which governs the full lifecycle of data processing, including collection, storage, use, transmission, sharing and deletion. Our policies are based on principles of legality, necessity, purpose limitation, data minimisation, transparency, accuracy, retention limitation, security and accountability. We implement data classification and grading, adopt role-based access control, logging and approval mechanisms, encryption and technical safeguards, and conduct regular risk

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assessments and internal audits. Dedicated personnel and a data compliance management committee oversee data security, personal information protection and cybersecurity matters, and we maintain incident response, impact assessment and partner management procedures to ensure compliance with applicable laws and continuous improvement of our data protection practices.

Our information security internal policy is supervised by the Information Security Management Committee, which is responsible for formulating, maintaining, and enforcing our information security policies, coordinating necessary resources to ensure information security, making strategic decisions on information security policies, assigning responsible personnel, and reviewing our current information security status. Furthermore, we utilize digital infrastructure to strengthen our information security management. To prevent external attacks, we have deployed high-performance firewalls between our internal and external networks, with separate firewalls between the office, security, and production networks within the internal network. To prevent internal information leakage, we have equipped all computers in the R&D center with the IP-guard data encryption system. We also regulate online activities, prohibiting and restricting access to unauthorized external websites.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not conduct any cross-border data transmission of data collected or generated within the PRC to overseas jurisdictions, (ii) we do not expect to conduct any outbound cross-border data transmission from the PRC; if such outbound cross-border data transfer becomes necessary in the future, we will assess and implement the required compliance procedures in accordance with applicable PRC laws, (iii) we have not experienced any major information leaks or data loss and have complied in all material respects with the relevant regulatory requirements for data security, and (iv) we have not been subject to any major fines or administrative penalties from government authorities for violating data security laws and regulations. Based on the foregoing, our implemented internal policies and technical measures, and our continued monitoring of legislative and regulatory developments in cybersecurity and data protection, our PRC Legal Advisor is of the view that we have complied in all material respects with applicable PRC laws and regulations relating to data privacy and security during the Track Record Period and up to the Latest Practicable Date. See “Risk Factors — The data privacy and data security laws in China are subject to rapid and evolving changes, imposing significant compliance requirements on us, and any failure or perceived failure to comply with such laws, or other concerns about our practices or policies with respect to the processing of data, could materially and adversely affect our business, financial condition, reputation and results of operations.”

PROPERTIES

Our corporate headquarters is located in Anhui, China. As of the Latest Practicable Date, we owned six parcels of land use rights and two project under construction in the PRC. As of the Latest Practicable Date, we leased 18 properties in China for our business operations. As of the Latest Practicable Date, the total leased area in China was 74,594.2 sq.m. We believe our existing facilities are sufficient for our short-term needs, and we can obtain additional space on commercially reasonable terms if needed in the future. For lease contracts that will expire within three months, we will negotiate renewals with the landlords, and we do not anticipate any undue difficulties in renewing them upon expiration.

As of the Latest Practicable Date, one leased property used for warehouse was leased from lessors whose name was inconsistent with the property ownership records, for which we have not obtained the property owner’s written consent to sublease. These leased properties accounted for a total GFA of 14,100 sq.m. As advised by our PRC Legal Advisor, in the event that the property owners do not recognize or approve such sublease, the relevant lease agreements may be held invalid or subject to

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early termination, and we may be required to vacate from such properties. In such event, our operations at these properties may be disrupted and we may not be adequately indemnified by the landlords for any related losses. Nevertheless, we believe that our use of such leased properties, individually or collectively, will not have a material adverse effect on our business, financial condition, or results of operations as suitable alternative sites are available and relocation, if required, can be completed without material disruption.

As of the Latest Practicable Date, six leased properties were used for office or warehouse purposes, which were inconsistent with the registered property use indicated in the title certificates, which accounted for a total GFA of 18,302.7 sq.m. Pursuant to the PRC Land Administration Law and the Measures for the Administration of Commodity Housing Leasing, using or leasing properties in violation of the designated use may lead to orders for rectification, fines, or in extreme cases, termination of lease. As advised by our PRC Legal Advisor, although there is such inconsistency, the risk of material penalties is low given that the properties are used for non-sensitive commercial purposes and we have not received any notice of rectification from competent authorities.

As of the Latest Practicable Date, five leased property used for factories, production workshops, offices and dormitories were subject to pre-existing mortgages, which accounted for a total GFA of 49,271.5 sq.m. Pursuant to the PRC Civil Code, a valid lease established before the mortgage does not affect the mortgagee’s right to enforce its mortgage, but if the ownership of the property changes as a result of the enforcement of such mortgage, the new owner has the right to terminate the lease. Accordingly, we may face the risk of being required to vacate the relevant premises. However, as confirmed by the Company, the risk of the mortgagee enforcing such mortgage in the near term is remote, and any potential relocation would not have a material adverse effect on our operations.

As of the Latest Practicable Date, our Group had not completed lease registration filings with the competent housing authorities for three of its leased properties used for offices, primarily due to the lessors’ lack of cooperation. According to the PRC Civil Code, the absence of lease registration does not affect the validity or enforceability of a lease contract, although the relevant housing authority may impose an administrative fine ranging from RMB1,000 to RMB10,000 per unregistered lease. As of the Latest Practicable Date, we had not received any administrative notices or penalty decisions requiring lease registration filings for any of our leased properties.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes, investigations, or penalties arising from the above irregularities, nor have such matters had any material adverse impact on our operations. We maintain an internal lease register and conduct regular monitoring and assessment of renewal, compliance, and relocation risks associated with our leased properties. If any potential risk is identified, the administrative department promptly reports to senior management for evaluation and contingency planning. We believe that even if we were required to vacate from any of the above properties, we would be able to secure comparable alternative premises within a reasonable period of time, and the relocation costs would be immaterial. Accordingly, we are of the view that these irregularities, individually or collectively, will not have any material adverse impact on our business, financial condition, or results of operations.

The above properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of December 31, 2025, the book value of any property we leased or owned did not reach 15% or more of our consolidated total assets. Therefore, this document is exempt from complying with the requirement 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

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Up and Miscellaneous Provisions) Ordinance, which requires a valuation report for all interests in land or buildings, pursuant to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal, arbitral or administrative proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, reputation, financial condition or results of operations.

THIRD-PARTY PAYMENT ARRANGEMENT

Background

During the Track Record Period, five, 20 and 19 customers (the “**Relevant Customers**”) of our Group settled part of their payments with certain entities of our Group through third parties designated by such Relevant Customers (the “**Third-party Payment Arrangement**”). In 2023 and 2024, the aggregate amount of third-party payments received by our Group amounted to approximately RMB2.3 million and RMB8.2 million, respectively, representing approximately 0.6% and 0.4% of the total revenue in the respective years. During 2025, the aggregate amount of third-party payments was approximately RMB2.8 million, representing approximately 0.1% of the total revenues in the same year. During the Track Record Period, none of the Relevant Customers made material contribution to our Group’s revenue.

The designated third-party payors primarily consisted of affiliates, employees or related parties of the Relevant Customers. Our Directors confirm that, to the best of their knowledge, none of the designated third-party payors was a connected person of our Group, and such third parties were independent from our Directors, senior management and Shareholders.

Our Directors confirm that, during the Track Record Period, (i) our Group had not proactively initiated any Third-party Payment Arrangement or participated in other forms in any of such arrangement; (ii) our Group had not provided any discount, commission, rebate or other benefit to any of the Relevant Customers to facilitate or incentivize the Third-party Payment Arrangement; and (iii) the pricing and payment terms of the agreements we entered into with the Relevant Customers were in line with customers not involved in the Third-party Payment Arrangement.

Reasons for Utilizing Third-party Payment Arrangement

The use of Third-party Payment Arrangement by the Relevant Customers was primarily due to:

- **Operational Convenience:** Some Relevant Customers were individual-owned or small-scale logistics operators without dedicated corporate accounts, and preferred to settle payments using bank accounts of their employees, affiliated companies or other related persons.
- **Internal Capital Allocation:** Certain customers chose to use accounts of associated entities for internal liquidity management.

According to CIC, such practice is not uncommon among logistics and transportation customers, especially in early stages of vehicle procurement or fleet expansion.

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Termination and Implication of Third-party Payment Arrangement

We had fully ceased all Third-party Payment Arrangements by July 31, 2025. Our Directors confirm that, during the Track Record Period, (i) we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged solely based on the relevant customers’ requests; (ii) the Third-Party Payments Arrangements we accepted were not intended to circumvent any applicable PRC laws and regulations; (iii) all customer payments received under such arrangements were supported by genuine underlying transactions and duly recorded in accordance with the Group’s accounting policies and procedures; and (iv) we had not been subject to any disputes or administrative penalties by the relevant government authorities with respect to the Third-Party Payment Arrangement as of the Latest Practicable Date. Our PRC Legal Advisor is of the view that, based on the facts mentioned above and as supplemented by the Company’s enhanced internal control measures in respect of the historical Third-party Payment Arrangements, the Third-party Payment Arrangements do not contravene any mandatory provisions of PRC laws.

During the Track Record Period, all of our Third-party Payment Arrangements were supported by written delegation or authorization documents duly executed by the Relevant Customers and their designated third-party payors. The pricing and payment terms applicable to customers involved in third-party payment arrangements were comparable to those of customers not involving such arrangements. The use of third-party payments did not affect the commercial substance, pricing basis or settlement terms of the underlying transactions. We believe that the termination of such arrangements did not, and will not, have any material adverse impact on our liquidity, business operations, or financial performance because (i) the view of our PRC Legal Advisor as stated above, (ii) the amounts involved historically represented an immaterial portion of our total revenue during the Track Record Period, and (iii) all such arrangements had been fully ceased by July 31, 2025.

Internal Control

To ensure the traceability, legitimacy and proper settlement of all customer payments, our Group has established a comprehensive collection management policy and implemented stringent internal control measures. These measures are designed to standardize the recognition of customer payments, define clear departmental responsibilities, and prevent unauthorized or non-compliant fund flows. Based on the implementation of the below enhanced internal control measures, our Directors are of the view that our internal control framework in respect of third-party payment arrangements is adequate and effective, considering that (i) the recognition of customer payments is strictly limited to the counter parties among the sales related documents, (ii) unrecognized or unauthorized payments are subject to mandatory verification and refund procedures within a prescribed timeframe, (iii) only pre-approved and verified payment accounts may be used and are managed through an internal whitelist system with automated system controls, (iv) clear segregation of duties has been established among the finance, sales and internal audit functions, and (v) quarterly internal audit reviews and ongoing compliance monitoring are in place to detect and remediate any irregularities in a timely manner.

- ***Recognition of Customer Payments.*** Under the collection policy, customer payments are recognized only in limited and clearly defined circumstances: (i) payments made directly by contracting customers through their associated bank accounts in accordance with the relevant business contracts, including the agreed amount, payment method, and schedule; and (ii) payments made by third parties under a pre-executed tripartite agreement among our Group, the contracting customer and such third party, which expressly stipulates that the payment represents settlement of the customer’s contractual obligations to our Group.

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- **Handling of Non-recognized Payments.** Payments outside the above scenarios are strictly prohibited. The finance department compiles monthly payment lists, identifies any unrecognized funds, and requires the sales department to verify the payment source and purpose. Funds confirmed to be unrelated to recognized customer payments are refunded within five business days along the original payment path, with refund receipts and supporting documents retained for audit and compliance purposes. Employees are strictly prohibited from fabricating, altering or falsifying any documentation related to payments or modifying customer information to match unauthorized transactions.
- **Enhanced Internal Controls.** To prevent recurrence of similar arrangements, we have further strengthened our internal control framework. Specifically, only verified customer accounts may be used for payments, and all payment accounts must undergo pre-approval and be added to our internal whitelist system. Transactions from non-whitelisted accounts are automatically rejected by our financial system. Our internal audit and compliance teams conduct regular reviews of payment processes, monitor anomalies, and promptly report any irregularities to management.
- **Supervision and Accountability.** The finance department is responsible for verifying payments, processing refunds, and maintaining proper records; the sales department is responsible for identifying payment sources, claiming legitimate receipts, and initiating refunds of non-recognized funds. Any non-compliance identified in daily operations must be promptly escalated to the responsible business head. Our internal audit department conducts quarterly sample checks on payment records, and any violation of the policy will result in disciplinary measures or monetary penalties.

Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to cast doubts on the Directors’ view set out above.

LICENSES, APPROVALS, AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in markets in which we operate. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations. As advised by our PRC Legal Adviser, as of the Latest Practicable Date, no publicly promulgated national regulations expressly forbid or restrict the issuance of road testing permits. Our Directors confirm that we will prepare and submit the requisite application materials for the renewal of our road testing permit, in strict compliance with the prevailing regulations and the requirements of regulatory authorities.

The following table provides a summary of the material licenses, permits, and certifications we have obtained as of the Latest Practicable Date. See “Regulatory Overview — Regulations relating to Intelligent Connected Vehicles and Autonomous Driving” for the details of Temporary Vehicle License Plate.

Licence/Approval/Permit	Issuing Authority	Effective Date	Expiry Date
Value-Added Telecommunications Business Operating License	Ministry of Industry and Information Technology of the PRC	Jan 16, 2024	Jan 16, 2029

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License/Approval/Permit	Issuing Authority	Effective Date	Expiry Date
Temporary Vehicle License Plate	Hefei Public Security Bureau of Anhui Province	March 16, 2026	June 14, 2026
Temporary Vehicle License Plate	Huzhou Public Security Bureau of Zhejiang Province	April 16, 2026	July 15, 2026
Temporary Vehicle License Plates	Beijing Public Security Bureau	March 27, 2026	September 23, 2026
Temporary Vehicle License Plate.	Public Security Bureau of Bayannur, Inner Mongolia	April 27, 2026	October 18, 2026
Temporary Vehicle License Plate.	Public Security Bureau of Bayannur, Inner Mongolia	April 27, 2026	October 19, 2026

In relation to the licenses and permits for vehicle customization, according to the Administrative Measures on Admission of Road Motor Vehicle Manufacturing Enterprises and Products (《道路機動車輛生產企業及產品准入管理辦法》), China implements categorized admission administration for enterprise manufacturing road motor vehicles and road motor vehicle products manufactured by them and used in China. The MIIT shall be responsible for admission of road motor vehicle manufacturing enterprises and products nationwide. Our vehicle customization partners, including JAC Motors and Shandong Reach, have all obtained admission as road motor vehicle manufacturing enterprises and for related products in accordance with the law during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

The new energy heavy-duty truck industry in China and globally remains in the early stage of large-scale commercialization but is rapidly expanding, driven by policies promoting decarbonization, logistics efficiency, and smart mobility. According to CIC, the market is characterized by increasing competition from both traditional OEMs transitioning toward electrification and emerging technology companies focusing on vehicle intelligence and new energy technologies. Competitors primarily include established heavy-duty truck manufacturers developing battery-electric or hydrogen-powered models, as well as technology-driven enterprises offering powertrain, battery, and intelligent driving solutions. These players compete across dimensions such as product performance, cost efficiency, charging and energy replenishment infrastructure, and intelligent system capabilities.

We believe we are well positioned to compete effectively in this evolving market. Our competitiveness is underpinned by our strong in-house R&D capabilities in three-electric technologies, intelligent driving algorithms, and vehicle electronic architectures. By integrating these self-developed technologies into our vehicle platforms, we deliver superior cost efficiency, energy conversion efficiency, and intelligent functionalities tailored for road freight operations. In this regard, we have obtained certifications from various overseas markets. These certifications and approvals are necessary market-entry requirements that enable our new energy heavy-duty trucks to be legally sold and operated in the relevant jurisdictions by demonstrating compliance with applicable safety, environmental, technical and, where applicable, battery and electrical safety standards. For example, we have obtained Saudi Standards, Metrology and Quality Organization certification in Saudi Arabia and certification from the Ministry of Industry and Advanced Technology in the UAE, UN Economic Commission certification in Europe, and vehicle type approval and related certifications in Singapore, Malaysia,

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Thailand, Australia and New Zealand. These certifications and approvals not only facilitate overseas market entry, but also enhance our competitiveness and credibility with customers and regulators, thereby supporting our overseas expansion and brand recognition. In addition, our strategic collaborations with vehicles customization partners and suppliers strengthen our production scalability and quality assurance, further differentiating us from peers.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”)

We integrate ESG principles into our overall governance and business operations. Guided by our long-term corporate mission, we are committed to advancing low-carbon development, customer value creation, and responsible operations. Our Board is responsible for overseeing ESG-related risk management and internal control systems. The senior management team formulates annual ESG objectives and implementation plans, while each functional department is responsible for executing and reviewing the relevant actions.

Environmental: Low-Carbon Product Development and Green Operations

We focus on new energy heavy-duty trucks and intelligent road freight technologies that reduce lifecycle emissions. Through electrification, lightweight design, and intelligent algorithms, we help customers lower their TCO while improving energy efficiency and carbon performance. In line with China’s energy transition goals, we promote the adoption of clean energy in commercial transportation. The new energy heavy-duty trucks we deliver feature high-voltage architecture, thermal management systems and algorithms, all designed to enhance energy utilization and reduce carbon emissions.

In our daily operations, the principal resources consumed are electricity and water, and our principal environmental impacts mainly relate to energy use, water use, air emissions and waste management. Our total electricity consumption amounted to 440,687.2 kWh, 1,150,652.5 kWh and 5,434,795.9 kWh for 2023, 2024 and 2025, respectively. Our total water consumption was 11,550.5 cubic meters, 43,948.5 cubic meters and 44,593.8 cubic meters for 2023, 2024 and 2025, respectively. The increase in resource consumption was primarily attributable to the expansion of our production scale and capacity ramp-up during the Track Record Period. We did not record any air emissions or hazardous and non-hazardous waste generation in 2023 and 2024.

We assess our environmental impact primarily by reference to resource consumption, pollutant emissions and greenhouse gas emissions across Scope 1, Scope 2 and, where applicable, material categories of Scope 3 emissions. Scope 1 emissions mainly arise from fuel consumption by owned or controlled vehicles and equipment, Scope 2 emissions mainly arise from purchased electricity, and Scope 3 emissions mainly arise from upstream and downstream value chain activities. We currently measure Scope 2 emissions based on electricity consumption using applicable grid emission factors, while Scope 1 emissions are not material given the limited use of fuel-based equipment. For scope 3 emissions, we monitor major upstream and downstream activities and will progressively enhance our measurement framework as our operations scale.

Our production processes do not generate industrial wastewater, and the limited exhaust gas produced primarily consists of non-methane hydrocarbons, while domestic sewage is discharged into the municipal sewage network for centralized treatment. Solid waste generated from our operations, including waste paper, wood, foam materials, plastic packaging and scrap metal, is subject to classification and standardized disposal procedures, with general industrial waste sold or reused and hazardous waste, mainly lithium batteries, stored in compliant facilities and disposed of by qualified third parties. We monitor the handling, storage and disposal of hazardous materials and waste through designated storage areas, labeling and segregation requirements, record-keeping and regular internal

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inspection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material environmental incidents, penalties, claims or non-compliance events under applicable environmental laws and regulations.

We face ESG-related risks over the short, medium and long term. In the short term, we may face climate-related physical risks, including extreme weather events that could disrupt operations and affect employee safety. In the medium to long term, we may face climate-related transition risks, including more stringent environmental and carbon reduction requirements. We seek to mitigate such risks through contingency planning, regulatory monitoring, process optimization and continued technology upgrades. At the same time, we also see ESG-related opportunities. As carbon emission constraints tighten and demand for green transportation increases, demand for new energy commercial vehicles is expected to grow. Leveraging our positioning in new energy heavy-duty trucks, we aim to capture opportunities arising from the transition toward low-carbon transportation.

Taking 2025 as the baseline year, we aim to reduce our carbon dioxide emissions by 15% by 2030. In respect of pollutant emissions and waste reduction, for our three-electric system factory, we aim by 2026 to reduce the emission intensity of non-methane hydrocarbons to 0.132 tons per annum and particulate matter to 0.0045 tonnes per annum, and to achieve 100% harmless treatment of both hazardous waste and general industrial solid waste. Hazardous waste is transferred to and disposed of by qualified third-party service providers in accordance with applicable regulatory requirements, with relevant records maintained for tracking and compliance purposes. In respect of resource consumption, we aim by 2026 to maintain electricity consumption at approximately 14,080,909.1 kWh and water consumption at approximately 51,875 cubic meters, and by 2027 to maintain electricity consumption at approximately 18,288,181.8 kWh and water consumption at approximately 70,937.5 cubic meters. To achieve these targets, we intend to strengthen resource monitoring, improve energy and water use efficiency, maintain and monitor environmental protection facilities, reduce packaging materials and waste at source, and continue technological upgrades and equipment renewal.

Social: Customer Focus, Employee Development and Occupational Safety

We place customers’ needs at the center of innovation. Our after-sales network, operated through authorized third-party service partners, provides repair, maintenance, and 24-hour service hotlines. We maintain unified service standards, customer feedback mechanisms, and comprehensive product quality tracking. We have established a defect-prevention and rapid-response mechanism to manage potential quality or safety incidents. In accordance with the applicable PRC laws, we will cooperate with manufacturers and relevant authorities to implement recalls when necessary.

We uphold respect, equality, and inclusiveness in the workplace. Our customer-oriented, agile, responsible, and collaborative corporate values guide our HR practices. We implement fair recruitment, continuous learning, and performance-linked development mechanisms to build a sustainable talent pipeline. We enforce strict occupational safety standards in both office and production environments. Regular emergency drills, safety audits, and protective equipment requirements are implemented to safeguard all employees. Alcohol consumption, smoking, and unsafe operations are strictly prohibited during working hours.

We maintain a robust information security framework to protect trade secrets, customer information, and confidential data. Employees are required to comply with internal cybersecurity policies and data management protocols.

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During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material incidents or claims involving material personal injury or property damage relating to health and occupational safety, and we had complied in all material respects with the relevant environmental, health, workplace safety and employment laws and regulations. We have established internal policies and procedures to strengthen standardized safety and employment management, including inspection mechanisms covering production, equipment, fire protection and occupational health standards, regular emergency drills and safety audits, protective equipment requirements, and a dedicated safety responsibility framework for special equipment. We have also implemented internal recruitment and employment policies to ensure lawful, orderly and non-discriminatory hiring practices, and do not tolerate child labor, forced labor or discrimination of any kind. During the Track Record Period and up to the Latest Practicable Date, we did not experience any work-related fatalities, lost workdays due to work injuries or any material occupational health and safety claims.

Governance: Compliance, Ethics and Risk Control

The Board oversees the implementation of comprehensive internal control policies and disclosure procedures, including those relating to connected transactions, information disclosure, and anti-fraud management. We promote integrity, professionalism, and accountability. Misconduct, bribery, or corruption is strictly prohibited and subject to disciplinary or legal actions. We maintain a zero-tolerance policy toward corruption and commercial bribery. Regular audits and compliance training are conducted for employees and business partners to ensure transparency and fairness in all transactions. We apply supplier admission criteria, qualification reviews, and periodic performance evaluations. Our procurement framework emphasizes compliance, quality, and safety while encouraging ESG adoption among key suppliers.

INSURANCE

We primarily purchase employer’s liability insurance and personal accident insurance. We do not purchase key person life insurance for any of our senior management members or other key personnel, nor do we have business interruption insurance. While we believe our insurance coverage is adequate and complies with industry standards in China, it may not be sufficient to cover all claims for product liability or fixed asset losses. For more details, see “Risk Factors — Risks related to Our Business and Our Industry — Our new energy heavy-duty trucks and related technologies may have undetected defects, errors, or bugs, which could result in safety issues, product recalls, liability claims, or reputational damage.

EMPLOYEES

As of December 31, 2025, we had a total of 1,308 employees, the majority of whom are based in China. As of December 31, 2025, 125 of our employees held master’s degrees or above, including seven employees with doctoral or equivalent degrees. The following table sets forth a breakdown of our employees by function as of December 31, 2025. In addition, as of the same date, we had 968 employees in East China, 148 employees in North China, 87 employees in Central and South China, 55 employees in Southwest China and 50 employees in Northwest China.

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Functions	Number	Percentage
R&D	412	31.5%
Sales and Marketing	427	32.6%
Manufacturing	238	18.2%
Production	127	9.7%
Administrative, Procurement and Other Staff	104	8.0%
Total	1,308	100%

We believe that our success depends in part on our ability to attract, recruit, and retain talented employees. We have standard employment contracts, confidentiality agreements, non-compete agreements, and intellectual property contracts with our employees. The employment contracts cover matters such as salary, benefits, and grounds for termination. Employee compensation packages typically include salary, insurance, and other benefits. In general, we determine compensation based on the employee’s qualifications, position, and performance.

We provide our employees with opportunities to participate in projects to help them enhance their knowledge and skills. We have established a comprehensive training system, including onboarding training and continuous on-the-job training, to accelerate the learning process and improve the knowledge and skill levels of our employees. The onboarding training for new employees includes company culture and policies, professional ethics, an introduction to the development process, quality management, and occupational safety. Our regular on-the-job training covers simplified technical knowledge and is tailored to the different needs of various departments and functions. We are also committed to further fostering a collaborative work environment and encouraging employees to develop their careers with the company.

We employ dispatched staff for certain basic positions. We also employ outsourced staff for certain basic positions. Before signing contracts, we carefully review the qualifications of the supplier and clearly state the rights and obligations of each party in the contract.

We believe we maintain good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major labor disputes, nor have we encountered significant difficulties in recruiting employees.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for overseeing the overall effectiveness of our risk management and internal control systems. We have established a comprehensive set of internal policies and procedures designed to support our operational, financial and compliance needs, and are committed to continuously enhancing our internal control framework to ensure that it remains effective and in full compliance with applicable PRC laws and the Listing Rules.

We engaged an independent internal control consultant to conduct a review of our internal control systems in June 2024, which covered key areas including but not limited to entity level controls, financial closing and reporting, sales and collection, purchasing and payment, production and cost management, R&D, construction in progress management, management of fixed assets, intellectual property management, cash and treasury management, human resources, general controls over information systems, and contract management.

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Based on the review, the consultant identified certain deficiencies, mainly relating to (i) enhancement of our corporate governance structure and establishment of board committees in accordance with the Listing Rules, (ii) formulation of comprehensive disclosure control policies, and (iii) formalization of related-party transaction management procedures.

We have adopted all rectification measures recommended by the internal control consultant, including establishing necessary internal committees and systems, formulating detailed policies for information disclosure management and related-party transaction controls, and enhancing documentation, approval and monitoring procedures across key operational areas. Based on the follow-up review performed by the internal control consultant in July 2025, the internal control consultant has not identified any further material deficiencies in our enhanced internal control system. Our Directors are of the view that, following the completion of these rectifications, our internal control and risk management systems are adequate and effective for our current operations.

AWARDS AND RECOGNITION

The following table lists the awards and recognitions we received during the Track Record Period.

Award	Authority	Year
Feixi County High-Quality Development Contribution Award — Advanced Individual	Feixi County People’s Government	2025
Feixi County High-Quality Development Contribution Award — Advanced Collective	Feixi County People’s Government	2025
New Force Brand Expected by Truck Brothers	China Automotive News	2025
Industry Promotion Award	T-Link	2025
2025 Hurun Gazelle Enterprise	Hurun Report	2025
2025 Top 100 New Forces in Chinese Enterprise Globalization.	CYZone	2025
Zero2IPO 2024 Investment Community AI Venture50	Zero2IPO Ventures, PEDaily	2024
2024 Sci-Tech Good Company.	Cailian Press	2024
3rd China Commercial Vehicle Black Technology Competition “Tech Innovation Feature Award”	China Automotive Engineering Research Institute	2024
2024 Anhui Province Specialized, Refined, Special, and New SME	Anhui Provincial Department of Industry and Information Technology	2024