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OVERVIEW

Who We Are

We are a global company dedicated to providing outdoor leisure and electrified mobility solutions with a leading position in the LSEV market. According to Frost & Sullivan, we ranked first globally in the LSEV industry in 2025 by revenue, with a global market share of approximately 10.9%. Leveraging our leading position in the LSEV market and our diversified product portfolio across E-mobility products and powersports, we offer enjoyable and practical solutions. Our business spans two major segments: (1) E-mobility products, consisting of (i) LSEVs, addressing growth in community and on-site short-distance mobility, and (ii) electric two-wheelers, including electric bicycles, electric scooters and electric balance bikes, and (2) outdoor specialty vehicles, also known as powersports, including ATVs and off-road motorcycles. These products are widely used for short-distance travel within communities, recreational sports, intelligent mobility and specialized operations scenarios.

Our business has a strong international focus. In 2025, over 97% of our revenue was derived from overseas markets, with the United States as our largest export destination. Our development is guided by a clear strategic framework: to expand our product matrix, deepen our channel ecosystem, and promote brand value through innovation. Guided by this strategy, we strive to continuously refine our existing product portfolio and identify potential business opportunities for future development. Since we launched our LSEV products in 2022, our marketing network and diversified brand matrix have enabled this new business line to achieve a rapid growth. Within three years from the launch of our LSEV products, we have risen to the forefront of the U.S. market in terms of LSEV sales, demonstrating strong market penetration.

From our inception, we have been building a global operational network focused on the United States, with coverage across selected overseas markets. Drawing on more than two decades of international operating experience of our management, we have established a footprint across North America, Southeast Asia and China with localized production and sales networks in each region. This integrated “China + Southeast Asia + North America” coverage enables us to respond quickly to customer needs, adapt to local regulations and develop products tailored to regional demand, while providing high-quality services. These principles are ingrained in our corporate culture and reflect our spirit of forging ahead to lead the outdoor mobility trend.

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We have achieved various accomplishments across our principal business areas, as highlighted below.

Operating Results	Market Position Ranked First Globally 2025 LSEV revenue ⁽¹⁾ Ranked Second in China Export volume of all-terrain vehicles from January to December 2025 ⁽²⁾	Financial Performance 35.6% ⁽³⁾ Compound Annual Growth Rate of revenue for the past three years 70.6% ⁽³⁾ Compound Annual Growth Rate of net profit for the past three years	Global Coverage Overseas revenue accounted for 97.0%+ in 2025; Products sold to 75+ countries and regions ⁽⁴⁾ ; Possesses three major manufacturing bases in China, Southeast Asia, and North America; Founder has about 20 years of localized operations in North America
Brand Marketing	Marketing Network 6,600+ general merchandise stores ⁽⁵⁾ 1,900+ specialty store outlets ⁽⁵⁾ 776 dealers ⁽⁴⁾ 15+ proprietary sales websites and third-party e-commerce platforms ⁽⁵⁾	Proprietary Brands Over 60% ⁽⁶⁾ of sales from proprietary brands ⁽⁴⁾ Four major brands, DENAGO, GOTRAX, TEKO, and TAO MOTOR , cover various consumer segments	Market Insight Rapid volume growth of LSEVs ; Terminal sales volume exceeded 40,000+ units in 2025, representing an approximately 20-fold increase compared to 2023
Intelligent Manufacturing	Product Intelligence To further apply smart functions to our product lines, including models such as Denago EV City , and broaden our portfolio of smart products	Core Self-manufacturing Over 80% self-manufacturing rate for core components ⁽⁴⁾ Over 35% high self-manufacturing rate ensures the gross profit margin leads the industry ⁽⁴⁾	Execution Efficiency The US factory took within 100 days the beginning of production line installation to the rollout of the first LSEV Manufacturing efficiency per worker per day approached the level of PRC Manufacturing Base

Notes:

- (1) As measured by revenue in 2025, according to Frost & Sullivan
- (2) Based on the sales data statistics from the December 2025 Production and Sales Express Report published by the Motorcycle Branch of the China Association of Automobile Manufacturers
- (3) From 2023 to 2025
- (4) As of December 31, 2025
- (5) As of the Latest Practicable Date
- (6) For each year during the Track Record Period

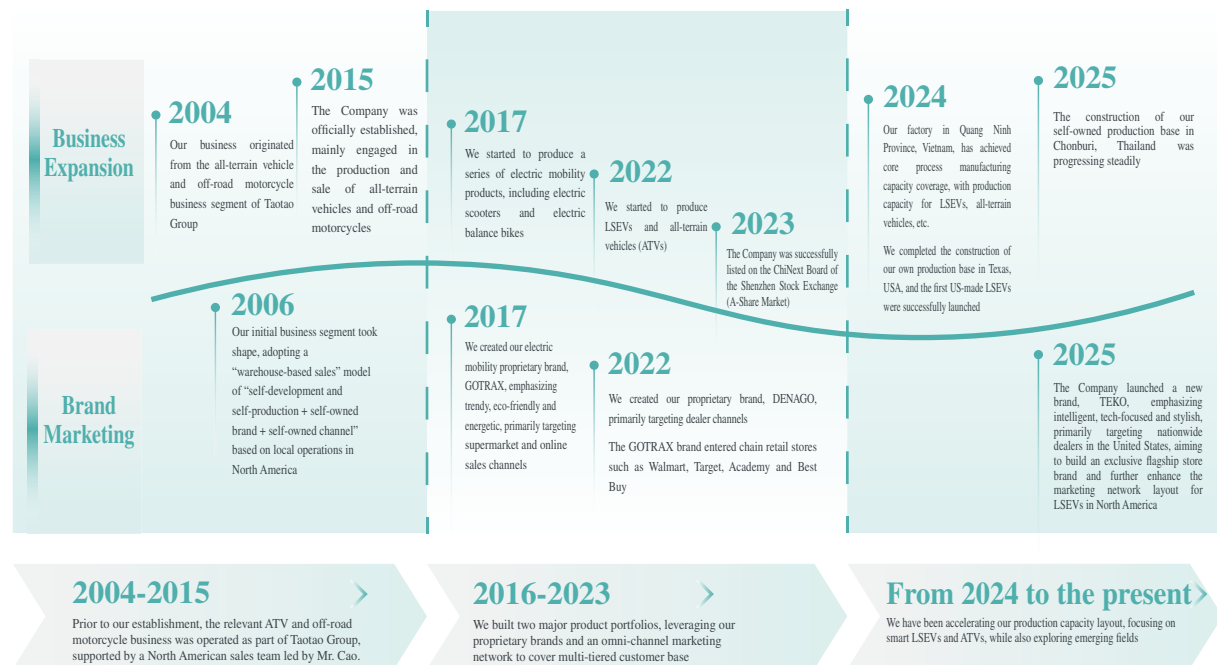
Our Key Development Milestones

Our business origin can be traced back to 2004, when Taotao Group, our primary promoter, began operating business segments focused on ATVs and off-road vehicles. Leveraging the extensive operating experience of our founder and chairman, Mr. Cao, in the United States, the business established a foothold successfully in North America through proprietary brands and local sales channel expansion, with the incorporation of TAOTAO USA, Inc. in 2007, laying a solid foundation for our subsequent independent development. Our Company was established on September 24, 2015, and subsequently, acquired the relevant inventory and machinery equipment from Taotao Group in 2016.

We initially focused on the R&D, production and sales of ATVs and off-road motorcycles. In 2017, we strategically expanded our product portfolio and commenced mass production of electric scooters, electric balance bikes and electric bicycles to capture the emerging opportunities in electrified mobility. In 2022, we further broadened our E-mobility products by launching LSEV, which quickly achieved commercial success.

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Over the course of our development, we have achieved a series of milestones in expanding our product portfolio, building our brand matrix and establishing a global operating network, as set out below:



Our Brands and Products

Our Brands

We operate a tiered proprietary brand matrix tailored to distinct user segments and channels, comprising DENAGO, GOTRAX, TEK0 and TAO MOTOR. This matrix enables precise coverage of key consumer cohorts and supports brand synergy through differentiated positioning and operations.

- **DENAGO — Premium, Professional, High-Performance.** As one of our flagship brands, DENAGO is positioned for E-mobility and powersports through a dedicated dealer network. The brand embodies a commitment to high quality and design, serving consumer demand in key markets. We have elevated DENAGO’s international profile through strategic partnerships with premier global sporting events and organizations, including the NBA, Dallas Open, MotoGP, and the PGA Show, which has enabled DENAGO to achieve growth in a competitive market, earning market recognition. The brand also engages in cross-promotional collaborations with iconic consumer brands such as Jack Link’s, enhancing brand recognition and customer loyalty.
- **GOTRAX — Trendy, Eco-Friendly, Energetic.** GOTRAX is a mass-market brand of ours, primarily distributed through large general merchandise stores and online channels. Its positioning around modern, eco-conscious, and energetic mobility has attracted a community of over one million E-mobility enthusiasts. GOTRAX electric scooters consistently rank among the top ten best-sellers on Amazon, have repeatedly earned “Amazon Best Seller” and “Amazon’s Choice” designations, and were featured at the top of Walmart’s annual toy list, demonstrating widespread consumer appeal.

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- **TEKO — Intelligent, Tech-Focused, Stylish.** Launched in September 2025, TEK0 is our youngest brand, strategically designed to complement our existing portfolio and deepen our North American market penetration. TEK0 targets national chain dealers through a dedicated flagship store model, offering products that emphasize intelligent features, functionality, and fashionable design. This brand further refines our marketing network for LSEVs in North America.
- **TAO MOTOR — Practical, Fun, Dynamic.** As an earlier brand that traces back to our founding, TAO MOTOR is positioned around practicality, enjoyment, and dynamic performance. It serves the mass-consumer market with a range of powersports products for daily commuting and outdoor leisure. TAO MOTOR was our first brand to pursue global market expansion and remains a practical choice for consumers seeking versatile and reliable mobility solutions.

Our Products

We have established a structured and dynamic product matrix built around two strategic dimensions: deepening our existing businesses while exploring emerging technologies. We currently operate two principal business segments: (1) E-mobility products, which consist of (i) LSEVs, (ii) electric two-wheelers, comprising electric bicycles, electric scooters and electric balance bikes; and (2) powersports, leveraging our profound experience in ATVs and off-road motorcycles. Our strategic focus in emerging fields is on technologies that are synergistic to our existing businesses. Our core product matrix is set out below:



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Our Global Footprint



We have pursued internationalization from the outset, with a global vision embedded in our corporate development. Building on this foundation, we are establishing a multi-regional manufacturing system that features regionalized production and localized supply.

Our three principal manufacturing bases in North America, Southeast Asia and the PRC are positioned with distinct roles and complementary functions, enabling us to capture growth opportunities across diverse markets and to serve customers efficiently worldwide.

- Our Texas facility represents our commitment to localized production in the United States, reflecting our strategic objective to becoming a U.S. domestic producer, enabling the localization of key components and strengthening our brand image in the North American market.
- In Southeast Asia, our Vietnam plant has already mastered core processes such as frame forming, surface treatment and powertrain assembly, and is actively ramping up capacity to supply LSEVs and ATVs to overseas markets, while our Thailand plant, currently under construction, is expected to form a dual-hub with Vietnam to further enhance supply resilience and flexibility for exports to North America.
- Our PRC facilities function as our global technology and support center, where we have developed a replicable production model through streamlined processes, integrated systems testing and flexible team structures. In addition to supporting order fulfillment for our key overseas markets, our PRC base also exports proven technologies and management expertise to our overseas operations, ensuring consistency and efficiency across regions.

Market Opportunities

The market opportunities for our product portfolio are underpinned by global macro trends and diversified application scenarios. Demand is rising across both personal mobility and commercial-use cases, supported by consumer lifestyle changes, environmental awareness and technological innovation.

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E-mobility

E-mobility is increasingly viewed as a desirable transportation tool with advantages such as low carbon emission, reduced cost of ownership and convenient parking. Among the sub-categories within the E-mobility, the LSEV market, particularly in the United States, is demonstrating robust and diversified growth.

LSEVs are a category of “micro-mobility” transports designed for specific scenarios such as short-distance community travel, commercial operations, and public services. These vehicles typically have a maximum speed not exceeding 25 miles per hour, comply with relevant U.S. low-speed vehicle regulations, and are permitted to operate legally on certain public roads.

The LSEV market, particularly in the United States, demonstrates strong and diversified growth potential. Market demand is driven by two core factors:

- **Policy Support:** A favorable regulatory environment has established the institutional foundation for the adoption of LSEVs, allowing their legal use on golf courses, in gated communities, and on select public roads.
- **Shifting Consumer Trends:** Faced with the high purchasing and operating costs of traditional automobiles, coupled with a growing demand for short-distance travel, the market for economical transportation alternatives is continuously expanding.

LSEVs are characterized by relatively low acquisition and maintenance costs, ease of operation, and environmental friendliness. These product characteristics align strongly with modern consumer trends, attracting a diverse user base that includes America’s new middle-class and senior community residents. They are widely used for daily activities such as family commutes, shopping, leisure, transporting children, and neighborhood outings, making them an ideal choice as a light mobility product for households. Furthermore, LSEVs have extensive applications in commercial and public service sectors, including tourist attractions, large campuses, golf courses, and security patrols, meeting a variety of operational needs.

Powersports

The global powersports market increased from US\$22.9 billion in 2021 to US\$29.3 billion in 2025 at a CAGR of 6.4%, and is expected to reach US\$38.2 billion in 2030, representing a CAGR of 5.4% from 2025 to 2030, according to Frost & Sullivan. Such robust growth is supported by dual demand drivers. Recreationally, consumers are increasingly drawn to outdoor leisure, off-road sports and nature exploration. Functionally, powersports such as ATVs are used in agriculture, animal husbandry, emergency response and other specialty operations. The combination of entertainment and utility creates a broad and sustained growth trajectory for the industry. Furthermore, the trend toward electrification is injecting new vitality into both segments. For recreational users, the zero-emission and low-noise characteristics of electric ATVs can make the outdoor experience more pleasant and enjoyable. For functional applications, the instantaneous torque and intelligent control of electric motors offer efficiency and precision.

Our Financial Highlights

During the Track Record Period, we achieved consistent growth in both revenue and profitability. Our revenue increased from RMB2,144.2 million in 2023 to RMB3,941.4 million in 2025, representing a CAGR of 35.6%. Our net profit amounted to RMB280.5 million, RMB431.3 million and RMB816.3

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million in 2023, 2024 and 2025, respectively, representing a CAGR of 70.6%. Over the same years, our net profit margin remained above 10%. This track record demonstrates our ability to expand scale while maintaining healthy margins and delivering sustainable earnings growth.

COMPETITIVE STRENGTHS

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

A global company dedicated to providing outdoor leisure and electrified mobility solutions

We are a global company dedicated to providing outdoor leisure and electrified mobility solutions, with products sold to more than 75 countries and regions. Our international presence is underpinned by a comprehensive portfolio that covers E-mobility products and powersports, supported by a broad customer base across leisure, mobility and functional-use scenarios. In 2025, our overseas revenue amounted to RMB3,845.7 million, representing approximately 97.6% of our total revenue in 2025. From 2023 to 2025, our revenue recorded a CAGR of 35.6%, while our net profit recorded a CAGR of 70.6%, significantly outpacing the industry average growth, according to Frost & Sullivan. Based on 2025 revenue, we ranked first globally in LSEV, commanding a market share of approximately 10.9%. DENAGO and GOTRAX are our proprietary consumer-facing brands through which we offer e-mobility products in North America.

Global trends such as the electrification of personal mobility and the upgrading of outdoor leisure consumption are driving demand for high-quality, high-value products such as electric bicycles, LSEVs and ATVs. In addition, emerging scenarios including intra-community travel and specialty operations are creating new markets. With our multi-brand matrix, global sales network and efficient supply chain, we believe we are well positioned to capture these opportunities and to deliver sustainable growth.

Extensive network supporting global market penetration

We have established an extensive sales network that integrates both online and offline channels, enabling us to reach consumers across different product life cycle stages, from initial launch and market introduction to expansion into new customer segments, and ultimately to sustained, mature sales. This multi-channel structure enhances brand visibility, broadens market coverage and supports deeper penetration into global markets.

- **Key account customers.** Sales through key account customers (“KACs”) such as major U.S. GMSs and third party e-commerce platforms help us rapidly scale volumes and expand market share, while serving as a key pathway for building brand awareness. During the Track Record Period, our coverage across GMSs continued to grow. As of the Latest Practicable Date, our products were placed in over 3,900 Walmart stores, over 730 BestBuy stores, over 360 Academy stores, and over 1,900 Tractor Supply Company stores, and were also available in selected Lowe’s stores, among other leading chains. Third party e-commerce platforms KACs as of Latest Practicable Date included Amazon and Walmart. We are also actively expanding into specialty retailers such as Tractor Supply Company and Lowe’s.
- **Dealers.** By maintaining long-term cooperation with quality dealers across the United States, we ensure steady penetration into niche markets. As of December 31, 2025, our dealer network in North America covered 776 dealers.
- **Wholesale customers.** We cooperate with wholesalers to extend our coverage both within and beyond North America on an order-by-order basis.

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- **DTC websites.** We operate 13 proprietary DTC websites. Our DTC websites allow us to capture and analyze first-hand consumer data.

Through this multi-channel network, we are able to balance volume growth, brand building and profitability, while achieving resilient and sustainable global market coverage. Multi-tier proprietary brand matrix precisely targeting market segments

We have established a comprehensive brand matrix centered on our four proprietary brands and continue to enhance brand synergies through refined and differentiated positioning. Each brand has a clear identity and complementary strengths, enabling us to serve a wide range of consumer segments:

- **DENAGO.** Positioned around the value proposition of “Premium, Professional, High-Performance,” DENAGO is our flagship brand targeting high-end consumers through our dedicated dealer network. It provides enjoyable and practical solutions for customers seeking superior quality, functionality, and professional-grade performance.
- **GOTRAX.** Emphasizing a “Trendy, Eco-Friendly, Energetic” identity, GOTRAX targets the mass market through online platforms and large supermarkets. It has become a leading E-mobility consumer brand in North America, with multiple products earning accolades such as “Amazon Best Seller” and “Amazon’s Choice.”
- **TEKO.** As our youngest brand, TEKO is built on the concept of “Intelligent, Tech-Focused, Stylish.” It targets national chain dealers and dedicated brand flagship stores, complementing DENAGO and GOTRAX by focusing on tech-savvy North American consumers seeking smart experiences and fashionable design. This brand further strengthens our channel layout in the region.
- **TAO MOTOR.** Positioned around “practical, fun and dynamic,” TAO MOTOR, our heritage brand, leverages our wholesalers and retailers network to penetrate the mass-consumer market rapidly.

In addition, we have assembled an international operations team led by our marketing and business development team. Through targeted content marketing and community engagement on global social media platforms such as Instagram and YouTube, the team has built a large and active user community, which constitutes a significant intangible brand asset.

As a result of this successful brand strategy, revenue contribution from our proprietary brands accounted for over 60% of total revenue for each year during the Track Record Period. Given that proprietary brands carry significantly higher gross margins compared with ODM products, the growing contribution of this business structure continues to improve our overall profitability.

Integrated synergies creating structural cost advantages

We have established a systematic cost advantage in production, supported by three mutually reinforcing elements: location benefits, in-house production of core components and intelligent manufacturing.

- **Location benefits.** We operate in the midstream of the industry value chain, where our principal inputs, including steel, aluminum, engine parts, plastic resins, tires, battery cells and controllers, are common and widely available, ensuring stable and cost-effective procurement. Our PRC production base is located in Zhejiang Province within a mature industrial cluster that spans automobiles, motorcycles and components, electric vehicles, metal doors and power tools. The region is characterized by a dense concentration of skilled

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workers, abundant hardware resources and well-developed supply networks. Leveraging this industrial base, we are able to source raw materials locally, streamline logistics and achieve rapid supply response. This allows us to operate largely on a “procurement-on-demand” basis, which reduces unnecessary inventory, lowers working capital requirements and enhances cost efficiency.

- ***In-house production of core components.*** Through strategic vertical integration, we have developed in-house R&D and production capabilities for critical, high-value components. These include frames, motors, battery packs, and main cables. Our self-sufficiency rate for these core components exceeds 80%. This high degree of vertical integration provides a stable profit buffer, reduces reliance on external suppliers, and gives us greater control over product quality, the supply chain, and innovation cycles.
- ***Intelligent manufacturing.*** We continue to invest in the intelligent upgrading of our production facilities. We have introduced automation equipment such as welding robots, laser cutting machines and large injection-molding machines, while also deploying smart microgrid systems and cloud-based energy management platforms to improve energy efficiency. By deploying cloud-based energy management platforms, we can track and benchmark energy use across production lines and equipment in real time, identify savings opportunities and strengthen our energy cost control. For high-value product lines such as LSEVs, we have installed high-end assembly lines, regenerative catalytic oxidation environmental systems to ensure the compliance with stringent emission regulations and safety testing equipment. These initiatives enhance product consistency, raise production efficiency and further strengthen our cost-control capabilities.

Globalized production footprint supporting deepened operations in core markets

We regard operating efficiency and global supply chain optimization as core competitive strengths. By combining digital tools with lean management practices, we have streamlined the entire value chain from product development to scaled manufacturing and global sales, creating an efficient closed-loop business model. This integration has shortened the cycle from raw material procurement to delivery to end-users, while strengthening both cost control and market responsiveness. Our execution capability has been validated across our manufacturing footprint. In the PRC, we rapidly ramped up production of LSEVs and established a highly replicable model built on standardized processes, modularized equipment and flexible teams, which has laid a solid foundation for overseas expansion. In Vietnam, our Southeast Asia hub achieved full-process vertical integration, from frame forming to powertrain assembly, in its first year of operation, with capacity expected to expand further. In North America, we continued to our localization strategy by completing the Texas facility and delivering the first locally assembled vehicle, underscoring our ability to execute global projects efficiently.

In parallel, we have built a comprehensive localized operation team in North America, where we have cultivated the market for nearly two decades. Supported by an international team of more than 400 employees as of December 31, 2025, with front-end sales staffed primarily by U.S.-based employees, we organize dedicated sales teams by product, channel and brand, enabling direct engagement with customers and rapid response to market changes. On the manufacturing side, we operate facilities in Texas, Florida and California. The Texas plant has already commenced trial production and delivered its first LSEV, and we are advancing localized production of key components. This integrated local production system enhances supply chain stability, shortens delivery cycles and mitigates risks associated with international trade and geopolitical uncertainties.

Our sales and distribution model in North America is reinforced by warehouse-based operations. We have established centers in Texas, California, Indiana, Florida and Toronto, Canada. By connecting directly with sales channels, this model reduces reliance on third-party logistics, shortens circulation

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processes and improves delivery efficiency. Flexible inventory allocation and proximity to end-users reduce stock and after-sales parts pressure while easing the burden on channel partners, which in turn strengthens our bargaining power, brand influence and customer experience. Complementing these efforts, we provide precise and efficient pre-sale and after-sale services. For pre-sale, we leverage market insight and local expertise to identify customer needs and industry trends and deliver tailored solutions. For after-sale, we operate dedicated parts warehouses in North America and maintain a coordinated domestic and overseas parts-ordering system, allowing our local teams to respond promptly to customer demand.

Precise market insight driving continuous product upgrades

Leveraging the deep industry insight of our management team, gained through years of experience in the European and U.S. markets, we have established a market-driven and agile product development system that ensures accurate positioning and supports the continuous expansion and upgrading of our portfolio.

At the early stage of our development, based on insights into the demand among higher-income consumers in Europe and the United States for adventure and family recreation, we focused on small-displacement ATVs of 300cc or below, targeting youth and children with products that balanced safety and sport performance. This strategy quickly established our brand reputation in overseas markets. Building on this foundation, and with a close focus on emerging consumer preferences for individuality, style and modern design among younger generations, we launched electric bicycles, electric scooters and electric balance bikes ahead of the market. In 2017, we successfully entered the electric two-wheeler industry, creating a new engine of growth.

Following this proven model, we identified that high traditional automobile ownership costs and the prevalence of short-distance daily trips created a massive unmet need for an affordable, convenient, and safe light mobility product for community use, and LSEVs were evolving into versatile short-distance mobility tools for communities and leisure. With their affordability and safety as low-speed vehicles, they are increasingly viewed as substitutes for a family’s light mobility product. To capture this opportunity, we initiated research and development in 2020 and successfully launched our LSEV line in 2022, positioning ourselves in a high-potential segment.

To further enhance the value and profitability of our product portfolio, since 2023 we have increased R&D investment in core components such as engines and motors. This has enabled us to expand into larger-displacement ATVs with higher technological barriers and stronger pricing power, extending the value chain within our core categories and reinforcing our competitiveness in premium markets.

Forward-looking technology innovation driving value creation

Our R&D strategy is centered on electrification, intelligentization and premiumization, with the goal of building a deep and defensible technology moat across all product categories and use cases. This strategy supports a continuous migration of our business mix toward higher-value and technology-enabled segments. To deliver on this vision, we have developed a global R&D talent system: our PRC team focuses on large-displacement ATVs, LSEV, three-electric systems, which contain battery, motor and electronic control systems that power the vehicle and manage power output, and engines, while our North American team specializes in product design, laying a solid foundation for the global expansion of our product lines. Such product design primarily includes (i) user needs-driven product definition informed by local market insights, (ii) industrial and user experience design, and (iii) rapid prototyping and design validation to accelerate design iteration and improve design maturity. For example, Denago Freeland 300FI features a modular 1+1 seat layout (removable backrest to expand cargo space) and user-centric configurations such as a 2,500-lb winch, TFT display and towing receiver, with specific design work covering exterior and interior styling, ergonomic control interfaces, digital

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cockpit functions, ambient lighting and storage-space arrangements tailored to local user scenarios. The three-electric systems underpin our electrification roadmap by helping us manage costs, enhance supply chain stability and provide the hardware foundation for intelligent functions across our electrified products.

Our core R&D initiatives focus on the following areas:

- ***Technology integration and enhanced user experience for Electrified Mobility.*** For LSEV, we have completed four rapid iterations within two years, upgrading from lead-acid to lithium battery models and expanding from multi-seat layouts to specialized camping carts. The rapid-iteration capability enables us to respond quickly to evolving customer needs and emerging use cases, shorten product development cycles and improve product-market fit in the LSEV segment. By integrating automotive-grade technologies such as CAN bus communication, EPS steering systems, IoT connectivity and OTA remote upgrades to enhance product quality, durability and user experience, supporting the positioning of our proprietary brands, and by equipping products with large-format interactive displays, we have significantly enhanced both product intelligence and the user experience. In addition, our self-developed in-vehicle smart platform provides strong support for future feature upgrades. The platform integrates in-vehicle functions such as vehicle control, navigation, entertainment and information interaction (for example, via large-format in-vehicle displays), and serves as a foundation for future OTA-based feature upgrades and value-added services. For electric bicycles, electric scooters and electric balance bikes, we follow a strategy of continuous technical iteration and performance optimization, consolidating and expanding our leadership position in these markets.
- ***Powertrain breakthroughs and product premiumization for specialty vehicles.*** While consolidating our strength in small-displacement ATVs of 300cc or below, we are strategically advancing into larger-displacement models ranging from 350cc to 700cc, together with supporting engines with higher power output. By integrating four-wheel drive systems, steering technologies and TFT digital displays, we are systematically enhancing off-road capability and intelligent features, such as OTA upgrades and smart displays functions that improve user interaction and experience, enabling us to move into higher-barrier, high-end segments of the ATV and UTV markets.
- ***Building future competitiveness for emerging technologies.*** Our approach is not simply to enter new industries, but to develop common technology platforms that incorporate capabilities, including sensing, decision-making and control algorithms, and apply them across our existing product lines. This allows us to drive intelligent generational upgrades across the portfolio. To accelerate this strategy, we are implementing a dual-platform R&D model consisting of our domestic research institute at our headquarter and an overseas R&D team in the United States, linking global talent and technology resources.

Experienced management team with a global perspective

We have consistently underpinned by a commitment to long-term development and a global vision. As we continue to expand our global business, we have adopted management practices and built a sound and efficient corporate governance framework, which provides important support for maintaining our industry competitiveness and sustaining rapid growth.

Throughout our development, our founder and chairman, Mr. Cao, has demonstrated accumulated substantial industry experience and insight into European and U.S. markets. He has personally set the direction of new product development and focused on building sales channels and developing markets, successfully leading us to become a leading enterprise in global outdoor leisure and electrified mobility.

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We have also established a core management team with extensive experience and strong international operating capabilities. The key members of our team have deep expertise in outdoor leisure and electrified mobility solutions, combining profound industry knowledge with a forward-looking international perspective. Together, they have built complementary strengths in product R&D, international market expansion and supply chain management. The management team’s ability to make sound strategic decisions and execute effectively enables us to seize opportunities in global operations and emerging industries, even in a complex and rapidly changing market environment.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business.

Expand and upgrade our product portfolio

We will continue to enrich and upgrade our product portfolio, centered on our core R&D strategy of “Electrification, Intelligentization, and Premiumization,” to capture growth opportunities across diversified use scenarios. Our goal is to build a comprehensive product ecosystem that serves all age groups, from children to seniors, and addresses a wide range of personal and family mobility needs, thereby driving our business mix toward high-end segments.

In the E-mobility sector, we intend to further develop our LSEV consumer offerings and explore commercial applications to better address customer needs in North America. In the powersports sector, we will focus on advancing our proprietary engine development and the electrification of specialty vehicles. These initiatives will enhance our in-house R&D capabilities and provide the core technological support needed to complete our all-scenario mobility ecosystem.

Deepen and expand our sales network

We will continue to deepen our integrated sales network to enhance our global market coverage and penetration. In the near term, our primary focus is the expansion of our dealer network. We will actively partner with leading international dealers, such as Cart Mart, Mission Golf Cars, and Bert’s Mega Mall, to elevate the quality of our channels and strengthen our position in the U.S. market, which will further enhance our brand influence. Concurrently, we will deepen our strategic partnerships with major chain retailers such as Walmart, Target, Academy, Best Buy, and Tractor Supply Company, driving the introduction of multiple product categories to increase our penetration and performance within these core retail systems. In our online channels, we will consolidate our leading position on major e-commerce platforms such as Amazon, while refining the operations and user experience of our proprietary DTC websites to achieve comprehensive growth across all online avenues.

Elevate brand value

We are dedicated to transforming our company into a platform-type brand enterprise driven by user needs. By implementing refined and differentiated operational strategies, we will continuously enhance the value of our proprietary brands. Looking ahead, we will build a brand operating model that is highly responsive to market demands, using consumer scenarios as our guide to precisely meet diverse needs and upgrade our role from simple product delivery to value co-creation with our customers.

To support this, we will integrate online and offline resources to build a multi-dimensional brand communication system, including online channels such as social media and e-commerce, and offline channels such as industry exhibitions (e.g., PGA trade shows) and our dealer network, leveraging global new media platforms and top-tier sporting events and exhibitions to increase our global brand exposure. Through celebrity endorsements, scenario-based marketing, and corporate social responsibility

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initiatives, we will strengthen the emotional connection and reputation of our brands. We will continue to increase our investment in brand building, assembling professional teams to develop sophisticated content and regional communication strategies tailored to different user communities, thereby converting brand awareness into brand loyalty. By leveraging data-driven user engagement and optimizing our marketing investments, we will ensure the efficient conversion of brand resources and solidify our brand influence in the global market.

Strengthen manufacturing footprint and deepen supply chain localization

We will continue to optimize our “China + Southeast Asia + North America” tripartite global production layout. Key initiatives include advancing the construction of our new factory in Thailand to expand our manufacturing capacity in Southeast Asia and pursuing the U.S. domestic producer for our North American base to achieve our “North America+” strategic objective. Furthermore, we will leverage the highly efficient and replicable production models and management expertise developed at our China base to provide robust technical and operational support for our global expansion.

We will deepen our supply chain layout based on the principle of “regionalized production, localized sourcing”. A core element of this strategy is to advance the local production of key components within the North American market, with the goal of establishing a complete, vertically integrated local system that spans from parts manufacturing to final vehicle assembly. This initiative is designed to guarantee supply chain stability, shorten delivery cycles, and effectively mitigate risks associated with international trade.

Drive forward-looking technology innovation

Guided by our core principles of “Electrification, Intelligentization, and Premiumization,” we will continue to drive technological innovation. In the near term, we will integrate automotive-grade smart technologies—such as the Internet of Things and Over-the-Air remote upgrades—into our existing products, including LSEV, to increase their added value. Our strategic focus is not merely to enter new industries but to develop a common technology platform. This will allow us to feed sensing and control algorithms back into our core business, driving a generational, intelligent upgrade across our entire product line.

As a company focused on electrified mobility and intelligent product upgrades, we aim to build a globally recognized brand in new energy intelligent mobility. We are focused on becoming the leader in the LSEV industry, guided by technological innovation and market demand, and are advancing a premiumization strategy led by “Electrification + Intelligentization” to continuously cultivate new engines of growth. At the same time, we are expanding our dealer network and actively promoting our overseas production layout. Through this manufacturing footprint, we will steadily advance the international presence of our proprietary brands, striving to become a company characterized by stable operations, sustainable growth, and high-quality development that creates long-term value for society.

OUR BRANDS AND PRODUCTS

Our products encompass two main segments: (1) E-mobility products and (2) powersports. Our E-mobility products include LSEVs, and electric two-wheelers such as electric bicycles, electric scooters and electric balance bikes. Our powersports include ATVs and off-road motorcycles. These products are designed for use in leisure sports, smart mobility, and specialty operations. Our products exhibit certain consumer product characteristics, characterized by short replacement cycles and rapid technology iteration. As a global-oriented company, we possess strong advantages in iteration and application of new technologies. The R&D cycle for LSEVs is typically only 1–2 years, which is significantly shorter than the 3–5 years required for traditional fuel-powered vehicles, enabling faster adoption and mass production of new technologies. This rapid iteration capability allows us to better

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align with end-user demand for continuous upgrades in exterior design, functional enhancements and intelligent configurations. Meanwhile, LSEV, as durable consumer goods, typically have a replacement cycle of approximately 3–5 years, which is similar to two wheelers and powersports products, according to Frost & Sullivan. Coupled with our continuous integration of emerging technologies such as intelligent connectivity, this pattern effectively stimulates replacement demand, drives repeat purchases, reinforces the consumer attributes of the products, and supports our sustainable growth.

We focus on multi-dimensional brand building and value creation. We have established a holistic brand matrix centered on four of our core proprietary brands: DENAGO, GOTRAX, TEKO and TAO MOTOR. Through optimized and differentiated operations, we continue to amplify our brand synergies. Our four core brands feature clear positioning and complementary strengths. For details, see “— Our Brands and Products.”

Brand				
Introduction	Flagship brand targeting high-end consumers	Mass-market brand primarily distributed through large GMS, and online channels	Our youngest brand targeting tech-savvy and fashionable consumers	Our heritage brand positioned around functionality
Product Category	- E-mobility products - Powersports	- E-mobility products - Powersports	E-mobility products	Powersports
Brand Positioning	- Premium - Professional - High-Performance	- Trendy - Eco-Friendly - Energetic	- Intelligent - Tech-Focused - Stylish	- Practical - Fun - Dynamic

The following table sets forth a breakdown of our revenue by products in absolute amounts and as percentages of our total revenue for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
E-mobility products:						
LSEV	78,500	3.7	812,304	27.3	1,957,465	49.8
Electric bicycles	164,833	7.7	231,052	7.8	123,875	3.1
Electric scooters	718,092	33.4	600,884	20.1	474,318	12.0
Electric balance bikes	295,658	13.8	199,012	6.7	178,416	4.5
Other E-mobility ⁽¹⁾	21,519	1.0	44,571	1.5	53,185	1.3
Subtotal	1,278,602	59.6	1,887,823	63.4	2,787,259	70.7
Powersports:						
ATV	620,427	29.0	737,818	24.8	754,722	19.1
Off-road motorcycles	122,560	5.7	186,796	6.3	187,881	4.8
Subtotal	742,987	34.7	924,614	31.1	942,603	23.9
Others ⁽²⁾	122,657	5.7	164,192	5.5	211,568	5.4
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0

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Notes:

- (1) Other E-mobility mainly included electric ATVs and electric off-road motorcycles, such as GOTRAX K2 ELECTRIC DIRT BIKE and GOTRAX EVEREST ELECTRIC DIRT BIKE.
- (2) Others mainly included sales of accessories, helmets, and scrap materials and lease income

The following table sets forth a breakdown of sales volume and average selling price (“ASP”) by products for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	(units)	(RMB/unit)	(units)	(RMB/unit)	(units)	(RMB/unit)
E-mobility products:						
LSEVs	2,367	33,164	20,701	39,240	44,461	44,027
Electric bicycles	35,331	4,665	64,864	3,562	55,099	3,219
Electric scooters	450,990	1,592	293,084	1,533	375,033	1,264
Electric balance bikes	492,880	600	350,137	568	246,016	510
Other E-mobility	6,393	3,366	13,764	3,238	25,172	2,109
Total	987,961	1,294	841,550	2,243	745,781	5,285
Powersports:						
ATV	121,090	5,124	127,173	5,802	129,748	5,817
Off-road motorcycles.	42,977	2,582	62,520	2,988	62,089	3,026
Total	164,067	4,529	189,693	4,874	191,837	4,914

During the Track Record Period, our product mix shifted materially toward higher-value E-mobility products, in particular LSEVs, while the relative contribution of our traditional lower-priced E-mobility products declined. This shift was driven primarily by the rapid commercialization and scaling of our LSEV business following its launch, the continued upgrade of our LSEV product portfolio, including the introduction of higher-end models, the expansion of application scenarios for LSEVs, and the continued build-out of our dealer network and channel penetration in North America. The ASP of our LSEVs increased during the Track Record Period, which was attributable not only to the continued upgrade of our product mix toward higher-value models, but also to the growing market recognition and acceptance of our LSEV products, together with increases in the selling prices of certain LSEV products. In particular, we continued to launch and promote higher-value LSEV models and variants, including front-facing four-seaters, 4+2-seaters, front-facing six-seaters and panoramic camping carts, such as DENAGO EV CITY, DENAGO EV ROVER XL6 and TEK0 EV TRIUMPH, which generally command higher selling prices and contributed to the increase in ASP of our LSEVs.

At the same time, our traditional mass-market E-mobility products remained important volume contributors, but their share of total sales volume decreased as we strategically allocated more resources to categories with higher growth potential and stronger pricing. The ASPs of certain E-mobility products (excluding LSEVs), particularly electric bicycles and electric scooters, declined during the Track Record Period, primarily because we adjusted our pricing in response to market conditions. Our powersports business generally grew more steadily during the Track Record Period, but its growth was less pronounced than that of LSEVs, and therefore its contribution to our overall product mix became comparatively less significant. As a result of these changes, although our total sales volume did not increase in line with revenue, our blended average selling price increased significantly, reflecting a higher proportion of sales from LSEVs and other higher-value products. This mix improvement was a key driver of our revenue growth during the Track Record Period, as it enabled revenue to grow faster than unit sales and supported the overall enhancement of our quality of sales.

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The following table sets forth a breakdown of our revenue by proprietary brands and ODM in absolute amounts and as percentages of our total revenue for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
Proprietary brands	1,349,554	62.9	1,848,009	62.1	2,877,990	73.0
ODM	782,106	36.5	1,104,605	37.1	1,032,963	26.2
Others ⁽¹⁾	12,586	0.6	24,015	0.8	30,477	0.8
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0

(1) Others mainly includes sales of accessories, helmets, and scrap materials and lease income during the Track Record Period.

The following table sets forth a breakdown of sales volume by proprietary brands and ODM for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	(units)	(RMB/unit)	(units)	(RMB/unit)	(units)	(RMB/unit)
Proprietary brands	1,253,812	1,076	1,809,592	1,021	2,876,248	1,001
ODM	651,642	1,200	745,184	1,482	687,122	1,503

During the Track Record Period, the sales volume of our ODM products increased from approximately 652 thousand units in 2023 to approximately 745 thousand units in 2024, and decreased to approximately 687 thousand units in 2025. The increase in 2024 was primarily attributable to the increase in sales volume of other products, including helmets and accessories, which offset the decrease in sales volume of certain product categories with higher sales volume, such as electric scooters and off-road motorcycles. The decrease in 2025 was mainly due to the decrease in sales volume across major product categories, in particular the decrease in sales volume of helmets and accessories. The ASP of our ODM products increased from RMB1,200 per unit in 2023 to RMB1,482 per unit in 2024 and further to RMB1,503 per unit in 2025. The significant increase in 2024 was primarily due to the optimization of product mix, in particular the increase in sales contribution from higher-priced product categories, including electric bicycles and LSEVs, as well as the increase in sales volume of LSEVs. During the Track Record Period, the sales volume of our proprietary branded products increased significantly from approximately 1.3 million units in 2023 to approximately 1.8 million units in 2024 and further to approximately 2.9 million units in 2025, primarily due to the increase in sales volume of accessories.

E-mobility Products

LSEVs

LSEVs are four-wheeled electric vehicles designed for short-distance transportation and neighborhood mobility. Under U.S. federal regulations, low-speed vehicles generally refer to four-wheeled motor vehicles with an attainable speed exceeding 20 miles per hour but not more than 25 miles per hour and a gross vehicle weight rating of less than 3,000 pounds and, subject to applicable state and local laws, may generally be operated on public roads with relatively low posted speed limits. As a vehicle category distinct from conventional passenger motor vehicles, LSEVs are designed and regulated primarily for low-speed, local travel, with powertrains and battery configurations generally suited to short-range neighborhood and community use rather than highway driving, long-distance travel or other higher-speed use cases, and are subject to a safety framework that differs from the more

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comprehensive crashworthiness and occupant protection requirements applicable to conventional passenger motor vehicles. Building on our upgraded 2+2-seat series, we have expanded our LSEV offering to include higher value-added variants such as front-facing four-seaters, 4+2-seaters, front-facing six-seaters and panoramic camping carts, enabling us to address a broader range of customer needs and application scenarios. These application scenarios primarily involve short-distance mobility in residential communities, master-planned neighborhoods, campuses, resorts and other low-speed environments, where compact vehicle size, parking efficiency and potentially lower acquisition and operating costs may be relevant considerations relative to conventional passenger vehicles. Based on our current brand strategy, our LSEV products are marketed under the DENAGO and TEKO brands, forming a dual-brand portfolio with differentiated positioning and a coordinated pricing architecture. We have also sought to strengthen brand recognition through participation in professional exhibitions and selected sports-related marketing collaborations.

Our LSEVs are increasingly adopted by individual and household users as neighborhood electric vehicles for short-distance transportation. We primarily target the consumer market, which underscores the strong consumer-oriented nature of our products. We believe our LSEVs serve primarily as a complementary mobility solution and, in certain short-distance scenarios, a practical alternative to the use of conventional passenger vehicles for local trips such as nearby commuting, shopping, school drop-off and pick-up and leisure travel. Typical users include residents of large residential communities and master-planned neighborhoods, retirees, families with school-age children, and other short-distance commuters. According to Frost & Sullivan, a growing number of consumers in North America use LSEV for daily mobility within residential and community environments, reflecting the growing trend of LSEV being adopted as personal transportation vehicles rather than solely for recreational or golf-related purposes. In addition to individual and household uses, our LSEVs have also been adopted by enterprise customers, including resorts, universities and major theme parks in the United States.



For our LSEV products marketed for road use in the United States and classified as low-speed vehicles, we configure the relevant models to meet the applicable requirements under FMVSS No. 500, including requirements relating to lighting and signaling devices, reflex reflectors, exterior mirrors, parking brake, windshield, VIN and seat belt assemblies. Our selected LSEV models are configured for low-speed, short-distance use, with a maximum speed of approximately 40 km/h, which is lower than 25 mph. These products are intended for use on permitted local roads and in community environments, and their operation on public roads is subject to applicable state and local requirements, including registration, licensing, insurance, permitted road access and posted speed limits.

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The following sets forth the selected key features of certain of our LSEVs.

Illustrations	Recommended retail price (US\$)	Key specifications and features
 DENAGO EV CITY	16,500	(i) motor rated power: 5,000–6,300 W; (ii) maximum speed: 40 km/h; (iii) range (per charge): 55–120 km; (iv) load capacity: 400–600 kg;
 DENAGO EV ROVER XL6	12,995	(v) energy system: mainly assembled lithium battery; (vi) chassis and control: four-wheel structure with low center of gravity, minimum turning radius ≤ 6.7 m, equipped with accelerator pedal, brake pedal and steering wheel/handlebar, providing agile and stable control.
 TEKO EV TRIUMPH	12,995	
 TEKO EV TROPHY	10,995	

Electric Two-Wheelers

Our electric two-wheelers primarily include electric bicycles, electric scooters and electric balance bikes.

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Electric Bicycles

Our electric bicycles mainly consist of the DENAGO series, our professional high-end series, and the GOTRAX series, a trendy and energetic brand line. All DENAGO products are UL2849 and UL2271 certified, among which the Hunting 1 all-terrain mountain bike delivers 1,000W peak power with a dual-battery system for up to 120 km of range. Our GOTRAX series focus on high value-for-money models and have achieved mass production of high-carbon-steel-frame electric bicycles, with a rising share in North America’s electric bicycles market. Our electric bicycles are pedal-assist bicycles, combining traditional cycling with electric power assistance. They are mainly used for urban commuting, leisure fitness and outdoor sports.

The following sets forth the selected key features of certain of our electric bicycles.

Illustrations	Recommended retail price (US\$)	Key specifications and features
 GOTRAX Z4PRO	999	(i) motor system: pedal-assist, rated power ≤ 620 W; (ii) maximum speed: 45 km/h; (iii) range (per charge): 38–120 km; (iv) battery type: lithium battery;
 DENAGO EXC2	3,199	(v) vehicle net weight: 20–40 kg; (vi) sensor type: cadence/torque sensors; (vii) functional features: support for manual riding without electric assistance.
 DENAGO COMMUTE1	1,799	
 DENAGO HUNTNG 1	3,399	

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Electric Scooters and Electric Balance Bikes

Our electric-scooter portfolio spans the full range from daily commuting to professional competition. Through differentiated positioning, design innovation and core-performance upgrades, we maintain competitiveness across online channels. As of December 31, 2025, we rank among leading sellers on Amazon; in Walmart, our RIVAL brand remains a top performer through seasonal promotions. Our electric scooters are personal mobility products built on the chassis architecture of traditional kick scooters and equipped with electric powertrains. They are primarily intended for leisure, recreational and short-distance transportation use and are commonly used in parks, amusement venues and other short-range mobility settings, particularly in developed markets such as Europe and the United States.

The following sets forth the selected key features of certain of our electric scooters.

Illustrations	Recommended retail price (US\$)	Key specifications and features
 GOTRAX GX2	1,799	(i) wheel diameter: 6–10 inches; (ii) motor rated power: 800–1,000 W; (iii) maximum speed: 25–60 km/h; (iv) load capacity: 120 kg; (v) range (per charge): 35–55 km; (vi) aluminum-alloy body with fully concealed internal cabling;
 GOTRAX GX3	1,999	(vii) easy operation, strong braking performance and enhanced safety; children’s models adopt a dual foot-actuated safety switch to improve riding safety; and (viii) on selected models, an integrated anti-theft lock, extra-wide deck and/or telescopic foldable stem, with mobile-app connectivity for real-time status monitoring, settings and smart-lock functionality.

For electric balance bikes, we have established mature manufacturing processes and R&D systems. Combining utility with industrial aesthetics, our products continue to gain consumer recognition. For instance, on Amazon, we remain in the category’s leading tier and have been a best seller for multiple years. In Walmart, our products have been listed on the annual recommended roster for three consecutive years and topped category sales for two consecutive years. Our electric balance bikes are two-wheeled self-balancing electric mobility products with the wheels arranged side-by-side. Their operation is controlled by shifts in the rider’s center of gravity, which enables movement, acceleration, deceleration and stopping. They are primarily intended for leisure, recreational and short-distance transportation use, including daily short trips.

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The following sets forth the key features of our electric balance bikes.

Illustrations	Recommended retail price (US\$)	Key specifications and features
	149.99	(i) wheel diameter: 6.5–8 inches;
GOTRAX MARS MAX		(ii) motor rated power: 200–250 W;
		(iii) maximum speed: up to 6.2 mph;
	179.99	(iv) range (per charge): approximately 12–15 km;
GOTRAX TRINITY MAX		(v) housing: high-strength PC (polycarbonate) alloy;
		(vi) self-balancing capability with an intelligent safety management system, including over-current, short-circuit, over-charge, temperature and cell-balancing protections.

Powersports

Our powersports consist of all-terrain vehicles and off-road motorcycles, all of which are fuel-powered models. According to Frost & Sullivan, powersports with smaller engine displacement are generally used for personal leisure and recreational purposes, and customers’ purchase demand for such products is less sensitive to fuel price fluctuations. As our fuel-powered powersports products generally have engine displacement below 400cc, we had not observed any material impact on the market demand for our products as a result of recent geopolitical tensions during the Track Record Period and up to the Latest Practicable Date.

All-terrain Vehicles

Our ATV business have continued to expand globally. In North America, our sales have recovered due to product iteration and optimization of dealer network. In markets outside North America, sales have reached record highs. With strong performance, novel styling, high cost-effectiveness driven by economies of scale, our ATVs have gained continuous market traction. Core all-terrain vehicle models for the North American market include 125 cc series.

We primarily produce small-displacement ATVs for leisure and recreational use. Based on engine displacement and product configuration, our ATVs are classified into the following categories: (i) youth models, which typically have an engine displacement of no more than 125 cc and are primarily intended for children and adolescents; and (ii) utility models, which are typically equipped with front and rear cargo racks and are designed to provide enhanced ground clearance and off-road capability, making them suitable for a range of uses, including leisure and recreational activities, cargo transport, agricultural work and hunting.

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The following sets forth the selected key features of certain of our ATV models.

Illustrations	Recommended retail price (US\$)	Key specifications and features
 350CC ATV	—	(i) engine displacement: 169–322.5 cc; (ii) maximum speed: 60–95 km/h; (iii) load capacity: 150–230 kg; (iv) braking deceleration: $\leq 5.9\text{--}7$ m/s; and (v) reduced vehicle structural resonance frequency to approximately 40 Hz, effectively enhancing ride comfort.
 DENAGO 300CC ATV	4,499	
 TITAN 250	—	
 SHARK 200	—	

Note: As of the Latest Practicable Date, 350CC ATV, TITAN 250 and SHARK 200 are ODM products manufactured for customers on a customized basis. We do not determine or participate in the setting of terminal retail prices for such products.

Off-road Motorcycles

As one of our earlier entries into the North American market, off-road motorcycles have been favored by local consumers for its cool and trendy appeal. Building on years of accumulation, we have formed strong competitiveness in design innovation, technology development and market promotion.

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Our off-road motorcycles have entered TSC specialty mass-retail channels, and our DENAGO off-road motorcycles, have made inroads into the U.S. market. Off-road motorcycles are designed for use on closed-course off-road tracks and other non-public-road venues in connection with motorcycle sports and all-terrain racing.

The following sets forth the selected key features of certain of our off-road motorcycle models.

Illustrations	Recommended retail price (US\$)	Key specifications and features
 TAOMOTOR MX4 GASOLINE DIRT BIKE	Approximately 320	(i) engine displacement: 50–150 cc; (ii) maximum speed: 60–80 kilometers, or 37.3-49.7miles, per hour; (iii) load capacity: 75–150 kg; (iv) braking deceleration: ≤ 5.88 m/s; (v) simple and robust architecture for easier field maintenance and repair; and (vi) high ground clearance with strong off-road passability, adaptable to varied and complex terrain.
 TAOMOTOR DB20 GASOLINE DIRT BIKE	Approximately 280	

OUR SALES NETWORK AND CUSTOMERS

Our Sales Network

We have established a broad sales network for our products, comprising (i) our distribution network, which includes (1) key account customers comprising GMS and third party e-commerce platforms such as Amazon, (2) dealers with whom we have entered into standing distribution agreements and (3) wholesale customers, who place bulk purchase orders with us on an order-by-order basis, and (ii) direct sales through our self-operated DTC websites and our ODM business.

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The following table sets forth a breakdown of our revenue by sales channels for the relevant years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Distribution Network:						
Key Account Customers ⁽¹⁾	748,004	34.9	837,075	28.1	652,030	16.5
Dealers ⁽²⁾	262,482	12.2	711,528	23.9	1,847,925	46.9
Wholesale customers ⁽³⁾	29,897	1.4	75,373	2.6	114,720	2.9
Direct Sales:						
ODM	782,106	36.5	1,104,605	37.1	1,032,963	26.2
DTC Websites ⁽⁴⁾	321,757	15.0	248,048	8.3	293,792	7.5
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0

Notes:

- (1) Our key account customers primarily include (i) GMS, such as Walmart, Target, Academy and Tractor Supply Company and (ii) third party e-commerce platforms such as Amazon and Walmart.
- (2) Our dealers primarily comprise distributors with whom we have entered into distribution agreements.
- (3) Our wholesale customers primarily comprise customers who place bulk purchase orders with us on an order-by-order basis, and we have not entered into any distribution agreements with them.
- (4) DTC websites refer to our self-operated online stores.

Key Account Customers

Our key account customers consist of GMSs and third party e-commerce platforms. As of the Latest Practicable Date, GMSs network included over 3,900 Walmart stores, over 730 Best Buy stores, over 360 Academy stores and over 1,900 Tractor Supply Company stores, and our products were also available in selected Lowe’s stores, among other leading chains in the United States. Third-party e-commerce platforms KACs as of Latest Practicable Date included Amazon and Walmart. Distribution through our KACs is in line with industry norms, according to Frost & Sullivan.

We are independent from the KACs and do not otherwise have any relationship with the KACs. In light of (i) KACs’ established and sophisticated procurement and inventory management practices, (ii) our buyer-seller relationship with the KACs, our Directors are of the view that the risk of channel stuffing is low and that the recoverability of accounts receivable is reasonably assured.

During the Track Record Period, our revenue from KACs amounted to RMB748.0 million, RMB837.1 million and RMB652.0 million in 2023, 2024 and 2025, respectively, representing 34.9%, 28.1% and 16.5% of our total revenue in the respective years. The decrease in revenue from KACs in 2025 was primarily attributable to intensified market competition in the relevant product categories. In particular, sales to Customer D and Customer A decreased by approximately RMB82.5 million in aggregate, mainly due to competitors offering lower-priced comparable products, including electric scooters and electric bicycles, which affected the sales positions and purchase orders of our relevant products. Going forward, we intend to continue our cooperation with KACs where such cooperation supports our brand positioning, channel stability and sustainable profitability, rather than focusing solely on sales volume growth. We will allocate more resources to products with higher margins, higher ASPs and stronger brand positioning.

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Movement of our KACs

The following table sets forth the total number of our active KACs and their movements (including addition and termination) for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	12	13	13
Number of new KACs	4	2	—
Number of terminated KACs	(3)	(2)	(2)
Number at the end of the year	13	13	11
Turnover rate of KACs ⁽¹⁾	25.0%	15.4%	18.2%

Note:

- (1) Turnover rate is calculated by dividing the number of termination of existing KACs for a given year/period by the number of KACs present at the beginning of that year/period.

During the Track Record Period, we terminated cooperation with certain KACs, whose sales performance was not to our satisfaction. Such termination did not have any material adverse effect on our performance.

During the Track Record Period, we terminated our cooperation with seven KACs. One third party e-commerce platforms was terminated due to its unsatisfactory sales performance. Three KACs (including two third party e-commerce platforms and one GMS) were terminated as they were engaged primarily for one-off inventory clearance programs, and the cooperation ended upon completion of such programs. The remaining three KACs were terminated as they did not generate meaningful volume of sales during the relevant period. We consider the potential channel cannibalisation risks among KACs, dealers and DTC websites to be limited. We manage potential overlap primarily through SKU segmentation, product model and product mix differentiation, channel positioning and recommended retail price guidance. In particular, a particular product model is generally available through only one KAC, and the product models or product mix sold through KACs and our DTC websites generally differ.

Major Terms of our KAC Agreements

We typically enter into standard distribution agreements provided by KACs. Major terms with KACs primarily include:

- **Duration.** Such agreements are typically effective until terminated by either party with prior written notice.
- **Payment Terms.** Payment is processed based on delivery confirmation, invoice receipt, or scan-based sales records.
- **Pricing and Discounts.** Product prices, discounts and allowances are specified in each purchase order or separate commercial terms upon mutual agreement. We generally do not set minimum purchase targets or sales goals for our KACs.
- **Payment.** Credit terms between KACs and us are generally 90 days.

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- **Recommended retail price.** We provide recommended retail prices for sales to end customers. KACs generally determine the final retail prices to end customers based on their retail policies, local market conditions and regional factors, with reference to our recommended retail prices. KACs typically discuss with us before implementing material price adjustment or promotional arrangements. Any adjustment to the purchase price charged by us, promotional price support, discounts or allowances is subject to commercial negotiation between the relevant KAC and us.
- **Returns and Recalls.** Product returns with KACs are generally governed by the relevant KAC’s supplier policy. End customers are generally entitled to return products within the applicable return period, which is typically within 90 days after sale. Where such returns are accepted under the relevant KAC’s policy, we generally bear the related return costs. KACs typically update return records through their internal systems, and the value of accepted returns is generally settled by deduction from the amounts payable to us in the current or following settlement cycle.
- **Product liability.** KACs generally require us to maintain product liability insurance before commencing cooperation. We are generally responsible for product liability claims attributable to defects in our products.
- **Termination.** Such agreements can be terminated typically with prior written notice, but we shall honor all accepted orders prior to the effective termination date. The applicable notice period varies depending on the relevant KAC’s standard terms or separate commercial arrangements and generally ranges from 30 to 60 days.

We recognize sales revenues from our KACs when control over our products is transferred to them. During the Track Record Period, we did not experience material breach of agreements with our KACs that had a significant impact on our business. During the same period, we did not have any material disputes with our KACs that had a significant impact on our business.

Dealers

Distribution through dealers has been increasingly important for our growth. Our revenue from dealers were RMB262.5 million, RMB711.5 million and RMB1,847.9 million, in 2023, 2024 and 2025, representing 12.2%, 23.9% and 46.9% of our total revenue during the same period. Through long-term cooperation with quality dealers across the U.S., we ensure steady promotion in targeted segments, with a particular focus on expanding our dealer network. As of December 31, 2025, the number of our active dealers increased to 776. In particular, the LSEV dealer network has achieved rapid progress, with successful onboarding of several leading dealers in the U.S.

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We maintain a minimum sales target for each dealer to encourage their performance. In our standard distribution agreements, each distributor agrees to a pre-determined annual sales target. This target is determined through negotiation with the individual dealer based on their market potential and

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circumstances. The minimum sales target is a performance benchmark rather than a minimum procurement or guaranteed purchase obligation, and we do not impose mandatory minimum purchase quantities or require dealers to stockpile inventories. While the minimum sales target is not a strict guaranteed purchase obligation, we actively monitor each distributor’s performance against this benchmark. Failure to meet the target does not automatically result in termination of the distributorship; however, if a distributor repeatedly falls short of the annual sales target, we may adjust our resource allocation and optimize our dealer network to improve market coverage and sales effectiveness, and reserve the right to terminate the distribution agreement.

Our Directors believe that the risk of channel stuffing on our dealers is low, based on the following facts and observations: (1) our relationship with dealers is a buyer and seller relationship, and dealers are responsible for their own inventory risks; (2) we do not accept returns of our products and only allow exchanges of our products under limited circumstances such as quality defects or damages during transportation. During the Track Record Period, the product return amount from dealers was nil; (3) our products have maintained healthy end-market demand, which supports sell-through and reduces the likelihood of dealer inventory build-up; and (4) we actively monitor dealer inventory and performance, primarily through our floorplan-related inventory management arrangements (where applicable) and regular communications with dealers. For example, we track dealer sales and receivable collections on a frequent basis and monitor inventory ageing; our average floorplan financing period (calculated based on the days between invoicing to a dealer and dealer repayment) was approximately 45.3 days in 2024 and 42.6 days in 2025.

Our Directors are of the view that the risk of cannibalisation within the Group’s LSEV business is low, primarily because our LSEVs are marketed under two clearly differentiated brands, DENAGO and TEK0, with distinct positioning and target customer groups. In particular, TEK0 is positioned more toward a younger and fashion-oriented consumer segment, and its target market does not materially overlap with that of DENAGO. In addition, the LSEV market is currently not saturated, and brands in the market are generally differentiated by model offerings, features and target customer profiles, which further reduces the likelihood of internal substitution. From a channel perspective, we also adopt a territory protection policy for its dealer network and, as a general rule, does not appoint two dealers within a specified distance in the same area, which helps mitigate channel conflict and potential internal sales diversion.

Selection of New Dealers and Assessment of Existing Dealers

We source new dealers through inbound enquiries from prospective dealers who contact us through publicly available channels, as well as through proactive outreach by our sales team based on market research and our participation in industry exhibitions, trade shows and marketing activities. As part of our commitment to maintaining high standards, we select new distributors throughout the year and conduct annual assessment of existing dealers. We have implemented rigorous selection criteria for new dealers to maintain an effective distribution network.

We adopt a structured dealer onboarding and management framework. In approving dealers, we assess, among other things, the prospective dealer’s operating history, sales scale, team size and market reputation (including ratings on major online platforms). All new dealer appointments are subject to an initial review by our sales team and final approval by our CEO. After appointment, we provide dealers with sales and marketing support tailored to their operating needs and local marketing plans, including promotional discounts for certain campaigns (such as charity events) and, in specific cases, the provision of demonstration vehicles for event display. We also provide marketing collaterals to support local promotion and brand exposure. We manage and monitor our dealer network on an ongoing basis by tracking key operating indicators, including dealers’ sales volumes, accounts receivable collection and aging, and participation in marketing activities, which enables us to identify issues and adjust our support and engagement on a timely basis. In assessing and optimizing our dealer network, we

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generally regard a dealer as premium dealer if it meets: (i) its actual annual sales volume of our products exceeds the agreed minimum target; and (ii) sales of our branded products represent no less than 70% of the dealer’s total annual sales revenue. We didn’t have any sub-distributors engaged by dealers and there was no dealer had been terminated due to failure to meet the annual sales target during the Track Record Period.

Movement of Dealers

The following table sets forth the total number of our active dealers⁽²⁾ and their movements (including addition and termination) for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	402	582	721
Number of new dealers	321	319	353
Number of terminated dealers	(141)	(180)	(298)
Number at the end of the year	582	721	776
Turnover rate of dealers ⁽¹⁾	35.1%	30.9%	41.3%

Note:

- (1) Turnover rate is calculated by dividing the number of termination of existing dealers for a given year by the number of dealers present at the beginning of that year.
- (2) Active dealers refer to dealers that remained commercially active in our dealer network during the relevant period, as evidenced by transaction activity with us.

During the Track Record Period, the addition of new dealers was primarily related to the expansion of our dealers for LSEVs, particularly for DENAGO, while the termination of dealers was mostly in connection with the small-displacement ATVs business due to our strategic resource reallocation. The movements in our dealer network during the Track Record Period were primarily attributable to dealers with relatively smaller sales contribution and transaction amounts, while dealers with longer business relationships with us and larger transaction amounts generally remained stable. We will periodically review and optimize our dealer network by territory, under which we may terminate and replace underperforming dealers with better-performing dealers to maximise regional sales scale and market coverage. Following a dealer replacement in a territory in 2025, sales volume in that territory increased from approximately 46 units to approximately 384 units.

Major Terms of our Dealer Agreements

Major terms of our standard distribution agreements with our dealers include:

- **Duration.** The duration of distribution agreements is typically one year. We may renew the distribution agreements upon mutual agreement.
- **Management on prices.** Dealers must comply with the Minimum Advertised Price (MAP) Policy (no advertising below MAP in any medium). In-store promotions are excluded, and pricing may be changed with prior notice; we may modify the MAP policy at any time with which dealers must comply.
- **Sales rebates.** We do not offer sales rebate, except that approved dealers may receive 60-day interest-free flooring financing terms through designated partners, subject to an approved line of credit.

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- ***Scope of distribution.*** Our dealers are generally only permitted to sell our products in a predetermined geographic area.
- ***Sub-distribution.*** Our dealers must receive our authorization to sell our products to sub-distributors. We generally do not allow sub-distribution.
- ***Payment.*** We generally allow dealers a credit term ranging from 30 days to 60 days. Qualified dealers are eligible to participate the floor plan. See “— Floor Plan Financing Arrangement.”
- ***Logistics.*** We deliver our products according to the time and method specified in the purchase order.
- ***Limitations on return or exchange.*** We typically do not accept return or exchange of products from our dealers. We only allow product exchanges under limited circumstances such as quality defects or damages during transportation.
- ***Termination.*** We are entitled to terminate the distribution agreements if our dealers breach the distribution agreements.

During the Track Record Period, we did not experience material breach of dealer agreements that had a significant impact on our business. During the same year, we did not have any material disputes with our dealers that had a significant impact on our business.

Floor Plan Financing Arrangement

We utilized a floor plan financing arrangement to facilitate sales to dealers in the U.S. market since May 2024. Such arrangement reduced dealers’ upfront working capital burden for inventory purchases, which facilitated our sourcing and onboarding of new dealers. Under this arrangement, a partnering bank provides short-term credit facilities to our qualified dealers with good credit, whose credit limit is sufficient to cover the purchase amount of the relevant order, to fund their purchases of our products. The financing bank under this agreement includes First Community Bank and Northpoint Commercial Finance LLC. Upon delivery of products to the dealers, the bank pays the purchase price to us directly from this facility, and the financed products are pledged to the bank as collateral, primarily comprising of LSEVs. We will undertake an inventory repurchase obligation in respect of the financed products and provide a standby letter of credit in favour of the partnering bank as performance security. The dealers repay the bank from sales proceeds upon completion of sales to end users, thereby releasing us from the inventory repurchase obligation. We receive payments from the bank in cash.

We bear the interest cost for the first 60 days, generally, following delivery to the dealers. If a dealer fails to sell the products within that period and repay the borrowings to the bank, the dealer is responsible for the interest thereafter until repayment of the loan. The interest rates charged under the floor plan financing arrangement typically around 10% per annum. We recognized interest cost of floor plan financing as finance cost. Our guarantor obligations are discharged upon the relevant dealers having fully repaid the bank.

In the event of a dealer defaults, we are not required to repay the dealer’s outstanding loan principal to the partnering bank in cash. Pursuant to the contractual terms, we may be required to repurchase the financed inventory and the repurchase proceeds would be applied towards settlement of the relevant outstanding borrowings.

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According to Frost & Sullivan, floor plan financing is a customary and widely adopted practice among vehicle distributors and dealers in North America, designed to enhance inventory turnover and working capital efficiency. This arrangement enables our dealers to maintain adequate stock without immediate cash outlay, while allowing us to accelerate cash collection and minimize credit exposure, as payments are received directly from the bank.

The number of participating dealers under the Floor Plan Financing Arrangement increased from 53 as of December 31, 2024 to 181 as of December 31, 2025, mainly because the arrangement was expanded from DENAGO products in 2024 to DENAGO, TAO MOTOR and TEK0 products in 2025, and more dealers adopted such financing arrangement to support inventory purchases. The closing balance of financed amount through floor plan financing increased from RMB32.6 million as of December 31, 2024 to RMB234.0 million as of December 31, 2025, primarily due to the increase in the number of participating dealers and the growth in sales scale of our dealers. As of the Latest Practicable Date, RMB190.3 million of the financed amount outstanding as of December 31, 2025 had been settled, and the corresponding repurchase obligations had been released. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any dealer default or any material dispute in connection with our floor plan financing arrangements. The average duration of financing was approximately 45.3 days and 42.6 days in 2024 and 2025, respectively. See “Financial Information — Financial Risk Management.”

We have adopted measures to monitor and mitigate our exposure under the Floor Plan Financing Arrangement. We select dealers with satisfactory credit records and stable operations, and assess their eligibility with reference to the credit review and approval results of the relevant financing institutions. We also monitor dealers’ inventory levels, sales performance and overdue status on a regular basis to reduce the risk of prolonged inventory accumulation or excessive stocking. During the Track Record Period and up to the Latest Practicable Date, we had not been obligated to repurchase any pledged products, and no standby letter of credit provided by us in favour of any financing bank had been called upon under the Floor Plan Financing Arrangement.

Wholesale Customers

Our wholesale customers primarily comprise purchasers that place order-by-order bulk orders for our products, which they subsequently resell through their own sales channels. Unlike our dealers, we have not entered into any distribution agreements or long-term cooperation arrangements with these customers. Their purchases are typically made on an order-by-order basis, depending on their own inventory and market needs. Our revenue from wholesale customers was RMB29.9 million, RMB75.4 million and RMB114.7 million in 2023, 2024 and 2025, representing 1.4%, 2.6% and 2.9% of our total revenue during the same years, respectively.

DTC Websites

As of the Latest Practicable Date, we had 13 self-operated DTC websites. Our DTC sites, as higher-margin direct-sale channels, enable us to collect and analyze first-hand user data. Through optimized operations and management, our DTC sites continue to expand in sales volume with stronger capability in user-behavior analytics, laying a solid data foundation for personalized marketing and penetration in priority markets.

These websites are managed centrally but are deliberately differentiated by (i) brand positioning, (ii) product category focus, (iii) geography, and (iv) price band and customer segment. Each website therefore carries a distinct and curated product portfolio rather than a full overlap of SKUs. We use multiple DTC domains as a digital “storefront matrix” to expand traffic sources, improve search-engine performance and capture different customer cohorts, while all websites share a unified back-end for inventory management, pricing and promotions. Given (a) the differentiated brand, product and

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geographic positioning of these sites, and (b) the centralized management of pricing, we consider that any cannibalisation among the 13 DTC websites is not material and that these websites operate as complementary, rather than competing, channels within our overall sales network.

ODM

We sell our products to our ODM partners via the build-to-order (“BTO”) mode. Our ODM partners in Europe, Southeast Asia and the Americas place purchase orders based on their sales needs. Upon receiving and confirming purchase orders, our marketing center classifies orders by product type and region, and assigns them to our production center for production and delivery. Outside North America, as of the Latest Practicable Date, through our ODM partners, we supplied products to over 75 countries and regions.

In 2023, 2024 and 2025, revenue generated from our ODM business amounted to RMB782.1 million, RMB1,104.6 million and RMB1,033.0 million, respectively, representing 36.5%, 37.1% and 26.2% of our total revenue for the respective periods. The sales volume of our ODM products amounted to 651.6 thousand, 745.2 thousand and 687.1 thousand in 2023, 2024 and 2025. The following table sets forth a breakdown of our revenue from ODM by products for the relevant years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
E-mobility products	181,687	23.2	302,021	27.3	258,396	25.0
Powersports	554,016	70.9	759,200	68.9	735,722	71.2
Others.	46,403	5.9	43,384	3.9	38,845	3.8
Total	782,106	100.0	1,104,605	100.0	1,032,963	100.0

Our revenue from ODM decreased from RMB1,104.6 million in 2024 to RMB1,033.0 million in 2025, primarily due to the decrease in purchase amounts from certain ODM customers located in Russia and Mexico. The following table sets forth a breakdown of our revenue from ODM by geographical location for the relevant years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Americas	453,691	58.0	813,649	73.7	730,857	70.8
Europe	261,757	33.5	224,040	20.3	125,993	12.2
Asia	64,302	8.2	61,591	5.6	172,638	16.7
Africa	1,971	0.3	2,549	0.2	2,278	0.2
Oceania	385	0.0	2,776	0.2	1,197	0.1
Total	782,106	100.0	1,104,605	100.0	1,032,963	100.0

Our ODM products generally do not materially compete with our proprietary branded products in the relevant markets, because sales of our proprietary branded products are mainly concentrated in North America, while our ODM sales are generally more geographically diversified and are made to customers in Europe, Asia, South America and other markets. As a result, the principal markets and customer groups for our proprietary branded products and ODM products are generally different. To the extent there is any overlap in the United States, we mitigate potential competition through geographic, product and channel segmentation. For example, we generally market and distribute our LSEV products through our dealer network, while Champion, one of our ODM customers, primarily sells its LSEV products through TSC.

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Our ODM partners may choose to sell our products, primarily including LSEVs, ATVs and off-road motorcycles, under their own brands or our proprietary brands and, based on their local market needs, request minor adjustments to our existing models (such as adding or removing certain decorative elements, accessories or selected functions) to better meet end-customer preferences. Our major ODM partners are typically established international or local enterprises with brand recognition and distribution capabilities in their respective markets, with established dealer networks and/or self-operated retail channels. Our ODM business flow generally involves (i) the ODM partner providing its product requirements and specifications, (ii) entering into a sales contract and/or placing purchase orders after mutual confirmation of commercial terms, and (iii) our production and delivery according to the agreed delivery schedule and delivery terms.

Our ODM sales are generally conducted on an order-by-order basis pursuant to purchase orders, sales confirmations or other commercial documents entered into with ODM customers. Major terms of our ODM sales include:

- ***Product specifications and order details.*** The relevant product type, specifications, quantity, unit price and total contract amount are agreed upfront in the relevant purchase order or sales confirmation.
- ***Delivery and shipment.*** The relevant delivery schedule, port of loading, destination and shipping terms are agreed on an order-by-order basis.
- ***Packaging.*** Packaging requirements are specified in the relevant order documents, and our ODM products are generally packaged in accordance with agreed export packaging standards.
- ***Payment terms.*** Payment terms are agreed with ODM customers based on commercial negotiations and generally include deposits and pre-shipment payments.

Major Customers

Over the years, we have built up a broad and geographically diverse customer base globally, spreading across over 75 countries and regions. During the Track Record Period, our customers primarily included general merchandise stores, vehicle dealers, e-commerce platforms, and other wholesalers and retailers. Our products, especially LSEVs, are distributed through traditional vehicle dealers because this channel is commercially suited to our products and customers. In particular, it enables in-person product display, demonstration and customer onboarding, local delivery coordination, and efficient provision of after-sales services.

In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB1,065.4 million, RMB1,454.9 million and RMB1,370.4 million, respectively, accounting for 49.7%, 48.9% and 34.8% of our total revenue, respectively. In the same years, our revenue from the single largest customer in each year during the Track Record Period amounted to RMB327.3 million, RMB489.6 million and RMB520.9 million, accounting for 15.3%, 16.5% and 13.2% of our total revenue, respectively. The following tables set forth the details of our top five customers during the Track Record Period.

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Customers	Credit term	Sales Channel	Products provided from us	Payment method	Year of commencement of business relationship	Revenue amount (RMB'000)	Percentage of total revenue (%)
<i>For the year ended December 31, 2023</i>							
Customer A . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	327,285	15.3
Champion . . .	90 days	ODM	Powersports	Bank Transfer	2023	307,529	14.3
Customer B . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	248,427	11.6
Customer C . . .	20% advance payment, remaining 80% settled after delivery in 120 days	ODM	Powersports	Bank Transfer	2020	91,404	4.3
Customer D . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	90,705	4.2
						<u>1,065,351</u>	<u>49.7</u>
<i>For the year ended December 31, 2024</i>							
Champion . . .	90–120 days	ODM	E-mobility products	Bank Transfer	2023	489,578	16.5
Customer B . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	378,241	12.7
Customer A . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	317,632	10.7
Customer C . . .	20% advance payment, remaining 80% settled after delivery	ODM	Powersports	Bank Transfer	2020	149,918	5.0
Customer D . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	119,554	4.0
						<u>1,454,924</u>	<u>48.9</u>
<i>For the year ended December 31, 2025</i>							
Champion . . .	120 days	ODM	E-mobility products; powersports	Bank Transfer	2023	520,942	13.2
Customer A . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	344,725	8.8
Customer B . . .	90 days	KAC	E-mobility products	Bank Transfer	2019	334,015	8.5
Customer E . . .	90 days	KAC	E-mobility products; powersports	Bank Transfer	2022	110,375	2.8
Customer F . . .	20 days	Dealer	E-mobility products	Bank Transfer	2024	60,357	1.5
						<u>1,370,414</u>	<u>34.8</u>

Notes:

- (1) Customer A is a company listed on the New York Stock Exchange, which is one of the world’s largest retail chains. The Group sells its electric scooters and self-balancing scooters through its U.S. online and offline retail channels. During the Track Record Period, our sales arrangement with Customer A primarily comprised direct sales to Customer A through its vendor platform, under which Customer A was our direct customer and placed purchase orders with us or notified us of

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direct fulfillment orders for delivery to end customers. A small portion of our sales through Customer A’s platform was made by us directly to end customers through our seller account, in which case Customer A acted as an online marketplace platform service provider rather than our customer.

- (2) Customer B is a company listed on Nasdaq, which is a leading global e-commerce platform. Under the Vendor model, it purchases products directly and sells to end consumers. We mainly sell electric scooters and self-balancing scooters through this channel.
- (3) Customer C is a large-scale importer in Mexico focusing on two-wheel motorcycles and four-wheel off-road vehicles and sells through its self-operated stores and COPPEL supermarket channels. We mainly sell ATVs to this customer.
- (4) Customer D is a company listed on the New York Stock Exchange, which is a major U.S. retail chain known for stylish, value-for-money merchandise, with extensive store coverage and online channels. We mainly sell electric scooters and self-balancing scooters through its channel.
- (5) Customer E is a company listed on the New York Stock Exchange, which is a leading U.S. consumer electronics retailer. We mainly sell electric scooters and electric bicycles through its channel.
- (6) Customer F is a Texas-based dealer of golf cars and related recreational, utility and industrial vehicles, which sells such products to end customers and also provides related services, parts, rental and leasing. We mainly sell LSEVs through this channel.

Save for Champion Motorsports Group, LLC. (“**Champion**”), a subsidiary of Champion Holdings, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. On December 15, 2025, we acquired 100.00% equity interests of Champion Holdings at a cash consideration of RMB105.4 million. See “History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers — Acquisition of Champion Holding.” As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Third-Party Payment Arrangements

Background

During the Track Record Period, certain of our customers (the “**Relevant Customer(s)**”) settled their payments with us through Third-Party Payors as defined below (the “**Third-party Payment Arrangement(s)**”). In 2023, 2024 and 2025, the aggregate amount of third-party payments was approximately RMB123.2 million, RMB52.4 million and RMB73.9 million, respectively, accounting for approximately 5.7%, 1.8% and 1.9% of our total revenue, in the same periods, respectively. During the Track Record Period, the number of Relevant Customers amounted to 46, 48 and 58, representing 6.3%, 5.7% and 5.0% of our total customers in 2023, 2024 and 2025, respectively. During the Track Record Period, we did not grant specific prior approval for the Third-party Payment Arrangements or enter into tripartite agreements, primarily due to (i) such arrangements were generally made at the Relevant Customers’ request for payment convenience, while the underlying sales contracts, purchase orders and invoices remained between the Relevant Customers and us; and (ii) the relevant amounts represented only a relatively small portion of our total sales during the Track Record Period. To our best knowledge, the Relevant Customers and the Third-Party Payors are independent and are not connected or affiliated with each other.

The third-party payments were primarily from Relevant Customers from Russia and Kazakhstan. Our Third Party Payors, as defined below, were primarily from Russia, Chinese Mainland, Hong Kong SAR, and Kazakhstan.

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Reasons for Utilizing Third-party Settlement Arrangement

We might, from time to time, accept payments from third parties designated by our customers primarily for the following reasons:

- (i) certain customers, due to their internal funding or treasury arrangements, instruct their affiliated entities or finance companies to remit the purchase price to us on their behalf;
- (ii) certain customers are located in jurisdictions subject to foreign exchange controls, where U.S. dollar settlement may be inconvenient or involve prolonged settlement cycles, and therefore arrange for their affiliates or other third-party institutions to make such payments; and
- (iii) in certain jurisdictions where the local currency is subject to significant volatility, including periods of material depreciation, converting local currency into U.S. dollars may result in foreign exchange losses, and such customers therefore effect payment through offshore affiliated entities or other third-party payment institutions. No single Relevant Customer made material contribution to our revenue in any year during the Track Record Period.

Implications Relating to Third-party Payment Arrangements

Our Directors confirmed that our Group, our Directors, shareholders or senior management and their respective associates do not have any past or present relationships, including business, employment, financing and other types of relationship with each of the Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements (the “**Third-Party Payor(s)**”) apart from the ordinary business conducted between our Group and the Relevant Customers or Third-Party Payors.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, (i) we were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Third-Party Payment Arrangements; (ii) we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements (iii) all settlements were based on bona fide underlying transactions and valid contractual relationships; and (iv) the settlement amounts were consistent with the amounts incurred under the relevant transactions.

As advised by our PRC Legal Advisor, in light of the foregoing, (i) the risks of financial losses caused by the Third-Party Payment Arrangements were low for our Group; (ii) the Third-Party Payment Arrangements during the Track Record Period do not contravene the mandatory provisions of the Civil Code of the PRC or other relevant applicable PRC laws and regulations currently in effect; (iii) the likelihood that we would be imposed any administrative penalties for being deemed as violating relevant PRC laws and regulations related to tax evasion in connection with aforementioned Third-Party Payment Arrangements is remote; and (iv) the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of disguising or concealing the source and nature of proceeds or gains is low.

Internal Control Measures and Cessation of Third-party Payment Arrangements

During the Track Record Period, we had internal control measures on Third-Party Payment Arrangements, including but not limited to, (i) minimizing and avoiding Third-Party Payment Arrangements to the extent possible; (ii) requiring all of our customers to settle payments with us

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through their own bank accounts; and (iii) requiring our sales personnel to obtain supporting documents such as identity information, relationship proof and reasons for Third-Party Payment Arrangements if Relevant Customers were unable to directly settle payments.

As of October 17, 2025, we had ceased all Third-Party Payment Arrangements for future incoming orders. To prevent the recurrence of, and mitigate the potential risks from, the Third-Party Payment Arrangements, we have implemented enhanced internal control measures, including, among other things,

- (i) ***Ongoing monitoring and reporting:*** we issued a notice on October 17, 2025 to internal sales personnel, pursuant to which we only allow payments either (a) directly from the accounts of the customers; or (b) through the accounts of the operators in the case of sole proprietorships; the finance center must designate personnel to monitor on third-party payment situations and analyze the proportion, reasons, and regions of such payments. We have implemented internal procedures under which our relevant finance personnel are required to verify that all settlements are supported by bona fide underlying transactions and that the settlement amounts are consistent with the corresponding transaction amounts.
- (ii) ***Information transparency:*** we required our sales personnel to inform and clarify the payment method with customer when accepting orders, require customer to remit purchase payment directly into the Company’s corporate account through their own legally established bank accounts. We ensure that any payments made by Third-Party Payors are accurate and lawful, and do not involve money laundering, commercial bribery or other illegal or non-compliant activities.
- (iii) ***Prior approval:*** we do not accept any form of third-party payment arrangements. A prior written approval is required if the Relevant Customers who are unable to directly settle payments. Our sales personnel shall not make unauthorized commitments and must immediately report such cases to the sales manager and finance center. Our Human Resources Department has developed role descriptions that clearly define employees’ responsibilities and has implemented a segregation of duties mechanism.
- (iv) ***Three-parties agreement requirements:*** for Relevant Customers who are unable to directly settle payments, they are required to sign a standard three-parties agreement specified that the Relevant Customers delegate their payment obligation or grant rights for payments from the Company under the terms of the original agreement with our Group to their respective designated third parties, which undertake to pay or receive the transaction amount directly to or from our Group under the same terms; in addition, sales personnel must verify Third-Party Payor background information, authorization documents, and identity, and sales personnel must verify the payer’s information, authorization documents, and identity, sales personnel must require the Relevant Customer to provide all supporting documents and complete a third-party payment approval form, which shall be reviewed by the sales manager, finance center and legal department, and submitted to the financial director or general manager for approval. The relevant annexes must undergo the approval and company seal process together with the contract. We require that relevant annexes be submitted for approval and stamped together with the main contract.
- (v) ***Assessment and supervision measures:*** there is a performance evaluation indicator for sales personnel and relevant financial staff for their annual review on third-party payments to effectively reduce the numbers of third-party payments incurred; the audit department shall treat third-party payments as a regular audit issue, and strengthen our day-to-day communications and training.

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As of March 31, 2026, we still had outstanding trade receivable balance due from eight Relevant Customers under legacy contracts, and such balance amounted to RMB6.9 million. We expect to collect the remaining outstanding trade receivables and fully cease Third-party Payment Arrangements in 2026. Our sales contracts are entered into with the Relevant Customers, who remain primarily liable for their payment obligations, and our PRC Legal Advisor confirmed that the Third-Party Payors are not parties to such sales contracts and do not assume joint and several liability for the Relevant Customers’ debts.

Our Directors are of the view, and the Internal Control Consultant concurs with our Directors’ view, that the enhanced internal control measures implemented in relation to the Third-Party Payment Arrangements are adequate and effective, and that the cessation of Third-Party Payment Arrangements for future transactions since October 17, 2025 did not have, and will not have, any material adverse effect on our Group, taking into account (i) Third-Party Payment Arrangements involved only a limited number of customers and the amounts settled thereunder were immaterial to the Group’s overall revenue (representing approximately 5.7%, 1.8% and 1.9% of our total revenue in 2023, 2024 and 2025, respectively), and the usage had been decreasing during the rectification process while our business scale and distributor base continued to grow; (ii) the majority of the Relevant Customers cooperated with the rectification and the cessation did not change our standard settlement practice under which we generally require customers to settle payments before product delivery; and (iii) we continued to generate positive net cash from operating activities before and after the rectification, and following the cessation only a small number of customers continued to settle payments through previously designated Third-Party Payors under legacy contracts (with outstanding trade receivables of approximately RMB6.9 million as of March 31, 2026), which remained insignificant to our Group.

Our Directors are of the view, and the Sole Sponsor concurs with our Directors’ view, that the enhanced internal control measures are adequate and effective and the cessation of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, taking into account our relationship with customers, liquidity, business operation and financial performance, as (i) substantially all of the Relevant Customers cooperated with our rectification process; (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us; and (iii) we continued to generate positive net cash from our operating activities before and after the rectification of Third-party Payment Arrangements.

Customer Service and Warranty

We believe that timely, high-quality customer service is critical to overall customer satisfaction and purchase decisions. Our after-sales services cover repair as well as return and exchange of defective products. Leveraging our omnichannel footprint, we primarily rely on our distributors and major retail partners to provide front-line after-sales services through their outlets in our key markets, particularly North America. To help ensure consistent service quality and quick response, we maintain standardized after-sales service guidelines and dedicated support resources, including a localized operations team of over 400 employees in the U.S. and Canada that covers sales and after-sales functions. We operate regional sales and distribution centers in Texas, California and Florida in the U.S., and in Toronto, Canada, to shorten service lead time, and we maintain dedicated North American parts warehouses and an integrated domestic-overseas parts ordering system to support repairs and provide timely technical assistance to channel partners. The domestic-overseas parts ordering system is an internal ordering and fulfilment system that integrates spare parts ordering with inventory allocation across our North American parts warehouses and overseas supply sources, enabling channel partners to place and track parts orders and improving parts fulfilment efficiency for after-sales repairs. We will directly handle highly complicated repair requests beyond our distributors’ technical capabilities through our centralized technical team and an intelligent customer-service system that offers 24/7 multilingual interaction.

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Our product warranty policies comply with applicable laws and regulations and are consistent with prevailing industry practice. We provide tiered warranty coverage tailored to each product category and, where appropriate, to specific components. For our LSEV products, we generally provide lifetime warranty for chassis, an eight-year warranty for batteries, and a two-year warranty for other components. For our other mobility products, the warranty period generally ranges from one to two years depending on product category and price point. For our Denago powersports ATVs, models with displacement of 299cc or below generally have a six-month limited warranty and models with displacement of 300cc or above generally have a one-year limited warranty, each commencing from the date of first warranty registration, and batteries supplied with such products generally have a six-month warranty commencing from the date of first warranty registration. Supported by rigorous quality-assurance procedures — spanning supplier qualification, incoming inspections, in-process testing and pre-shipment audits — our products are thoroughly verified prior to delivery. We review and adjust our warranty provisions periodically based on historical claim experience and forward-looking assessments of product performance. We recognize refund liabilities in respect of product returns, including certain warranty obligations where applicable, which are estimated primarily with reference to historical return and claim information and recent trends and are reviewed on an ongoing basis, see note 30 to the Accountants’ Report as set out in Appendix I. As a result, our warranty provisions remained at a low level during the Track Record Period, with balances of RMB35.9 million, RMB34.7 million and RMB39.2 million, as of December 31, 2023, 2024 and 2025, respectively.

The amount of returned goods amounted to RMB61.9 million, RMB93.5 million and RMB76.0 million in 2023, 2024 and 2025, representing 2.9%, 3.1% and 1.9% of our total revenue during each year, respectively. Our product return rates were lower than industry average, according to Frost & Sullivan. During the Track Record Period, the product return amount from dealers was nil. Our warranty costs amounted to nil, nil and RMB52.0 thousand in 2023, 2024 and 2025, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any product recall, and we did not have any products removed from physical stores in the United States. In August 2025, certain of our balance bike product listings on an online platform were temporarily removed following a patent infringement allegation raised by a third party. Such removal was not due to product quality or safety issues. During the Track Record Period and up to the Latest Practicable Date, our U.S. subsidiaries were involved in some product liability claims. See “Risk Factors — We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, or we could experience greater returns from retailers than expected, which could harm our business and operating results.”

OUR SUPPLIERS

Our suppliers primarily consist of providers of raw materials, metal hardware parts and accessories for the production of our E-mobility products and powersports. We select leading suppliers in the relevant sectors to ensure the availability and quality of such raw materials, hardware and services. Our procurement process is under constant review for higher efficiency and cost control purpose. To control costs and maintain product quality, we primarily manufacture core components in-house. For our E-mobility products and powersports products, the majority of core components, including frames, motors, battery packs and main cables, are manufactured in-house. For certain specifications and models of engines and motors that involve higher technical complexity and more stringent safety requirements, we source such components from third-party suppliers to satisfy such requirements.

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The aggregate purchases from our top five suppliers in 2023, 2024 and 2025, was RMB172.9 million, RMB785.5 million and RMB514.1 million, respectively, representing 13.5%, 27.1% and 20.9% of our total purchase amount in the same years, respectively. The purchases from our largest supplier in 2023, 2024 and 2025, was RMB44.7 million, RMB389.6 million and RMB171.9 million, respectively, representing 3.5%, 13.4% and 7.0% of our total purchase amount in the same years, respectively.

Our Directors confirmed that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their respective associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers.

RAW MATERIALS AND PROCUREMENT

We procure key raw materials and parts used in our products, including steel and aluminum as well as engine parts and frame parts, and we reduce procurement cost and safeguard product quality through near-plant sourcing of these inputs. Leveraging our “China + Southeast Asia + North America” manufacturing footprint and vertically integrated supply-chain arrangements, we coordinate production and supply across regions. Our China manufacturing center covers non-North America deliveries and serves as a technology hub that provides core components, process standards and technical enablement to overseas bases.

In procuring raw materials, we formulate procurement plans based on material requirements planning and production schedules, taking into account factors such as safety stock levels, supplier lead times and order quantities. We have established long-term cooperative relationships with key suppliers of core components, allowing us to maintain steady supply and quality consistency across our production bases. We source our raw materials from suppliers in the PRC, Vietnam and the U.S., and the major raw materials used for products supplied to the U.S. market are mainly of PRC and Vietnam origin, while those used for products supplied to other markets are mainly of PRC origin. Tariffs and export restrictions did not have any material adverse impact on our procurement of raw materials during the Track Record Period, and similar raw materials are readily available from alternative domestic suppliers on comparable terms and quality.

Prices of raw materials may fluctuate due to changes in global and domestic economic conditions, government regulations, supply-demand dynamics and geopolitical developments. While such factors may limit our bargaining flexibility to a certain extent, our diversified supplier network and regionalized procurement structure help mitigate the impact of price volatility.

During the Track Record Period, we did not experience any significant shortages in raw material supply, and raw materials provided by our suppliers did not exhibit any material quality issues.

BRANDING AND MARKETING

We focus on multi-dimensional brand building and value creation. We have established a holistic brand matrix centered on four of our core proprietary brands: DENAGO, GOTRAX, TEK0 and TAO MOTOR. Through optimized and differentiated operations, we continue to amplify our brand synergies. Our four core brands feature clear positioning and complementary strengths, as summarized below. For more information regarding our proprietary brands and self-branded products, see “— Our Brands and Products.”

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Our marketing strategy covers both retaining existing customers and attracting new customers through our continuous efforts in improving customer experience and loyalty. To achieve this, we adopt multi-faceted marketing initiatives, combining online and offline channels to continuously expand our brand influence. Specifically, we leverage a broad mix of industry exhibitions, sporting events, media and periodicals, and digital/new-media platforms to promote our brands and products.

During the Track Record Period, we participated in internationally recognized exhibitions and events including PGASHOW, AIMExpo, NASCARXfinity, MotoGP, ElectrifyExpo, DALLASOPEN, and sponsorship to NBA team. We further integrated celebrity endorsements with scenario-based marketing, while advancing corporate social responsibility initiatives. Notably, a “GOTRAX” campaign video supporting mobility for persons with disabilities garnered over 2 million likes globally. We elevated content marketing, increased investments in high-quality production and design, and executed carefully planned strategies with creative storytelling. As a result, we reinforced our positive brand image and significantly improved the reach and engagement of our social-media content.

In addition, we have deeply integrated with leading digital and new-media platforms, including YouTube, Facebook, Instagram, X (formerly, Twitter) and TikTok. We have established an international operations team led by senior marketing professionals. This team conducts targeted content marketing and community management across mainstream global social-media platforms, through which we have built a large and highly-engaged user community, constituting a significant intangible brand asset.

In 2023, 2024 and 2025, our selling and marketing expenses were RMB314.9 million, RMB313.4 million and RMB352.0 million, respectively, representing 14.6%, 10.6% and 8.9% of our total revenue in the same years, respectively. Benefiting from our successful brand strategy, revenues attributable to our proprietary brands accounted for over 60% of our total revenue in each year during the Track Record Period. Given that the gross profit margin of our proprietary-brand business is significantly higher than that of our ODM business, this optimization of our business mix drives sustained marginal improvement in our overall profitability.

OUR TECHNOLOGIES

Our patented technologies are applied across our principal product lines and have been commercialized and applied in mass production. They principally relate to vehicle powertrain integration, thermal management, suspension and structural design, and are aimed at improving product performance, safety and reliability.

For our LSEV products, our key technologies include front-wheel dual-drive assemblies, drive assemblies for golf carts and linkage-shaft configurations. These technologies are designed to improve load distribution, power transmission and heat dissipation, while enhancing vehicle stability, durability and operating performance in golf-course and similar operating conditions. The linkage-shaft configuration also facilitates coordinated movement between two carts while maintaining controlled spacing, which is particularly useful on uneven terrain.

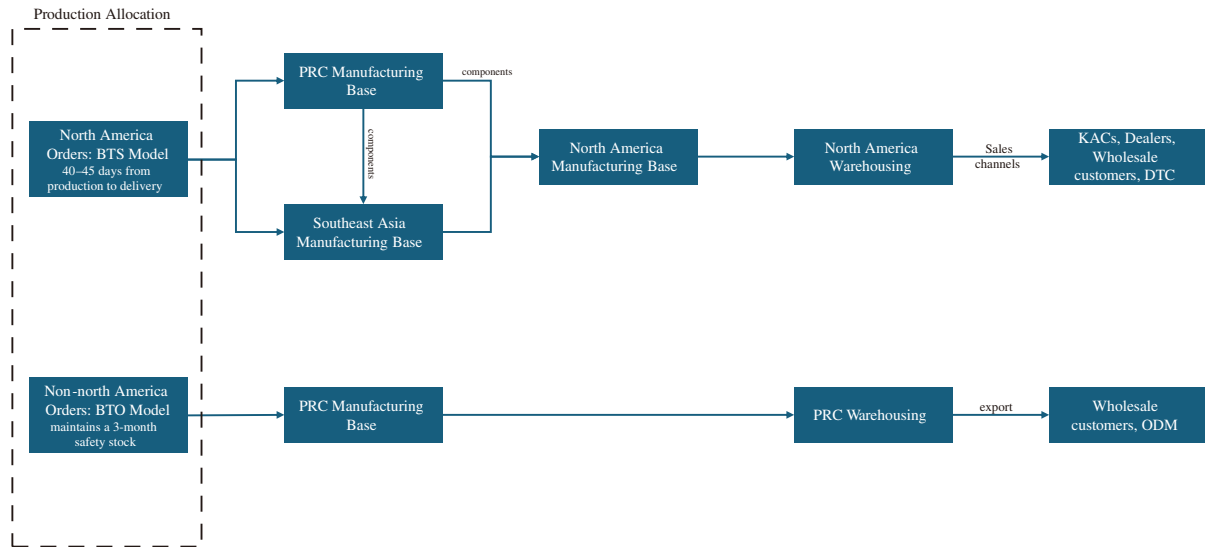
For our ATV products, our key technologies mainly focus on suspension and rear swing-arm design. Our single-arm front suspension system for youth ATVs is intended to improve steering precision, cornering stability and riding safety by reducing rollover risk and mitigating vibration and impact during driving. In addition, our replaceable rear swing-arm and anti-shake rear swing-arm technologies are designed to facilitate maintenance and replacement, enhance damping and structural stability, reduce component wear and displacement, and improve overall reliability.

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PRODUCTION

We adhere to our strategic positioning as a manufacturer with a multi-regional footprint, leveraging a coordinated production capacity layout across China, Southeast Asia, and North America to actively integrate into the global supply chain system. By seamlessly integrating the entire industrial chain with a modular manufacturing system, we have established a three-dimensional framework encompassing (i) independent R&D and design, (ii) self-produced core components, and (iii) global supply chain management, thereby achieving vertical integration across the entire industrial chain.

The following flowchart shows our entire business flow from production to delivery.



Our Manufacturing Bases

To address changes in international trade, we have established a manufacturing system characterized by regionalized production and localized supply, leveraging the synergies among our three manufacturing bases. We plan to allocate our production capacity based on market demand, tariff policies and supply chain arrangements. Our North American Base is expected to focus on LSEVs for the U.S. market, our Southeast Asia Base is expected to focus on LSEVs and ATVs for U.S. markets, and our planned Thailand facility is expected to focus on ATVs and LSEVs. Our PRC Base is expected to focus on powersports and other non-LSEV E-mobility products. The following table sets forth a summary of our manufacturing base for our major products as of the Latest Practicable Date.

Manufacturing Base	Location	Site Area (sq.m.)	Principal products	Production Status	Target Market	Property Interest
North America Base ⁽¹⁾	Texas, California and Florida, U.S.	85,218	LSEV	Commenced production in 2024	U.S. market	Self-owned/leased
Southeast Asia Base	Vietnam	36,208	LSEV and ATV	Commenced production in 2024	U.S. market	Leased
PRC Base	Zhejiang, China	257,706	All E-mobility products and Powersports	Commenced production in 2015	Global market	Self-owned/leased

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Note:

- (1) Our North America Base includes manufacturing base and a leased warehouse in Texas; and assembly and storage facilities in California and Florida.

The table below sets out the details on our three manufacturing bases for the periods indicated.

	Year ended December 31,								
	2023			2024			2025		
	Production Capacity (units)	Production Volume (units)	Utilization Rate (%)	Production Capacity (units)	Production Volume (units)	Utilization Rate (%)	Production Capacity (units)	Production Volume (units)	Utilization Rate (%)
North American Base									
E-mobility products:									
LSEVs	—	—	—	—	—	—	20,000	14,663	73.3
Southeast Asia Base									
E-mobility products:									
LSEVs	—	—	—	20,000	10,023	50.1	20,000	27,605	138.0
Powersports:									
ATV	—	—	—	6,000	2,196	36.6	12,000	7,898	65.8
PRC Base									
E-mobility products:									
LSEVs	5,000	4,475	89.5	33,000	34,171	103.6	33,000	1,193	3.6
Electric Two-wheelers:									
Electric Scooters	N/A	379,433	N/A	N/A	384,521	N/A	N/A	434,013	N/A
Electric Balance Bikes	N/A	410,495	N/A	N/A	279,518	N/A	N/A	288,780	N/A
Electric Bicycles	N/A	62,769	N/A	N/A	51,012	N/A	N/A	58,066	N/A
Subtotal.	1,210,000	852,697	70.5	1,210,000	715,051	59.1	1,182,000	780,859	66.1
Powersports:									
ATV	N/A	89,518	N/A	N/A	139,686	N/A	N/A	137,080	N/A
Off-road Motorcycles	N/A	49,293	N/A	N/A	73,872	N/A	N/A	73,592	N/A
Subtotal.	239,580	138,811	57.9	233,580	213,558	91.4	233,580	210,672	90.2
Others:	990,000	269,280	27.2	990,000	506,258	51.1	990,000	341,591	34.5

Notes:

- (1) Our capacity calculation is based on an assumed standard working schedule of eight hours per employee per day.
- (2) Utilization rate is calculated as dividing production volume by the production capacity for the same year.
- (3) Others mainly consisted of helmets.
- (4) The utilization rate of our LSEV in the PRC Base decreased from 103.6% in 2024 to 3.6% in 2025, primarily reflecting a temporary reallocation of certain final vehicle assembly activities serving the U.S. market to the United States during the tariff period. Under this arrangement, certain assembly processes were completed in the United States, which enhanced our supply chain flexibility. In light of the low utilization rate of 3.6% for LSEVs at our PRC Base in 2025, we plan to reallocate the relevant PRC LSEV production lines to powersports.

Manufacturing Capacity Expansion

We are constructing a new production line in Zhejiang, the PRC, with a designed annual production capacity of 40,000 high-displacement specialty vehicles. The Zhejiang facility is primarily designated for the manufacture of high-displacement powersports vehicles, including ATVs and UTVs with engine displacement of 300cc and above, and may also support the production of other high-displacement vehicles such as motorcycles. As of the Latest Practicable Date, the construction of

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the plant buildings and related infrastructure had been substantially completed, and we expect to complete the remaining construction work in November 2026. We expect to install automated production lines, robotics and testing equipment and complete commissioning and trial production in 2026, with production capacity ramping up progressively thereafter.

We are developing our self-owned production facility in Thailand and completed Phase I construction in 2026. The Thailand facility is expected to manufacture and assemble ATVs and LSEVs. Upon full operation, the Thailand facility is expected to have a designed annual production capacity of approximately 30,000 units of ATVs and 40,000 units of LSEVs. The total investment is expected to be US\$34.1 million. The Thailand facility is expected to be completed by 2030.

Our Manufacturing Models

We adopt a hybrid manufacturing approach combining BTS and BTO models. We operate integrated production lines and produce all major components in-house, except for certain models’ engines, controllers, tires and other accessories. For the U.S. and Canadian markets, we primarily adopt the BTS model as we have established multiple regional sales and warehousing centers with localized marketing and logistics capabilities. This “warehouse-based” sales model allows us to stock key products based on historical sales patterns and demand expectations, shorten delivery lead times, improve order fulfilment efficiency and inventory turnover, and reduce customers’ operating concerns and working capital burden. For overseas markets outside the U.S. and Canada, where our products are generally sold under ODM arrangements, we primarily adopt the BTO model, under which we organize production in accordance with customers’ purchase orders and deliver products pursuant to the agreed delivery terms. This order-driven approach helps us match production with actual demand and manage inventory risk, while maintaining an efficient fulfilment cycle, with a typical lead time of around one week from finished goods release to delivery to Ningbo port for export shipments.

Our Production Process

Our production process of E-mobility products and powersports is designed to promote high standards of quality and facilitate a rapid production ramp-up to satisfy customers’ needs. We outsource certain non-core processing of raw materials to qualified subcontractors, primarily involving selected aluminum parts, plastic parts and helmet-related components, and the outsourced processes mainly include surface treatment, fine machining of aluminum profiles, water-transfer printing and processing of plastic parts and processing of helmet liners, while core manufacturing, final assembly and final quality inspection remain in-house. We manage subcontractors through an approved subcontractor list and written processing agreements specifying technical standards and acceptance criteria, and we conduct incoming inspection of raw materials and inspection and testing on outsourced parts/materials, including outsourced-processing inspection and durability testing on key components, before the relevant materials or components are used in production. We also require suppliers to provide third-party material inspection or testing reports, including for selected plastic and metal materials, and engage a third-party testing agency to test whether our batteries comply with applicable battery safety and transportation safety standards.

We allocate production and assembly work among our PRC, Southeast Asia and the U.S. manufacturing bases. Our PRC manufacturing base serves as a principal manufacturing and component supply base, our Vietnam production facility serves as an overseas manufacturing and selected component supply base, and our U.S. facility serves as a local assembly, quality control, pre-delivery inspection and delivery base for North America orders. For non-North America orders, the relevant manufacturing and assembly processes are generally undertaken by our PRC and Southeast Asia

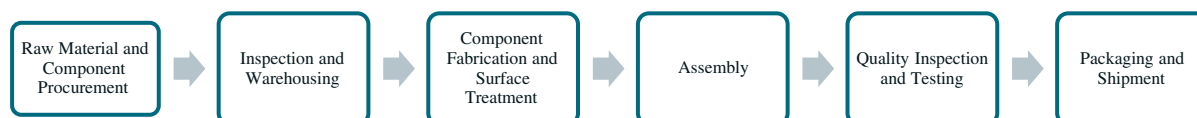
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manufacturing base, while for North America orders, CKD component sets and selected components sourced from China and Vietnam are generally shipped to our U.S. facility for local assembly and delivery. The following charts illustrate the principal steps for North America and non-North America orders.

North America Orders



Non-north America Orders



SEASONALITY

We experience seasonality in certain product categories of our business, primarily due to differences in end-market demand and usage scenarios. Demand for our LSEVs is generally stronger in the second and third quarters of each calendar year, primarily because warmer weather is more conducive to outdoor and community usage, while demand is typically lower in the first quarter. Sales of our E-mobility products generally peak in the fourth quarter, mainly driven by holiday-season demand in the United States, including Thanksgiving and Christmas. Our powersports products have not historically exhibited a clear seasonal pattern. We expect such seasonal fluctuations to continue to affect our business in the future, although past seasonal trends may not be indicative of our future operating results.

PRICING

The prices of our products are determined based on various factors, including the market positioning, specifications and functions of the relevant product model, procurement and production costs, supply and demand, prevailing market conditions, prices of comparable products in the market, order volume, sales channel, logistics and after-sales service arrangements and our expected profit margin. We generally set recommended retail prices for our proprietary branded products with reference to the target customer segment, brand positioning and prevailing market prices of comparable products. Our pricing arrangements may vary across different sales channels. For sales to KACs, we may provide temporary promotional price support for selected products during specific promotional periods, such as Black Friday. Such support is determined on a case-by-case basis and does not represent a fixed channel-wide discount. For sales through our DTC websites, we may offer coupons, seasonal promotions or other promotional discounts to end customers, generally ranging from approximately 5% to 15%. For sales to dealers, we may provide sales performance-based discounts to certain dealers who achieve sales targets, generally ranging from approximately 5% to 10%. For ODM and wholesale sales, prices are generally negotiated and agreed with customers in advance based on product specifications, order volume and commercial terms, and we generally do not provide separate discount arrangements.

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LOGISTICS AND INVENTORY MANAGEMENT

Warehouse and Logistics

We primarily operate a BTS model in support of our international operations. As of the Latest Practicable Date, we had established eight sales and warehouse centers in North America. These facilities are used for product storage, distribution and after-sales parts supply, and support the fulfilment of orders in the United States and Canada. We also maintain dedicated spare parts warehouses in North America to facilitate customer maintenance and repair. These warehouses are linked with our domestic and overseas parts order systems to enable timely supply of replacement parts and reduce repair lead times.

We procure delivery services from third-party logistics service providers. As of December 31, 2025, we collaborated with 58 third-party logistics service providers. We select logistics service providers based on their track record, delivery efficiency, management ability and price. Our arrangements with third-party logistics service providers allow us to efficiently deliver our products, reduce our capital investment and reduce the risk of incurring liability for traffic accidents, delivery delays or loss. Once our logistics service providers confirm receipt of the products to be delivered, the risks relating to the transportation and delivery of our products are transferred to the logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any loss as a result of delays in delivery or poor handling of goods.

Our logistics and warehousing capabilities form a critical component of our global production and supply chain layout. By combining “China + Southeast Asia + North America” production capacity with localized warehouse-based sales, we have established an efficient “production–warehouse–delivery–after-sales” cycle. This system supports the stability of our international operations, strengthens our market competitiveness and underpins the sustainable growth of our global business.

Inventory Management

Our inventory primarily includes raw materials, work in progress, finished goods, outsourced processing materials, and goods in transit. Our inventory turnover days were 199 days, 183 days and 232 days in 2023, 2024 and 2025, respectively. This reflects our BTS model and the need to maintain adequate finished goods and spare parts inventories for timely delivery and after-sales service, particularly in overseas markets. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position” for details.

We implement strict inventory control policies to monitor our inventory levels at our production facilities and warehouses. We proactively coordinate with our procurement department and sales and marketing departments and maintain suitable levels of raw materials, work in progress and finished goods. We also typically prepare production and procurement plans taking reference to production forecasts and seasonality.

We manage our inventory through an integrated planning and control framework across our production bases and warehouses. We conduct sales and operations planning, which links demand forecasting, customer order visibility and production scheduling, and we update our procurement and production plans with reference to sell-through trends and seasonality. In North America, to support our BTS model and after-sales service, we maintain appropriate levels of finished goods and spare parts in local warehouses to meet delivery requirements, while in other overseas markets we primarily adopt a BTO model to reduce finished goods inventory exposure. We also perform regular inventory monitoring

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and management review, including monthly analysis of inventory balance and ageing by product category and location, and we adjust production pacing and stock deployment accordingly to mitigate the risks of overstocking and obsolescence arising from changes in consumer demand and product cycles.

PRODUCT QUALITY CONTROL

Product quality is vital to our business. We have devoted substantial resources to quality control since the founding of our business and have obtained ISO9001 certification for our quality management system. Our quality control procedures cover the full lifecycle of our products, from initial product design and procurement of raw materials to manufacturing processes and inspection and testing, and after-sales service. Notably, we have established an in-house product testing center equipped to perform key tests on our products, and we monitor and analyze customer feedback from after-sales channels to support continuous improvement of our products.

We operate an in-house product testing centre at our Jinyun testing centre in Jinyun, Zhejiang, China. In addition, we engage independent third-party testing agencies from time to time to conduct specific tests and inspections required for product certification and regulatory compliance for powersports in certain markets.

Our quality control policies are calibrated to applicable national and overseas regulatory regimes and, where required, our products have obtained the relevant certifications and approvals, or comply with the applicable regulatory requirements, in the jurisdictions in which they are sold, including CCC in China for applicable product categories, CE marking and E-mark in the EU, ABE issued by KBA under Germany’s eKFV regulation for electric scooters and balance vehicles used on public roads, and, in the United States, EPA approval, CARB certification for sales in California, and compliance with the CPSC product-safety framework.

During the Track Record Period, we did not experience any material quality-related issues that had a significant adverse impact on our business, financial condition or reputation.

TRANSFER PRICING

Intra-Group Transactions and Pricing Policy

During the Track Record Period and up to the Latest Practicable Date, we conducted all intra-group transactions in accordance with our transfer pricing policy based on the arm’s length principle. In particular, all related-party transactions were priced as if the parties were unrelated and negotiating on normal commercial terms. This policy aligns with internationally recognized standards and practices for transfer pricing, ensuring that no artificial profit shifting occurs among our group entities.

The intra-group transactions undertaken by our Group during the Track Record Period mainly included the following:

- ***Provision of Finished Products and Components.*** We sold finished products, primarily complete vehicles and vehicle parts, to our affiliated overseas sales subsidiaries and certain domestic subsidiaries for distribution in their respective markets. In addition, we sold components to our manufacturing facilities in the United States and Vietnam for use in the local assembly and production of finished products.

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- **Procurement of Key Components.** We procured essential components, notably electric motors and lithium battery packs, primarily from our wholly subsidiary, TaoTao Technology, which supplies these parts to our Company.
- **Receipt of Services.** We received various intra-group services from affiliates, including research and development support services as well as other administrative and technical services to assist our operations.

The following table sets forth a breakdown of our transfer pricing transaction by nature for the years indicated:

Cash Transferor	Cash Transferee	Year ended December 31,			Aggregate Amount	Percentage of
		2023	2024	2025		Total Related Party Transactions
		RMB'000	RMB'000	RMB'000	RMB'000	%
Provision of finished products and components						
U.S. subsidiaries	Our Company	914,111	1,780,977	478,040	3,173,128	66.0
Vietnam subsidiaries	Our Company	—	23,198	328,291	351,489	7.3
Canada subsidiaries	Our Company	57,790	66,535	108,736	233,061	4.8
PRC subsidiaries	Our Company	63,290	15,858	8,471	87,619	1.8
Other overseas subsidiaries	Our Company	1,652	955	926	3,533	0.1
Subtotal		1,036,843	1,887,523	924,464	3,848,830	80.0
Procurement of key components						
Our Company	PRC subsidiaries	270,089	312,574	364,133	946,796	19.7
Our Company	Other overseas subsidiaries	351	—	16,316	16,667	0.3
Subtotal		270,440	312,574	380,449	963,463	20.0
Receipt of services						
Our Company	PRC subsidiaries	557	133	133	823	0.0
Total		1,307,840	2,200,230	1,305,046	4,813,116	100.0

We have engaged an independent Tax Advisor to conduct a comprehensive transfer pricing analysis on our related party transactions during the Track Record Period. The Tax Advisor has reviewed the relevant related party transactions to assess whether the profit level earned by the relevant entities involved in such transactions (the “**Tested Parties**”) is consistent with an arm’s length level of profit. The analysis was prepared with reference to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published in 2022. The transfer pricing regulations in the PRC and other relevant tax jurisdictions are broadly consistent with the methodologies set out in the OECD Transfer Pricing Guidelines.

After evaluating the various transfer pricing methods permitted under the OECD Transfer Pricing Guidelines and the PRC transfer pricing rules, the Tax Advisor selected the transactional net margin method (the “**TNMM**”) as the appropriate method to assess whether the Tested Parties’ transactions were conducted on an arm’s length basis. Under the TNMM, the Tested Parties’ full cost mark-up is compared against the full cost mark-up of independent companies engaged in comparable transactions.

Based on the Tax Advisor’s assessment of the intra-group transactions and the transfer pricing benchmarking analysis performed through the identification and evaluation of comparable companies, the Tested Parties’ full cost mark-up was not less than the arm’s length range. The Tested Parties were adequately compensated for the relevant related party transactions during the period under review, and

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such compensation was commensurate with their respective functions performed and risks assumed. Accordingly, the Tested Parties’ profit level was considered to be in line with the arm’s length principle. The Tax Advisor is of the view that the risk of potential transfer pricing adjustments is low.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any penalties, investigations, queries or transfer pricing audits by the local tax authorities in respect of such intra-group transactions. Accordingly, and as advised by our Tax Advisor, our Directors are of the view that the intra-group transactions described above were conducted on an arm’s length basis and that we complied with the relevant transfer pricing laws and regulations during the Track Record Period. The Directors are of the view that the Group’s transfer pricing arrangements during the Track Record Period were conducted on normal commercial terms and on an arm’s length basis, that such related party transactions are fair and reasonable and in the interests of us and our Shareholders as a whole, and that our transfer pricing policies and results are consistent with applicable tax requirements; and that, as of the Latest Practicable Date, no tax authority has initiated, threatened or raised any pending actions or enquiries in respect of our transfer pricing practices. See “Risk Factors — We are subject to regulatory risks with respect to tax compliance regulations and policies.”

Ongoing Compliance Measures

We are committed to maintaining strict compliance with transfer pricing rules on an ongoing basis. To this end, we have implemented and will continue to implement robust internal control measures and governance procedures to ensure our intercompany pricing remains arm’s length, including conduct of periodic independent reviews, internal monitoring and controls, staff training and expertise, and policy updates and adjustments.

These measures are designed to ensure that our transfer pricing practices remain compliant with all applicable requirements and that the outcomes of our intra-group transactions continue to reflect arm’s length terms. Our management and Board of Directors will closely oversee the implementation of these measures, and we will continue to consult professional tax advisors on a regular basis to reinforce our transfer pricing compliance program. These ongoing efforts will help mitigate the risk of transfer pricing challenges and provide assurance to our shareholders and regulators that the Group’s profits are properly reported in each jurisdiction in accordance with value creation.

RESEARCH AND DEVELOPMENT

In 2023, 2024 and 2025, our research and development expenses amounted to RMB87.7 million, RMB125.5 million and RMB123.4 million, respectively. Our research and development philosophy is to create technologies to promote the development of our products, providing better driving experience. Our product development strategy involves research and development on E-mobility products and powersports based on customer demands and technological developments. Our in-house research and development team conducts initiatives to expand the available functionalities and application scenarios of our products.

Our R&D activities focus primarily on the development and upgrade of our E-mobility and powersports products, including LSEVs, ATVs, UTVs, off-road motorcycles, go-karts and other outdoor leisure products. During the Track Record Period, we continued to improve our products in areas such as vehicle structure and chassis design, electric drive and power systems, battery and thermal management, wiring harnesses, engine performance, CAN bus communication, EPS steering, IoT connectivity, OTA remote upgrades and intelligent display and interaction systems. We have also focused on the development of medium- and large-displacement powersports products, including the ongoing development of our 1000 cc ATV program, which involves the integration and optimization of our in-house 1000 cc engine, chassis calibration, steering tuning, E/E system optimization and safety and handling enhancements. The 1000 cc ATV program is currently between the R&D validation testing

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stage and the production line commissioning stage, and is expected to commence commercialization in 2027. Through these R&D efforts, we aim to enhance product performance, reliability, user experience and production efficiency, broaden the application scenarios of our products and support the continued upgrade of our product portfolio.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we owned 380 registered patents in China, 106 registered patents in the U.S., and 83 registered patents in other countries around the world. For details of our material intellectual property rights, see “Statutory and General Information — B. Further Information about our Business — 2. Our material intellectual property rights” in Appendix IV.

We protect our intellectual property rights, including trademarks, patents and domain names, in accordance with the relevant laws and regulations and contractual agreements. We have established an intellectual property management system, and improve our intellectual property management system in line with the business development. During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

COMPETITION

We primarily compete with a number of domestic and international E-mobility products and powersports companies. See “Risk Factors — Risks Related to Our Business — We may face intense competition in the E-mobility and powersports industry.” The current global E-mobility products and powersports industry is highly competitive and concentrated. According to Frost & Sullivan, we ranked first globally in the LSEV industry in 2025 by revenue, with a global market share of approximately 10.9%. With deep industry experience, strong R&D and manufacturing capabilities, broad product portfolios and large and stable distribution network, we believe that we are well positioned to excel in the competition in our industry. See “— Competitive Strengths” and “Industry Overview.”

EMPLOYEES

Our people-centric culture promotes sustainable growth internally and customer bonding externally. We are dedicated to creating a fair, just and open environment for our employees. As of December 31, 2025, we had 3,013 employees. Most of our employees are based in Lishui, Zhejiang Province, China. The following table sets forth a breakdown of our employees by function as of the same date.

	Number of employees
Sales	205
Research and development	293
General administration and management	331
Production	2,184
Total	3,013

We have maintained a good relationship and expect to maintain an amicable relationship in the future with our employees. During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operation and no material disputes between the Group and our employees.

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INSURANCE

We consider our insurance coverage adequate and in accordance with the commercial practices in the industry in which we operate. We provide social security insurance, including pension insurance, work injury insurance, maternity insurance, medical insurance and unemployment insurance for our employees. We do not maintain business interruption insurance or key-man insurance. Our management evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. During the Track Record Period, we did not make any material insurance claim in relation to our business.

DATA SECURITY AND PRIVACY

In the ordinary course of our business, we mainly collect, store and use certain personal information in connection with sales within the United States through our self-operated DTC websites from time to time. Personal information of our customers is collected when they place orders through our DTC websites. Such information primarily includes their names, mobile phone numbers and order information. In addition, during the sales process of our dealers, certain end customers may be required to complete vehicle registration and warranty activation through our official website. Accordingly, we may obtain information such as such customer’s name, contact details, vehicle model, VIN and the dealer from which the vehicle was purchased. We collect customers’ personal information only with their explicit consent and store such data on third-party cloud servers located in the United States and operated by reputable service providers. For information collected through third-party platforms, such information is stored on the relevant platforms’ servers and managed in accordance with their applicable security standards and privacy policies. We do not control the underlying storage environment and only access such data within the scope authorized by the relevant customers or business partners and to the minimum extent necessary for the relevant business purposes, with internal access restricted to authorized personnel on a need-to-know basis. We do not establish or maintain self-hosted data storage locations outside the United States, and we do not transfer or export personal data for storage or processing outside the United States. During the Track Record Period, we were not involved in any cross-border transfer of personal information or important data. Our information technology department is responsible for system security administration, account and access-right management, while relevant business departments are responsible for reviewing the compliance of data use. We have implemented personal information protection-related controls under our broader cybersecurity and data security management framework and related governance arrangements. We have implemented access control and technical security measures to safeguard personal information. Our information technology department is responsible for day-to-day system security administration, account management and access-right management, including role-based access controls and segregation of user accounts and permissions. The relevant business departments are responsible for reviewing the compliance of data use within their respective functions and ensuring that any access to, or use of, personal information is limited to legitimate business purposes and the authorized scope. Access to personal information is restricted to authorized personnel with a legitimate business need and is granted on a need-to-know and least-privilege basis. We have also adopted technical measures such as data encryption, data backup, access control and firewall protection to reduce the risk of unauthorized access, data leakage or other cybersecurity incidents.

We have established internal data-protection policies and a governance structure to help ensure that personal data is accessed and used only for legitimate business purposes and in compliance with applicable data protection and privacy requirements. Our information technology department is responsible for day-to-day system security and user access administration, including role-based access controls and segregation of user accounts/permissions. The relevant business departments are responsible for reviewing the compliance of data use within their respective functions and ensuring that any access to, or use of, personal data is on a need-to-know basis.

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Given our operations, we are subject to applicable data security and privacy laws and regulations in the United States, including the U.S. Federal Trade Commission Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act and applicable state-level data and privacy requirements. The types of data we process would generally fall within the scope of “personal information” under the PRC Cybersecurity Law, the PRC Data Security Law and the PRC Personal Information Protection Law; however, we do not collect, process or store such personal information within the PRC in connection with our U.S. sales operations. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we have complied with applicable laws and regulations relating to data security and privacy in all material respects and have not received any material penalty due to breach of data privacy. We have not been, and are not, subject to any review by the Cyberspace Administration of China.

We have implemented strict access control and security measures to safeguard the protection of personal information. We do not handle any core data related to national security, national economy or public interest, nor do we handle important data that could endanger national security or public interest if tampered with, destroyed, leaked, or illegally obtained or used. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we had not experienced any material hacking incident or data leakage. During the Track Record Period and as of the Latest Practicable Date, as advised by legal advisors, Our Directors are of the view, and the Sole Sponsor concurs, that we had complied with applicable laws and regulations relating to data security and data protection in all material aspects and have not received any penalty due to breach of data privacy.

IMPACT OF U.S. TARIFF

During the Track Record Period and up to the Latest Practicable Date, imports of our PRC-origin ATVs, off-road motorcycles, electric scooters/electric balance bikes, and electric bicycles into the United States were subject to several rounds of tariff adjustments. During the Track Record Period, our revenue generated from PRC-origin products that were subject to U.S. tariffs amounted to RMB1,529.3 million, RMB2,275.3 million and RMB1,988.1 million in 2023, 2024 and 2025, respectively, representing 71.3%, 76.4% and 50.4% of our total revenue, respectively. The applicable tariff rates changed multiple times from 2023 to February 2026, with certain periods experiencing substantial temporary increases. The key tariff periods and applicable rates are summarized below.

Tariff rates applicable to principal product categories exported from the PRC to the U.S. (unit: %)

Period	ATVs	Off-road motorcycles	Electric scooters & electric balance vehicles	Electric bicycles
Jan 1, 2023 — Dec 31, 2023	27.5	7.5	25	—
Jan 1, 2024 — Jun 14, 2024	27.5	7.5	25	—
Jun 15, 2024 — Dec 31, 2024	27.5	7.5	25	25
Jan 1, 2025 — Feb 2, 2025	27.5	7.5	25	25
Feb 4, 2025 — Mar 3, 2025	37.5	17.5	35	35
Mar 4, 2025 — Apr 2, 2025	47.5	27.5	45	45
Apr 3, 2025 — Apr 7, 2025	81.5	61.5	79	79
Apr 8, 2025	131.5	111.5	129	129
Apr 9, 2025 — May 11, 2025	172.5	152.5	170	170
May 12, 2025 — November 9, 2025 . . .	57.5	37.5	55	55
November 10, 2025 — February 20, 2026	47.5	27.5	45	45
February 21, 2026 — up to the Latest Practicable Date	37.5	17.5	35	35

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During the Track Record Period and up to the Latest Practicable Date, imports of our PRC-origin LSEVs into the United States were subject to (i) ordinary customs duties, (ii) anti-subsidy (“**countervailing duty**”, or “**CVD**”) rates, and (iii) anti-dumping (“**AD**”) rates. Several rounds of adjustments were implemented between late 2024 and 2025, resulting in temporary spikes in the effective duty burden. The key applicable rates are summarized below.

Period	Customs duty	CVD rate	AD rate	Total
Jan 1, 2023 — Dec 31, 2023	10	—	—	10
Jan 1, 2024 — Dec 6, 2024	10	—	—	10
Dec 6, 2024 — Dec 31, 2024	10	28.16	—	38.16
Jan 1, 2025 — Jan 29, 2025	10	28.16	—	38.16
Jan 30, 2025 — Feb 3, 2025	10	28.16	248.16	286.32
Feb 4, 2025 — Mar 3, 2025	20	28.16	248.16	296.32
Mar 5, 2025 — Apr 2, 2025	30	28.16	248.16	306.32
Apr 3, 2025 — Apr 7, 2025	64	28.16	248.16	340.32
Apr 8, 2025	114	28.16	248.16	390.32
Apr 9, 2025 — May 12, 2025	155	28.16	248.16	431.32
May 13, 2025 — Aug 11, 2025	40	28.16	248.16	316.32
Aug 12, 2025 — November 9, 2025 . . .	42.5	41.14	292	375.64
November 10, 2025 — February 20, 2026	30	41.14	292	363.14
February 21, 2026 — up to the Latest Practicable Date	40	51.14	302	373.14

Despite the increasing tariff and evolving trade restrictions, our revenue and profit continued to rise during the Track Record Period, and we were able to partially mitigate the impact of tariffs by raising the price of our products sold in the U.S. to pass on the cost to customers. However, not all U.S. tariffs charged on our products were passed down to customers through increases in product prices or adjustments to the relevant shipping terms, and any tariff costs not so passed down were borne by us.

In response to the U.S. trade restrictions, we not only made upward pricing adjustments to the exported products to the United States to partially offset the increased expenses in connection with the trade restrictions but also adjusted our procurement, production and shipment arrangements as follows:

- **Procurement.** We increased “near-plant” sourcing of steel, aluminum and key components in Southeast Asia and North America, and diversified our supplier base so that a growing proportion of raw materials and non-core parts used for U.S.-bound products is procured in Vietnam, Thailand and the United States rather than solely in the PRC;
- **Production.** Building on our existing PRC production base, we established and ramped up our Vietnam production base, which commenced production in August 2024 and invested in our Texas manufacturing base, which commenced production in October 2024 (together with final-assembly facilities in California and Florida), to serve the North American market. The Vietnam base now undertakes frame manufacturing, surface treatment, engine assembly and complete vehicle production for LSEVs and ATVs exported to the U.S., while the North American base performs final assembly and customization of vehicles for local customers;
- **Shipment and logistics.** We gradually shifted U.S.-bound shipments from direct exports of PRC-origin finished products to shipments of (i) finished products from Vietnam and, in future, Thailand, and (ii) semi-knock-down kits and components to its U.S. facilities for final assembly, thereby mitigating tariff and AD/CVD exposure and reducing lead times.

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Our Tariff Legal Advisor is of the view that recent tariffs and trade regulations did not have any material impact on our operations and financial performance. Considering (i) the timing and duration of the most recent tariff escalation, (ii) our ability to make pricing adjustments in the U.S. market, and (iii) our supply chain and production adjustments (including ramping up production in Vietnam and performing final assembly/customisation in the U.S. to mitigate exposure to PRC-origin tariffs and AD/CVD), our Directors are of the view, and the Sole Sponsor concurs with our Directors’ view, that tariffs and related trade restrictions did not have, and are not expected to have, any material adverse impact on the Group’s operations and financial performance.

We have adopted a range of compliance-driven measures to mitigate the impact of tariffs and trade restrictions, including (i) where appropriate, applying for U.S. Customs origin rulings/advance determinations and structuring production so that substantive manufacturing steps are completed in lower-tariff jurisdictions in a manner that satisfies the applicable “substantial transformation”/rules of origin requirements, (ii) reallocating certain production to lower-tariff countries and exporting from such jurisdictions to target markets to reduce tariff exposure, and (iii) applying for duty drawback or duty refund in accordance with applicable customs laws and procedures. We also maintain trade compliance controls, including monitoring changes in tariff/trade policies, maintaining records to support origin determinations and customs filings, and coordinating with external customs/trade advisors and brokers to ensure the relevant applications and claims are made on a lawful and supportable basis.

PROPERTIES

As of the Latest Practicable Date, we owned 12 properties with an aggregate gross floor area of approximately 273,344 square meters in China and the U.S. We have obtained title certificates for all properties. As of the Latest Practicable Date, we leased 16 properties relating to our business operations in total with an aggregate gross floor area of approximately 169,382 square meters, which have been mainly used as production, storage, office and research and development in China, the United States, Canada, Vietnam. Certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. Our material business operations are not conducted in such unregistered leased properties. As of the Latest Practicable Date, two leased properties are involved, and if relocation is required, the relocation costs are expected to be immaterial and alternative premises are generally available in the relevant areas. See “Risk Factors — Risks Relating To Our Business — We face certain risks in relation to our leases.”

According to Chapter 5 of the Listing Rule and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to the operation of our existing business. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations. Our PRC Legal Advisor has advised us that there is no material legal impediment to renewing such permits or licenses.

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The following table sets out a list of material licenses, permits and approval held by us as of the Latest Practicable Date.

License/permit	Entity holding the license/permit	Grant date	Expiration date
Production License for Special Equipment	the Company	January 9, 2024	January 8, 2028
Pollutant Discharge Permit	the Company	July 23, 2023	July 22, 2028
Certificate of China Compulsory Certification	the Company	November 6, 2023	November 5, 2028
Certificate of China Compulsory Certification	Taotao Technology	January 14, 2026	January 13, 2031
Public List of Enterprises Eligible to Apply for Motorcycle Export Licenses in 2025	the Company	January 1, 2026	December 31, 2026
Consignee/Consignor of Import and Export Goods — Metal Shipbuilding	the Company	—	—
Consignee/Consignor of Import and Export Goods — Other Unspecified Manufacturing Industries	Taotao Technology	—	—
Consignee/Consignor of Import and Export Goods — Electronic Toy Manufacturing	Shenzhen Baike	—	—
Manufacturer License (Florida)	Denago EV Corporation	September 24, 2024	September 30, 2026
Investment Registration Certificate (Vietnam)	Baike Vehicle Vietnam Company Limited	January 4, 2024	January 4, 2034
Environment License (Factory 03) (Vietnam)	Baike Vehicle Vietnam Company Limited	June 11, 2025	January 4, 2027
Environment License (Factory 02) (Vietnam)	Baike Vehicle Vietnam Company Limited	June 11, 2025	January 4, 2027

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, save as disclosed below, there were no litigation, arbitration or administrative proceedings pending or threatened against our Company or any of the Directors which could have a material and adverse effect on our financial condition or results of operations. During the Track Record Period, and up to the Latest Practicable Date, save as disclosed below, there were no litigation, arbitration or administrative proceedings against our Company or any of the Directors which had caused a material and adverse effect on our financial condition or results of operations.

Dispute in Connection with AD/CVD Deposit Demand

In August 2025, following investigations by the U.S. Department of Commerce (“Commerce”) and ITC, the United States imposed AD/CVD orders on low-speed personal transportation vehicles originating from the People’s Republic of China, which cover certain products previously imported by Tao Motor Inc., a subsidiary of our Company. The AD/CVD orders relate to “low speed personal transportation vehicles” (“LSPTVs”), which are generally open-air vehicles (including golf carts and similar low-speed vehicles) and may include finished or unfinished vehicles and certain subassemblies (including “rolling chassis”).

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The following table sets forth a chronology of events relating to the AD/CVD investigations:

Date	Events
June to July 2024	Petitions were filed with Commerce and the ITC on June 20, 2024, alleging that LSPTVs imported from the PRC were sold in the United States at less than fair value and benefited from countervailable subsidies, and that such imports caused or threatened material injury to the U.S. domestic industry. The ITC and Commerce subsequently instituted and initiated the AD and CVD investigations in June and July 2024, respectively.
August 2024	The ITC issued a preliminary affirmative injury determination, finding a reasonable indication that imports of LSPTVs from the PRC materially injured or threatened material injury to the U.S. domestic industry. The investigations then proceeded to the final phase.
December 2024 to January 2025	Commerce issued preliminary affirmative determinations in the CVD and AD investigations. In the AD investigation, Commerce preliminarily determined an estimated weighted-average dumping margin of 248.19% and a cash deposit rate of 248.16% applicable to separate rate companies, including our Company. Commerce also made preliminary affirmative critical circumstances determinations in the AD and CVD investigations.
January 2025	Following Commerce’s preliminary affirmative AD determination published on January 30, 2025, Commerce instructed CBP to suspend liquidation and collect cash deposits on imports of subject merchandise at applicable rates. In light of the preliminary critical circumstances determination, the suspension of liquidation was applied retroactively to relevant unliquidated entries made during the 90-day period preceding the publication of the preliminary determination, which covered certain imports by us.
June to August 2025.	Commerce published its final determinations in the AD and CVD investigations in June 2025. In the AD final determination, Commerce determined a final dumping margin of 291.04% applicable to separate rate companies. In the CVD final determination, Commerce determined a final “all others” subsidy rate of 41.14%, including our Company. In August 2025, the ITC completed its final phase and issued its final determination, under which the ITC made affirmative injury and critical circumstances determinations.
August 2025	Following the effectiveness of the AD/CVD orders, CBP demanded payment of estimated AD/CVD deposits totaling US\$9,018,889.31 in connection with Tao Motor’s imports made during the 90-day critical circumstances retroactive period. We declined to pay such deposits.
August to September 2025 . . .	CBP demanded payment of estimated AD/CVD deposits totaling US\$9,018,889.31 and subsequently issued claims for liquidated damages. Tao Motor declined to pay such deposits, and on September 8, 2025 filed a lawsuit in the United States Court of International Trade challenging the ITC’s affirmative injury and “critical circumstances” determinations.

The investigations were instituted following petitions filed on June 20, 2024. During the investigation process, the Commerce Department made preliminary determinations that imports of LSPTVs from China were subsidized and sold in the United States at less than fair value, and later made final determinations, after which the ITC completed its final phase (including a hearing and vote). Subsequently, the U.S. Customs and Border Protection (“**CBP**”) demanded payment of estimated AD/CVD deposits totaling US\$9,018,889.31 in connection with Tao Motor’s imports made during the 90-day “critical circumstances” period preceding the publication of the preliminary determinations. In an AD/CVD investigation, “liquidation” refers to CBP’s final computation and assessment of duties payable on imported merchandise. Following an affirmative preliminary determination by Commerce, Commerce may instruct CBP to suspend liquidation of relevant entries (meaning suspension of final computation and assessment of duties) pending completion of the AD/CVD proceedings. Where affirmative critical circumstances determinations are subsequently made, certain unliquidated entries may be subject to retroactive application of duties. In the LSPTV investigations, the relevant critical circumstances determinations included Commerce’s preliminary affirmative critical circumstances determinations and the ITC’s final affirmative critical circumstances determinations. Following such final determinations, CBP demanded payment of AD/CVD deposits totalling US\$9,018,889.31.

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Pursuant to 19 U.S.C. §1673b(e), on advice of its Tariff Legal Advisor, Tao Motor declined to make such deposits on the grounds that CBP lacks statutory authority to collect estimated AD/CVD duties on entries made during that period. Specifically, Tao Motor’s position is that, even where “critical circumstances” are found, CBP’s statutory authority at that stage is limited to implementing the relevant suspension of liquidation measures and does not extend to requiring payment of estimated AD/CVD deposits for the “critical circumstances” retroactive period. CBP thereafter issued claims for liquidated damages of US\$9,018,889.31, which Tao Motor has petitioned for remission. On advice of its Tariff Legal Advisor, Tao Motor has filed a petition asserting that CBP lacks statutory authority to impose or collect these liquidated damages.

On September 8, 2025, Tao Motor filed a lawsuit in the United States Court of International Trade challenging the ITC’s affirmative injury and “critical circumstances” determinations.

We believe we are not under an immediate obligation to pay the AD/CVD deposits, because:

- (1) pursuant to 19 U.S.C. §1673b(e), where critical circumstances are found, the relevant statutory provision authorizes the Commerce Department to direct CBP to suspend liquidation of relevant unliquidated entries during the critical circumstances retroactive period, but does not independently authorize CBP to require immediate payment of estimated AD/CVD cash deposits for such period before the relevant duty liability is finally determined. On this basis, the non-payment of the demands by Tao Motor does not constitute a breach of any laws or regulations, including any tariff laws and regulations;
- (2) as Tao Motor has filed petitions with United States Customs and Border Protection, the non-payment of the antidumping and countervailing duties demanded by the CBP is not in breach of any Customs laws or regulations, including the tariff laws and regulations, and will not as a result cause the commencement of any administrative or legal proceedings against Tao Motor, and will not have a material adverse impact on Tao Motor; and
- (3) CBP would need to await the outcome of litigation filed in the CIT by Tao Motor and others, await the final results of a 19 U.S.C. §1675 annual review of the antidumping and countervailing duty orders conducted by the Commerce Department and any litigation which might challenge the results of that review. The annual review is unlikely to be completed before late 2027.

As such, as advised by our Tariff Legal Advisor, we believe that the ITC is likely to overturn the CBP’s finding of “critical circumstances”. Moreover, Tao Motor’s affected products are currently, and will in the future be, imported from Vietnam as part of our supply chain optimization strategy. In 2025, 26,822 units of LSEVs sold by us in the United States were imported from Vietnam, representing 60.3% of total sales volume of LSEVs in 2025, and we expect less than 30% of LSEVs to be sold by us in the United States in 2026 to be imported from Vietnam. Therefore, we believe that the AD/CVD deposit demand will not have a material adverse effect on our business, results of operations or financial condition. We do not expect the transition to Vietnam production to have a material adverse impact on our business or financial performance; to the extent any incremental costs arise from this transition, they have been managed within our overall supply chain optimization strategy.

As advised by our Tariff Legal Advisor, we are allowed to continue sales of the concerned LSEVs in the United States, and no exposure to AD/CVD cash deposit obligations applicable to PRC-origin LSPTVs has been identified in respect of our Vietnam-origin LSEVs. In reaching this view, our Tariff Legal Advisor has considered that (i) customs enforcement measures relating to alleged third-country transshipment generally concern the import treatment and duty liability of the relevant goods and do not, by themselves, prohibit domestic sales in the United States; (ii) the LSEVs manufactured by our Vietnam subsidiary are not PRC-origin products transshipped through Vietnam, but Vietnam-origin

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products manufactured in Vietnam using Vietnam-origin frames and undergoing manufacturing processes that satisfy the applicable substantial transformation standard under U.S. customs rules; and (iii) we maintain LSEV assembly capacity in the United States.

Tariff Classification Dispute

Golabs, Inc. (“**Golabs**”), one of our U.S. subsidiaries doing business under the brand “GOTRAX,” imports toy “hoverboards” for children. These products have traditionally been classified by the CBP under Harmonized Tariff Schedule (“**HTS**”) subheading 9503.00.90 as “toys,” which are duty-free and, when originating from China, not subject to Section 301 retaliatory tariffs. Beginning in 2024, CBP reclassified Golabs’ hoverboards under HTS subheading 8703.80 as “other motor vehicles principally designed for the transport of persons,” thereby rendering them subject to a 2.5% base duty rate and a 25% Section 301 tariff on Chinese-origin goods. The delinquent bills totaled US\$1.73 million pursuant to the CBP notice letter.

Golabs disagreed with this reclassification and, after its administrative protest was denied, filed a lawsuit in the United States Court of International Trade to challenge CBP’s determination and seek confirmation that its hoverboards should be properly classified as “toys” under HTS subheading 9503.00.90. The administrative protest was denied as CBP did not accept Golabs’ position that the hoverboards should be classified as “toys” under HTS subheading 9503.00.90 and maintained its original classification determination. In the lawsuit, Golabs seeks relief in respect of the duties and Section 301 tariffs assessed by CBP, in an aggregate amount of approximately US\$1.73 million.

As of the Latest Practicable Date, the tariff classification dispute had been formally concluded. Pursuant to a stipulated judgment entered by the United States Court of International Trade on March 9, 2026, CBP was directed to reliquidate the relevant entry and make refund in accordance with the parties’ stipulation. Under the stipulated judgment, the relevant imported merchandise was classifiable under HTSUS subheading 8711.60.0090 and heading 9903.88.67, by application of the applicable exclusion from the 25% Section 301 tariff imposed under heading 9903.88.02. Under the agreed reliquidation/refund procedures, CBP recalculated the duties payable for the relevant entry on such basis and refunded approximately US\$39,000 of duties previously paid in connection with the disputed entry. Following such reliquidation and refund, the litigation is no longer pending and there are no further outstanding, ongoing or contingent implications on our Group arising from this matter, including any additional duties, penalties or continuing compliance obligations.

We have established a legal affairs management system, which clarifies the scope of legal affairs management. The Legal Department shall promptly track and communicate updates to the applicable relevant laws and regulations as part of their daily work, and provide specialized training to business units significantly affected to prevent non-compliance. The system establishes procedures for reporting and following up on violations, as well as systems and processes for identifying, handling, and tracking non-compliant incidents. Upon receiving a non-compliance report, the Legal Department shall lead an investigation to ascertain the facts, assess the impact, and instruct relevant departments to develop and execute corrective measures. Considering above, our Directors are of the view, and the Sole Sponsor concurs with our Directors’ view, that we have taken adequate and effective measures to monitor compliance with the relevant laws and regulations.

Patent Infringement Claims

In January 2025, Razor USA LLC and Shane Chen filed a complaint with the ITC under Section 337 of the Tariff Act of 1930 against multiple respondents, including Golabs, alleging that certain GOTRAX branded electric balance bikes, infringed U.S. Reissue Patent Nos. RE46,964 and RE49,608 and U.S. Design Patent No. D739,906. The ITC investigation is identified as Investigation No.

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337-TA-1440. The ITC proceeding does not seek monetary damages, but seeks trade remedies, including exclusionary or cease-and-desist relief in respect of the importation and sale after importation of the accused products in the United States.

Golabs disputes the allegations and has been defending the ITC proceeding. Golabs has asserted defenses including non-infringement, invalidity, invalid inventorship and failure to satisfy applicable enablement requirements. Golabs also entered into a patent rights purchase agreement with Daniel Wood, who represented that he co-invented the inventions disclosed and claimed in the assigned patents, pursuant to which Golabs acquired Mr. Wood’s rights and interests in, among others, U.S. Reissue Patent Nos. RE46,964 and RE49,608.

In December 2025, the complainants withdrew their design patent infringement allegations relating to U.S. Design Patent No. D739,906. Accordingly, the remaining allegations relate to the asserted utility patents. In August 2025, certain patent infringement allegations were raised by Razor USA LLC with certain KACs in relation to GOTRAX branded electric balance bikes. Such allegations related to the same category of electric self-balance bikes.

As of the Latest Practicable Date, the ITC had not issued a final determination in the proceeding and, although the administrative law judge had directed the parties to attend a settlement conference, the settlement conference was not held and the case remains under review by the commission.

Product Liability Claims

Missouri Wrongful Death Lawsuit

The Missouri wrongful death lawsuit arose from a traffic collision allegedly involving an off-road motorcycle, where the plaintiff alleges negligence and a design defect in the motorcycle’s fuel system. The proceedings generally progressed in following three stages: (i) from March to July 2024, the plaintiff commenced the lawsuit, amended the complaint and served discovery requests on Tao Motor; (ii) from July to September 2024, Tao Motor filed their answers, and denied the allegations and asserted 13 affirmative defenses; and (iii) in 2025, the proceedings focused on the validity of service on the PRC manufacturer through the Hague Convention, including the plaintiff’s application for default judgment and the PRC manufacturer’s limited appearance to oppose such application on the basis that the service did not comply with PRC law and the Hague Convention. The plaintiff and defendant commenced settlement negotiations in May 2026, and such negotiations are still ongoing as of the Latest Practicable Date.

New York Personal Injury Lawsuit

The New York personal injury lawsuit was filed against Tao Motor in the United States District Court for the Western District of New York on January 31, 2025 under case number 25-cv-6074. The plaintiff asserted five causes of action, namely strict liability for design defect, breach of implied warranty, negligence, misrepresentation and failure to warn, in connection with an alleged engine oil leakage, and sought damages of more than US\$75,000 and a jury trial. On February 3, 2025, the court issued a summons to Tao Motor requiring a response within 21 days.

We have referred both lawsuits to our product liability insurers for defense, claim handling and indemnity, and counsels appointed by the insurers are defending the case. Based on the available insurance coverage of US\$1.0 million of each lawsuit and the current status of the proceedings, as advised by legal advisors, there is no additional uninsured liability or maximum uninsured exposure of the Group has been identified as of the Latest Practicable Date.

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Enhanced Internal Control Measures

In view of the patent infringement dispute and the product liability claims described above, we have enhanced our internal control measures, including the following:

- ***Intellectual property management and clearance.*** We have established and enhanced our intangible assets management system, which governs the acquisition, maintenance, use and protection of intellectual property rights. For internally developed technologies and designs, our R&D department is responsible for process management and protection of R&D results. For externally acquired intellectual property rights, the relevant department is required to confirm ownership, scope of use, term of authorization and confidentiality obligations before acquisition or use. For higher-risk products or key overseas markets, we may engage external intellectual property counsel to conduct patent clearance or non-infringement review.
- ***Monitoring and escalation of IP complaints.*** Our legal department, together with relevant business departments, monitors potential infringement issues and preserves evidence where disputes arise. Upon receipt of any intellectual property complaint, demand letter, platform notice, customer inquiry or other allegation, the relevant business department is required to report the matter to the legal department promptly for review, escalation and, where necessary, engagement of external counsel.
- ***Legal proceedings management.*** We have established and enhanced our legal affairs management system, which sets out the reporting, assessment, handling and follow-up procedures for disputes, litigation, arbitration, regulatory inquiries and other legal incidents. Each department and subsidiary is required to report material legal incidents to the legal department promptly and submit relevant facts, evidence and supporting documents. The legal department is responsible for assessing the risk level, potential adverse outcome, financial exposure and reputational impact, and reporting material matters to management and/or the Board where appropriate.
- ***Product liability and insurance claim handling.*** For product liability claims, upon receipt of any claim, accident notice, summons, complaint or demand letter, the relevant subsidiary is required to notify the legal department and the relevant insurer promptly, preserve relevant documents and evidence, and coordinate with external counsel appointed by the insurer or the Group. Where necessary, we review product records, sales records, user manuals, warranty information, warning labels and incident-related materials, and follow up with relevant business and product teams on remedial or risk mitigation measures.

Our Internal Control Consultant has reviewed the above enhanced internal control measures and is of the view that such measures are adequate and effective to identify, report, assess, manage and follow up on material intellectual property disputes, product liability claims and legal proceedings.

Our Reporting Accountants concur with our Directors’ assessment and are of the view that the recognition criteria for a provision under IAS 37 has not been met, as (i) an outflow of economic benefits arising from these legal proceedings is not considered probable based on such legal advice; and (ii) in any event, due to the inherent uncertainties of the legal process, the amount of any potential obligation, if any, cannot be reliably estimated at this stage.

Considering that (i) no final determination, exclusion order, cease-and-desist order or other order prohibiting importation or sale had been issued in the Razor ITC proceeding as of the Latest Practicable Date; (ii) the ITC proceeding does not seek monetary damages; (iii) no settlement had been reached and settlement discussions remained ongoing; (iv) we have asserted substantive defenses; (v) we were not

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involved in any material patent infringement proceeding involving scooter products as of the Latest Practicable Date; (vi) the product liability claims are being handled with the involvement of insurers and external counsel; (vii) there had been no final judgment or settlement against the Group as of the Latest Practicable Date; and (viii) the above matters had not resulted in any material product recall, suspension of sales, termination of major customer relationship or material cancellation of purchase orders in the U.S., as advised by our legal advisors, our Directors are of the view that the abovementioned legal proceedings will not have any impact on the Group’s sales in the U.S.

Based on the current status of the above IP disputes and product liability claims and the advice of our legal advisors, considering that, (i) no final determination, exclusion order, cease-and-desist order, injunction, final judgment or settlement restricting the importation, sale or distribution of our products in the United States had been issued or entered against our Group in respect of these matters; (ii) the Razor ITC proceeding concerns limited GOTRAX branded electric balance bikes; (iii) we were not involved in any material patent infringement proceedings; (iv) these matters had not resulted in any material product recall, suspension of sales, termination of major customer relationship or material cancellation of purchase orders in the United States; and (v) we adopted enhanced internal control measures, our Directors are of the view that such matters have not had, and are not expected to have, a material adverse impact on our sales in the U.S.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material noncompliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. As advised by our PRC legal advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in China.

Administrative Penalty

In 2024, Zhejiang Taotao E-commerce Co., Ltd. was subject to an administrative penalty imposed by the Yongkang City Administration for Market Regulation in relation to the sale of certain helmet products which were found non-conforming in a product test conducted by the authority. The relevant helmets were procured from third-party suppliers and were not manufactured by the Group. Although the relevant products had been sold, to the best knowledge of our Directors, the non-compliance did not result in any personal injury, product recall, product liability claim or other material adverse consequence. The administrative fine imposed was RMB6,000. Following the penalty, we ceased selling the relevant helmet specification/model and terminated cooperation with the relevant supplier. We have also enhanced our internal controls by strengthening supplier selection and qualification, requiring suppliers to provide relevant compliance/quality documentation prior to procurement, and implementing incoming inspection and sampling checks for outsourced/procured safety-related products, with clear escalation procedures to delist and cease procurement of products that fail compliance requirements.

Social Insurance and Housing Provident Fund Contributions

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. As of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing funds. For non-compliance with the PRC’s regulations relating to social

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insurance and housing provident funds, we have made further inquiries to the relevant local competent authorities and obtained written confirmations from Jinyun County Human Resources and Social Security Bureau (縉雲縣人力資源和社會保障局) dated March 20, 2026, Jinyun County Taxation Bureau of the State Taxation Administration (國家稅務總局縉雲縣稅務局) dated March 12, 2026, Jinyun County Medical Security Bureau (縉雲縣醫療保障局) dated March 10, 2026, and Lishui Municipal Housing Provident Fund Management Centre Jinyun Branch (麗水市住房公積金管理中心縉雲分中心) dated March 10, 2026. According to these confirmations, as at the respective dates of issuance of such confirmations, no outstanding payment, recovery order or administrative penalty had been identified or imposed on us in respect of social insurance contributions, no complaints or reports had been received in respect of our medical insurance matters, and we had not been subject to administrative penalties in respect of housing provident fund contributions during the Track Record Period. Our PRC Legal Advisors are of the view that these authorities are the competent authorities for making the confirmations, and the likelihood of us being subject to penalty, or centralized collection imposed by the relevant government authorities is remote. Considering that (i) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay any shortfall with respect to social insurance and housing provident funds or imposing any administrative penalties on us, (ii) we were not aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident fund, (iii) the relevant regulatory assurances of no penalty and the facts stated above, and (iv) the relatively small shortfall amounts compared to our overall financial scale, our Reporting Accountant is of the view that no provision should be made accordingly. As a result, our Directors and PRC Legal Advisor are of the view that the non-compliance in connection with the inadequate contributions to the social insurance and housing provident fund would not have a material adverse impact on our business, financial condition or results of operations, and we did not make any provisions in connection with the foregoing incident during the Track Record Period and up to the Latest Practicable Date. See “Risk Factors — We face certain legal and regulatory risks relating to labor related laws and regulations, which may adversely affect our business, results of operations and financial condition.”

According to Social Insurance Law of the PRC (中華人民共和國社會保險法) and the Administrative Regulations on the Housing Provident Fund of the PRC (住房公積金管理條例), we are required to make social insurance fund contributions and housing provident fund contributions for our employees in the PRC. If an employer fails to pay its social insurance contributions in accordance with Social Insurance Law of the PRC, the regulator may demand that the employer to pay all outstanding social insurance contributions within a prescribed time limit. The employer may also be subject to a surcharge at a daily rate of 0.05% on the outstanding amount, accruing from when the social insurance funds are due. If the employer fails to make such payment within a prescribed time limit, the relevant authority may impose an additional fine of one to three times the outstanding amount. If an employer fails to pay its housing provident fund contributions in accordance with the Administrative Regulations on the Housing Provident Fund of the PRC, the regulator has the power to order the employer to make contribution within a prescribed time limit and if the employer fails to act accordingly, an application of compulsory enforcement can be made to the People’s Court of the PRC.

According to the Interpretation (II), any agreement between an employer and an employee, or any undertaking given by an employee, which purports to waive the employer’s statutory social insurance contribution obligations, will be deemed invalid by the people’s courts. See “Regulatory Overview — PRC Laws, Regulations and Policies — Laws and Regulations Related to Labor and Social Security — Social Insurance and Housing Provident Fund.” Our Directors and PRC Legal Advisor are of the view that the Interpretation (II) would not have a material adverse impact on the Group’s operations and financial performance, considering that: (i) during the Track Record Period and up to the Latest Practicable Date, we had not entered into any arrangement with our employees to waive statutory social insurance participation or contributions; (ii) no employee had terminated his or her labour contract on the ground of our failure to make social insurance contributions; (iii) we had not received any notice, order or penalty from the relevant PRC authorities requiring payment of contribution shortfalls, late

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payment charges or penalties; (iv) the Interpretation (II) does not expand penalty exposure or repeal existing laws and regulations; and (v) Zhongtao Investment has undertaken to, pursuant to the terms and conditions of his confirmation, indemnify us against any losses and penalties which we may suffer as a result of the failure of our Group to comply with relevant laws, rules and regulations concerning social insurance and housing provident fund contributions. Having considered the PRC Legal Advisor’s opinion and the Sole Sponsor’s independent due diligence, and taking into account the indemnity letter provided by Zhongtao Investment, one of the Controlling Shareholders, nothing has come to the attention of the Sole Sponsor which would cause it to cast doubt on the Directors’ views as set out above.

To monitor and ensure our compliance with applicable laws and regulations regarding social insurance and housing provident fund contributions, we have implemented the following internal control measures:

- ***Human resources monitoring.*** We have designated our human resources department to review and monitor the monthly reporting and payment of social insurance and housing provident fund contributions.
- ***Legal and regulatory consultation.*** We will continue to consult our PRC legal advisors regarding developments in applicable PRC laws and regulations relating to social insurance and housing provident fund contributions and maintain communication with relevant local authorities regarding applicable regulatory requirements and implementation standards.
- ***Internal compliance procedures.*** We will continue to strengthen our internal procedures relating to social insurance and housing provident fund contribution compliance.
- ***Supplemental contributions and cooperation.*** If required by the relevant authorities, we will make supplemental contributions and fully cooperate with the relevant authorities in relation to any rectification requirements.

Leased Properties

Certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. Our material business operations are not conducted in such unregistered leased properties. As of the Latest Practicable Date, two leased properties are involved, and if relocation is required, the relocation costs are expected to be immaterial and alternative premises are generally available in the relevant areas. See “Risk Factors — Risks Relating To Our Business — We face certain risks in relation to our leases.”

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for the overall effectiveness of our risk management and establishing our internal control system and reviewing its effectiveness. We have established and we maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the [REDACTED], we have engaged an Independent Third-Party consultant (the “**Internal Control Consultant**”) to perform a review over selected areas of our internal controls over financial reporting in August 2025 (the “**Internal Control Review**”). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level

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controls, including sales, accounts receivable and collection, procurement, accounts payable and payment, inventory and logistics management, production and cost, human resources and payroll, fixed assets and intangible assets management, cash and treasury management, investment management, financial reporting and disclosure controls, tax management process, expense management process, contract management process, IT general controls, IT application controls, information system development, testing and implementation, research and development management, insurance management.

The Internal Control Consultant performed the follow-up reviews in October 2025 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the “**Follow-up Review**”). The Internal Control Consultant did not have any further recommendation in the Follow-up Review. The Internal Controls Review and the Follow-up Review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Having considered the report prepared by our Internal Control Consultant, the Directors confirmed that all of the major recommendations provided by the Internal Control Consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

We had engaged an independent internal control consultant to conduct a review on our internal control framework, including the adequacy and effectiveness and the Internal Control Consultant has conducted an initial review and a subsequent follow-up review on our internal control measures, and no material defect was identified by the Internal Control Consultant.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Vision and ESG Strategy

ESG responsibilities are a core pillar of our Group’s long-term strategy. As a high-tech enterprise focused on “new energy smart mobility,” we have fully integrated sustainable development into our operational management and daily operations, and are committed to advancing our long-term sustainability objectives.

Our product portfolio focuses on (1) E-mobility products, which consists of (i) LSEVs, which address growth in community and on-site short-distance mobility, (ii) electric two-wheelers, comprising electric bicycles, electric scooters and electric balance bikes; and (2) powersports, leveraging our long-standing leadership in ATVs and off-road motorcycles. Through our new energy mobility products, we seek to provide more environmentally friendly transportation solutions and support broader sustainability objectives.

ESG Governance

Board Oversight

Our Board of Directors oversees our Group’s ESG-related strategies, policies and performance, including environmental protection, social responsibility and corporate governance matters, and seeks to balance business growth with the fulfillment of ESG responsibilities across our operations.

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ESG Management Structure

Our Group has established an ESG governance structure directly led by our Board of Directors to ensure alignment between ESG strategy and corporate development strategy. As the ultimate oversight body for ESG matters, our Board assumes final responsibility, reviews significant ESG topics, approves relevant targets, and overseeing their implementation. At the execution level, we have established a cross-departmental ESG working group, led by senior management to coordinate the implementation of ESG measures across different functional departments.

Risk Identification

Our Group categorises ESG risks into three time horizons — short-term (0–1 year), medium-term (1–3 years) and long-term (3 years or above) — which are incorporated into our overall risk management framework through internal self-inspection, safety training and regular Board review. In the short term, we primarily focus on environmental compliance and occupational safety risks, which are managed through measures including designated EHS personnel, regular compliance self-inspections and fire drills. In the medium term, we focus on carbon emission control and supply chain ESG risks monitoring policy developments such as the EU Carbon Border Adjustment Mechanism and establishing baseline ESG requirements through our supplier management system. In the long term, we focus on extreme climate events and raw material supply chain transitions, while incorporating climate-related and low-carbon considerations into factory planning and product development initiatives.

Environment

Environmental Protection

Environmental protection remains a key priority in supporting our long-term sustainable development. Our Group places strong emphasis on emissions management, resource efficiency, and compliance with applicable environmental regulations, and incorporates environmental protection into our daily operational management. With ISO 14001 environmental management system certification, we have established a systematic environmental management framework and continue to enhance our environmental management practices. In our daily operations, we embed environmental awareness into internal management procedures and encourage employees to participate in green initiatives. Externally, by providing new energy transportation solutions, we offer customers more sustainable travel options.

In our production operations, we have implemented environmental protection measures, including waste gas wastewater treatment facilities, to manage emissions and waste generated during production and to ensure compliance with applicable national and local environmental standards.

Our Group’s Vietnam plant (BAIKE VEHICLE VIET NAM) strictly complies with Vietnamese laws and regulations such as the Investment Law, Environmental Protection Law, and Labor Law. The plant has duly obtained an Investment Registration Certificate (IRC), an Enterprise Registration Certificate (ERC), and an Environmental Permit (GPMT), ensuring full compliance throughout its operations. In terms of environmental management, the plant has established systematic wastewater and exhaust gas treatment facilities and conducted regular emission monitoring in accordance with the environmental permit requirements to ensure that discharge indicators meet both the local industrial park standards and national environmental regulations. In terms of production safety, we have developed comprehensive fire safety protocols. In 2025, it collaborated with local fire departments to conduct a large-scale fire emergency drill, continuously strengthening occupational safety safeguards.

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Our plant in the United States primarily undertakes assembly, warehousing, and logistics distribution functions and does not involve heavy manufacturing or high energy-consumption production processes. Consequently, its daily operations generate only minimal domestic wastewater and office waste, with no large-scale industrial waste gas or wastewater discharge. We strictly comply with U.S. federal and state environmental protection laws and have obtained the necessary business operating permits based on actual operational needs. We have established a regular environmental monitoring mechanism, with the local management team responsible for daily environmental compliance inspections. Annual fire safety inspections are conducted, and any required corrective actions are implemented to ensure operations meet local standards. If the North American facility undertakes production function upgrades in the future, we will strictly apply for relevant emission permits and engage in third-party monitoring in accordance with applicable law.

As of December 31, 2025, our production base in Thailand was still in the construction preparation phase and had not yet commenced formal operations. We have completed preliminary project approvals and investment filings in accordance with local Thai laws and regulations, ensuring legal compliance during the construction process. Given that the base is not currently engaged in production activities, it does not generate production-related wastewater, waste gas, or industrial solid waste. We require the construction contractor to comply with local construction environmental codes. We commit to obtaining all necessary environmental permits and production licenses in accordance with the law before the formal commencement of operations at the Thai plant. We also plan to gradually apply our existing ESG management guidelines to this base.

Recyclability

We place emphasis on material selection in product design. Currently, the two core product lines (E-mobility, Powersports) and related packaging materials are primarily composed of materials with recycling potential, such as metals, certain plastics, and paper-based packaging. We continue to consider the environmental protection attributes of our products and packaging materials and seek to enhance resource utilization efficiency.

Air Emissions Management

Our painting workshop is equipped with exhaust gas treatment facilities that use activated carbon adsorption technology to treat volatile organic compounds and other emissions. After treatment, emissions meet applicable standards, including the Integrated Emission Standard of Air Pollutants (GB 16297-1996) and the Air Pollutant Emission Standard for Industrial Coating Processes (DB 33/2146-2018), among other relevant regulations. We regularly engage qualified third-party agencies to monitor our exhaust gas emissions. We perform regular maintenance of the treatment equipment and continue to improve our exhaust gas treatment processes.

Wastewater Management

We operate wastewater treatment facilities to treat wastewater generated during production before discharge or entry into municipal sewage networks in accordance with applicable standards. Water used in our production processes is primarily consumed in pre-paint treatment and cleaning procedures, and a portion of treated water is recycled for reuse to reduce fresh water consumption. The treated wastewater meets the requirements of the Integrated Wastewater Discharge Standard (GB 8978-1996) as well as relevant local discharge standards in Zhejiang Province.

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The table below sets forth our water resource usage during the Track Record Period:

Metric (unit)	Year ended December 31,		
	2023	2024	2025
Total water consumption (<i>tonnes</i>)	92,574.00	133,872.33	204,340.33
Water consumption intensity (<i>tonnes per RMB10,000 of revenue</i>)	0.43	0.45	0.52

Note: The Vietnam factory commenced preparatory operations in April 2024 and started formal production in August 2024, while the North American facility commenced operations in October 2024. Water usage from the North America plant has been included in the above totals, while the Vietnam plant’s water use was minimal and is not separately tracked. We value the conservation and protection of water resources. In our production and office areas, we have implemented multiple water-saving measures, including regularly inspecting and repairing the water supply network to prevent leaks, posting water conservation reminders in various areas to raise employee awareness, and promoting the use of water-saving fixtures and equipment. We will continue to improve our water resource management, increase recycling rates, and contribute to protecting water resources.

Solid Waste Management

We place significant importance on the proper management of solid waste. General industrial solid wastes such as scrap metal, waste plastics, and used packaging materials are collected and treated by licenced/licensed recycling companies for resource recovery and reuse. Hazardous wastes include waste mineral oil, spent activated carbon, used paint buckets, oil-stained rags and gloves, etc. We maintain hazardous management records and designated temporary storage areas in accordance with the Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023). We engage licensed professional companies to handle the disposal of hazardous waste.

Hazardous Waste Management

Hazardous waste generated during our operations primarily arises from painting processes and equipment maintenance, and the overall volume has remained relatively stable. We strictly implement a hazardous waste transfer manifest system to facilitate the traceability and management of hazardous waste throughout the collection, storage, transfer and disposal process. We will continue to optimize our production processes to reduce hazardous waste generation, and enhance waste treatment efficiency.

We have systematically identified and quantified the hazardous waste generated from our key production processes. The total amount and breakdown of hazardous waste generated by our domestic factories during the Track Record Period are as follows:

	Unit	Year ended December 31,		
		2023	2024	2025
Waste packaging barrels	Tonne	8.66	13.53	17.89
Paint sludge	Tonne	29.38	75.91	80.98
Waste filter cotton.	Tonne	0.2	1.6	3.12
Waste activated carbon	Tonne	6.21	1.49	8
Sludge	Tonne	5.4	3.6	5.97

1. North American factories are primarily engaged in product assembly, and their production processes do not generate hazardous waste. The production processes of the Vietnam factory generate only minimal amounts of hazardous waste (as the key waste-generating processes are completed domestically in the PRC), which has not been quantified for the time being. The factory has entered into a Contract for the collection, transportation, and treatment of various waste materials and recycling of scrap with a local supplier to ensure all waste is properly handled.

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We will continue to optimize production processes and material management to reduce the amount of hazardous waste generated, and are committed to adopting more environmentally friendly alternative materials and technologies. As the specific hazardous waste generated from our operations is limited and does not have a significant environmental impact, we have not established specific emission reduction targets at this stage.

Greenhouse Gas Emissions

Our greenhouse gas (GHG) emissions mainly derive from direct emissions from company vehicles using fossil fuels (Scope 1), and indirect emissions from purchased electricity consumption (Scope 2). The table below sets forth our total GHG emissions and emission intensity during the Track Record Period:

Metric (unit)	Year ended December 31,		
	2023	2024	2025
Scope 1 emissions (<i>tonnes of CO₂</i>)	1,051.53	1,801.62	1,903.74
Scope 2 emissions (<i>tonnes of CO₂</i>)	4,914.98	8,458.17	10,597.86
Total GHG emissions (<i>tonnes of CO₂</i>)	6,022.08	10,354.16	12,590.44
GHG emission intensity (<i>kg of CO₂</i> <i>equivalent per RMB10,000 of revenue</i>)	27.83	34.47	31.72

Notes:

1. Scope 1 emissions primarily arise from the use of natural gas and fossil fuels such as gasoline and diesel by company vehicles.
2. Scope 2 emissions primarily arise from the consumption of purchased electricity.
3. The Vietnam factory commenced preparatory operations in April 2024 and started formal production in August 2024, while the North American facility commenced operations in October 2024. Relevant emissions data for both plants have been included in the above totals.

During the Track Record Period, our total GHG emissions increased primarily due to the expansion of our business scale and increased production activities, which resulted in higher energy consumption. In 2024, our emission intensity temporarily increased, mainly because our overseas production bases were in the early ramp-up stage after commencement, during which energy consumption increased ahead of production efficiency and revenue growth. As the overseas production bases gradually stabilized and capacity utilization improved, our emission intensity decreased in 2025. Purchased electricity (Scope 2) accounts for over 80% of total emissions and is the primary source of our GHG emissions.

Regarding Scope 3 greenhouse gas emissions, we recognize their importance in achieving carbon neutrality across the entire value chain. We are currently planning to gradually expand the accounting boundary, to cover key indirect emission scenarios such as employee commuting, business travel, customer activities, and supplier energy use. This aims to establish a more comprehensive carbon emissions inventory, based on which more ambitious emission reduction targets will be formulated to support the low-carbon transition of our Group and its value chain.

We are committed to continuously improving the energy conservation and emission reduction management system, strengthening energy usage monitoring and management in a more refined manner, and optimising the operational efficiency of production equipment, striving to reduce carbon emissions at the source. This commitment includes: (i) optimizing production processes to improve energy use efficiency; (ii) promoting the use of clean energy and energy-saving equipment; (iii) strengthening environmental training for employees to raise company-wide awareness of energy conservation and emissions reduction; (iv) collaborating with supply chain partners to jointly reduce carbon emissions and build a green supply chain; and (v) regularly monitoring and evaluating GHG emission levels and

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continuously refining reduction measures. In addition, we actively support the national “dual carbon” goals (carbon peaking and carbon neutrality). With reference to the Paris Agreement’s 1.5°C temperature control target and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we plan to reduce greenhouse gas emissions per ten thousand yuan of revenue by 5% from the base year (2025) by 2028, in order to fulfill our corporate environmental responsibilities and contribute to the national “dual carbon” goals.

Energy Management

Improving energy efficiency and reducing environmental impact is a continual focus for us. Our Group’s primary energy consumption comes from purchased electricity and fossil fuels. The table below sets forth our energy consumption during the Track Record Period:

Energy type	Year ended December 31,		
	2023	2024	2025
Purchased electricity (<i>MWh</i>)	9,263.05	15,931.35	22,257.58
Electricity consumption intensity (<i>kWh per RMB10,000 of revenue</i>)	43.20	53.52	56.47
Natural gas (<i>10,000 cubic metres</i>)	30.19	69.63	70.60
Natural gas consumption intensity (<i>m³ per RMB10,000 of revenue</i>)	1.83	2.34	1.79
Gasoline (<i>10,000 litres</i>)	5.09	8.69	11.27
Diesel (<i>10,000 litres</i>)	3.26	3.54	3.97
Propane (<i>10,000 litres</i>)	N/A	0.10	1.14

Notes:

1. The Vietnam plant commenced preparatory operations in April 2024 and started formal production in August 2024, while the North America plant commenced operations in October 2024. Their energy consumption data have been included in the above totals.
2. Propane is only used at the North America plant (since its operation began in October 2024) and is included in the statistics from that point forward.

During the Track Record Period, our energy consumption increased, primarily due to the expansion of our business operations and production capacity, which led to higher energy demand. From 2023 to 2024, energy consumption increased mainly because newly established production bases were in the early ramp-up stage. As each base’s operations gradually stabilized, energy-saving measures were implemented, and energy management efficiency improved, our Group’s natural gas consumption intensity has effectively declined since 2025. This reflects the positive results of our efforts to continuously optimize our energy mix and advance green production.

To enhance energy efficiency, we continually implement energy-saving and consumption-reduction initiatives across all operational stages, including optimizing management processes, strengthening equipment maintenance, and raising employees’ energy conservation awareness. We also assess our energy usage and seek to improve energy management and operational efficiency.

Environmental Compliance

During the Track Record Period and up to the Latest Practicable Date, we strictly complied with applicable PRC environmental protection laws and regulations, including but not limited to the Environmental Protection Law of the PRC, the Law of the PRC on Prevention and Control of Atmospheric Pollution, the Law of the PRC on Prevention and Control of Water Pollution, and the Law

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of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, among others. Our Group has obtained the necessary environmental permits and licenses (such as pollutant discharge permits), and all construction projects have undergone environmental impact assessments as required.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any fines or penalties for violations of environmental laws that had a material adverse impact on our Group’s business, financial condition or operating results. We will continue to strictly comply with all applicable environmental laws and regulations and continuously improve our environmental management system.

Social Responsibility

Employment and Labour Standards

We are committed to protecting the legitimate rights and interests of our employees and have established an employee benefit system in accordance with PRC laws and regulations. Except as disclosed in the section headed Risk Factors in this document, our Group complies with relevant PRC laws and regulations in all material respects to contribute to various statutory social insurance and housing provident fund for its employees. We have also established a complaint and whistleblowing mechanism through which employees can voice issues and concerns via multiple channels. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any major labour disputes.

Equal Opportunity and Diversity

We seek to maintain fair and non-discriminatory recruitment and employment practices, with employment decisions based on job-related factors such as skills, qualifications and experience. We also prohibit the use of child labour and forced labour in accordance with applicable laws and regulations.

Training and Development

We recognize the importance of providing comprehensive training and development opportunities for our employees. To this end, we have established training programs for each operational function, including orientation training for new hires, technical skills training, product training, management training, and work safety training. These initiatives are designed to promote employee growth and to maintain the quality of our products and services.

Health and Safety

We place emphasis on the health and safety of our employees and strictly comply with applicable laws and regulations. We strive to provide a safe work environment by establishing a comprehensive safety management system, providing necessary personal protective equipment, and conducting regular safety training and hazard inspections. During the Track Record Period and up to the Latest Practicable Date, our Group’s operations did not experience any major safety incidents, and we are not aware of any major personal injury or property damage claims related to health or occupational safety.

Labour Compliance

During the Track Record Period and up to the Latest Practicable Date, we complied in all material respects with laws and regulations relating to employment, including but not limited to the Labor Law of the PRC, the Labor Contract Law of the PRC, and the Social Insurance Law of the PRC. Our Group was not subject to any significant fines or penalties for violations of labour laws or regulations.

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We strictly comply with the labour laws and regulations of the jurisdictions in which we operate, and is committed to building a compliant, fair and safe employment environment. At the Vietnam factory, we have established and implemented a sound set of internal labour rules, which have been duly registered and filed with the Management Committee of the Economic Zone of Quang Ninh Province in accordance with the law. During the Track Record Period, the operations of the Vietnam factory were stable, and no administrative penalties were imposed due to labour compliance issues. As of December 31, 2025, the Vietnam factory had a total of 308 employees. We place high importance on workplace diversity and gender equality, and actively promotes local employment. Currently, female employees account for 47.1% of the workforce, fully demonstrating our concrete efforts in safeguarding female employment opportunities and enhancing their workplace status. In terms of safeguarding labour rights and interests, our policies expressly prohibit the use of child labour and any form of forced labour or labour exploitation, and ensure that the remuneration and benefits provided are superior to the local statutory minimum standards. Regarding employee accommodation arrangements, we respect the living habits of local employees. All employees adopt a home-based accommodation model, for which we provide corresponding accommodation subsidies. This ensures employees’ autonomous choice while guaranteeing their living conditions are properly supported. We will continue to improve our human resource management systems across all regions to ensure they fully comply with and even exceed local regulatory requirements, actively fulfil social responsibilities, and foster an inclusive and stable working environment.

Supply Chain Management

Our commitment to environmental and social responsibility extends throughout the entire supply chain. Our Group has established a fundamental supplier management system, paying attention to suppliers’ compliant operation qualifications during the screening process. We have preliminarily commenced the collection and verification of basic information from suppliers, covering fundamental compliance dimensions such as environmental protection qualifications, safe production, labour rights and interests, and business ethics. We have not yet made it mandatory for all suppliers to provide specialized waste gas emission monitoring reports. During the Track Record Period, we continuously monitored suppliers’ compliance performance through routine communication. Through regular on-site visits of key suppliers, we assess suppliers’ environmental management practices and the operation of their pollution control facilities, working conditions, quality management systems and product compliance. We also work closely with suppliers to optimize packaging materials, reduce transportation waste and improve supply chain traceability and transparency. In addition, we encourage suppliers to improve environmental performance and adopt sustainable operational practices.

Community Investment

We attach importance to corporate social responsibility, supporting educational development, community building, and industry ecosystem enhancement through systematic and continuous community investment. Since 2022, we have consistently engaged in philanthropic endeavors, with cumulative donations amounting to several million yuan.

- (i) Educational Support: We continuously support the development of local education, with our senior management actively leading by example. In March 2023, we donated an educational fund of RMB4.8 million to the Jinyun County Education Bureau to improve local educational facilities, subsidize students from impoverished families, reward outstanding teachers, and help more students achieve their dreams. In 2024, we continued our support by donating RMB100,000 to bolster the local education system construction and talent cultivation.

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- (ii) **Community Building:** We actively participate in community public welfare and cultural construction, primarily including community service and promotion and cultural heritage initiatives. For community service and promotion, in 2022, we provided promotional support to the Xinbi Park with an investment of RMB10,000; in the same year, we funded activities for the elderly class in Huangbiyu and Huangbi Village with an investment of RMB38,000, benefiting the local elderly population. For cultural heritage, in 2022, we sponsored RMB10,000 for the renovation of the Zhou Clan Ancestral Hall in Xinnan Village; in 2023, we supported the Jinyun County Drama Association in promoting traditional opera culture with a donation of RMB50,000.
- (iii) **Infrastructure and Public Safety:** As an enterprise rooted in the locality, we actively participate in infrastructure construction. In 2024, we funded a bridge construction project in Sanxi Township with RMB500,000 to improve local transportation and facilitate villagers’ travel. In the same year, we donated RMB280,000 to the Jinyun County Red Cross Emergency Rescue Team for the procurement of a rescue command vehicle, supporting the development of grassroots firefighting teams to enhance their capabilities, and contributing to community safety.
- (iv) **Medical Philanthropy:** In 2023, we donated RMB500,000 to the Yongkang First People’s Hospital for equipment procurement, and RMB10,000 to Yongkang Ruijin Hospital in the same year.
- (v) **Industry Promotion:** We are committed to fostering industry exchange and cooperation, and promoting the concept of green mobility. Through our products and services, we provide customers with environmentally friendly transportation options, practicing the concept of low-carbon living, and continuously contributing to the reduction of carbon emissions and the improvement of air quality. In 2023, we provided activity sponsorship of RMB35,000 to a non-governmental entrepreneurs’ federation to support industry interaction and resource sharing.

Our investments in education, community, and industry promotion are all carried out through specific projects, with donations and funding being traceable and quantifiable, demonstrating our substantive and legitimate support for sustainable community development. In the future, we will continue to optimize the structure of our community investments, enhance project impact and transparency, and persistently fulfil our corporate social responsibilities.

Corporate Governance

Business Ethics and Anti-Corruption

Integrity in business is one of our fundamental principles. We oppose all forms of corruption, bribery, fraud and other misconduct. We have established an Anti-Bribery and Anti-Corruption Policy and a Code of Business Ethics, which explicitly prohibit: (i) offering or soliciting bribes to or from customers, suppliers, government officials or others; (ii) misappropriation of public funds or embezzlement of company assets; (iii) using one’s position for personal gain; (iv) accepting gifts or hospitality that may affect impartial performance of duties; and (v) any other behavior that violates business ethics.

We have set up clear whistleblowing channels through which employees, suppliers, customers and other stakeholders may report suspected illegal or unethical behavior. We also maintain confidentiality protections for whistleblowers. We also provide business ethics and anti-corruption training to all employees, and enter into integrity agreements with suppliers, distributors and other partners. During

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the Track Record Period and up to the Latest Practicable Date, our Group, directors, or senior management were not involved in any corruption, bribery or other unlawful activity, and we were not subject to any related investigation or penalty by the relevant authorities.

Anti-Money Laundering

We strictly comply with the Anti-Money Laundering Law of the PRC and other relevant regulations, and have established a comprehensive internal control system to fulfill our anti-money laundering (AML) obligations. During the Track Record Period and up to the Latest Practicable Date, our Group strictly complied with all applicable AML laws and regulations, and has not been subject to any penalties for violating anti-money laundering provisions.

Data Security and Privacy Protection

We place great importance on customer information security and data privacy protection. We strictly comply with the Cybersecurity Law of the PRC, the Data Security Law of the PRC, the Personal Information Protection Law of the PRC and other applicable laws and regulations, and have established an information security management system. We have implemented technical and managerial measures to protect data security and to prevent data leakage, tampering, or loss. During the Track Record Period and up to the Latest Practicable Date, our Group strictly complied with data security and privacy protection laws and regulations, with no major data leakage incidents and no penalties for any violations of the relevant provisions.

Compliance Statement

During the Track Record Period and up to the Latest Practicable Date, our Group complied with applicable laws and regulations in all material respects and was not subject to any material fines or penalties that had a material adverse impact on our Group’s business, financial condition or results of operations due to non-compliance with relevant laws and regulations. We will continue to strictly abide by all applicable laws and regulations, continuously improve our compliance management system, and proactively manage compliance risks.

BUSINESS ACTIVITIES IN REGIONS SUBJECT TO INTERNATIONAL SANCTIONS

Our overseas business operations are subject to international sanctions administered by various authorities, including those of the Relevant Jurisdictions. As advised by our International Sanction Legal Advisor, during the Track Record Period, we did not engage in any Primary Sanctioned Activities or Secondary Sanctionable Activities, and neither we nor any of our subsidiaries has been designated as a Sanctioned Target or could be deemed a Sanctioned Trader.

We recorded sales to certain customers located in Russia during the Track Record Period. All such customers were screened and confirmed not to be listed on any applicable sanctions lists, nor were they owned or controlled by Sanctioned Targets. During the Track Record Period, our sales to customers located in Russia amounted to approximately RMB112.9 million, RMB100.3 million and RMB46.6 million in 2023, 2024 and 2025, respectively, representing approximately 5.3%, 3.4% and 1.2% of our total revenue for the corresponding years. We sold product to 10, 10 and 11 customers located in Russia in 2023, 2024 and 2025, respectively. Such sales did not constitute a material portion of our revenue, and substantially all were order-based transactions, rather than recurring or long-term contractual arrangements.

Based on the advice of our International Sanction Legal Advisor, none of the (i) relevant Russian customers, (ii) their payment banks, and (iii) third-party payors they used were Sanctioned Targets at the time of the transactions. Therefore, our sales to Russia do not constitute Primary Sanctioned

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Activity or Secondary Sanctionable Activity that would pose material sanctions risk to the Relevant Persons. We have not ceased, and are not required to cease, conducting business with these non-sanctioned customers in Russia. That said, we recognize the sanctions risks associated with conducting business involving Russian parties. We have implemented, and will continue to maintain, enhanced sanctions compliance procedures, including upfront customer and beneficial ownership screening, transaction-level review and ongoing monitoring. We will refrain from entering into any transaction that would involve Sanctioned Targets, Sanctioned Countries or otherwise give rise to material sanctions risk under applicable laws. We expect that any future sales to Russia, if any, will remain immaterial relative to our overall business.

Based on the review conducted by our International Sanction Legal Advisor, our acceptance of third-party payments from certain Russian customers does not constitute sanctions evasion under the applicable sanctions regimes. In particular, the review confirmed that (i) the underlying Russian customers were not Sanctioned Targets, (ii) the third-party payors used were not Sanctioned Targets at the time of the transactions, and (iii) there was no evidence otherwise suggesting that the payments made by the third-party payors involved illegitimate activities.

Further, as advised by our International Sanction Legal Advisor, our sales in other overseas jurisdictions also do not involve any Sanctioned Targets or otherwise contravene international sanctions, and thus do not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities.

Taking into account the relatively low transaction amounts from our Group’s sales of products to Russia and the advice from our International Sanction Legal Advisor set out above based on the applicable sanctions laws and regulations, our Directors are of the view, and the Sole Sponsor concurs, that the Group did not violate applicable laws and regulations regarding international trade restrictions during the Track Record Period.

We have adopted an economic sanctions compliance framework to mitigate sanctions risks across our operations. Sanctions list screening is coordinated by our legal department, with assistance from our sales and finance departments in collecting and verifying relevant counterparties and transaction information. We conduct sanctions list screening on counterparties using designated screening tools and/or reputable third party platforms, and perform enhanced due diligence for higher risk transactions to identify ownership or control and end-user information. Such screening is generally conducted before customer onboarding and/or acceptance of relevant purchase orders, and any potential match or sanctions-related red flag will be escalated to our legal department for review before the transaction proceeds. We prohibit any direct or indirect dealings with sanctioned parties and any attempt to circumvent sanction rules and regulations, and we require prior written internal approval before proceeding with any transaction that may present sanctions concerns. We also incorporate sanctions-related contractual protections where appropriate to strengthen our controls, including compliance representations, ongoing screening undertakings and termination rights if a counterparty becomes sanctioned.

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AWARDS AND RECOGNITIONS

During the Track Record Period, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and recognitions	Awarding parties	Year of award
Top 10 Export Enterprises of Chinese Motorcycles and Off-road Vehicles in 2022.	China Chamber of Motorcycle	2023
Drafting of Standard “General Technical Specifications for Electric Scooters” (GB/T 42825-2023).	Drafting Working Group of National Standard “General Technical Specifications for Electric Scooters”	2023
High-tech Enterprise.	Zhejiang Provincial Department of Science and Technology / Zhejiang Provincial Department of Finance / Zhejiang Provincial State Taxation Bureau / Zhejiang Provincial Local Taxation Bureau	2023
Council Member of the Two-wheeled Branch of the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (First Council)	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	2024
Zhejiang Export Brand	Zhejiang Provincial Department of Commerce	2024
2024 Advanced Quality Management Method Award of Jiangsu, Zhejiang, Anhui and Shanghai	Jiangsu Market Supervision Administration / Zhejiang Market Supervision Administration / Anhui Market Supervision Administration / Jiangxi Market Supervision Administration / Shanghai Market Supervision Administration	2024
Top 10 Export Enterprises of Chinese Motorcycles and Off-road Vehicles in 2024.	China Chamber of Motorcycle	2025
Zhejiang Export brand (Cross-border E-commerce).	Zhejiang Provincial Department of Commerce	2025
2024 Provincial Enterprise Technology Center	Zhejiang Provincial Department of Economy and Information Technology	2025