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Application Proof of

Zhejiang Taotao Vehicles Co., Ltd.

浙江濤濤車業股份有限公司

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

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Zhejiang Taotao Vehicles Co., Ltd.

浙江濤濤車業股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
[REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation
and the [REDACTED])
Maximum [REDACTED] : [REDACTED] per H Share, plus brokerage of 1%,
SFC transaction levy of 0.0027%, AFRC
transaction levy of 0.00015% and Stock
Exchange trading fee of 0.00565% (payable in
full on application and subject to refund)
Nominal value : RMB1.0 per H Share
[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



CITIC SECURITIES

[REDACTED]

[REDACTED]

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IMPORTANT

[REDACTED]

IMPORTANT

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors”. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a global company dedicated to providing outdoor leisure and electrified mobility solutions with a leading position in the low-speed electric vehicle (“LSEV”) space. According to Frost & Sullivan, we ranked first globally in the LSEV industry in 2025 by revenue, with a 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 all-terrain vehicles (“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.

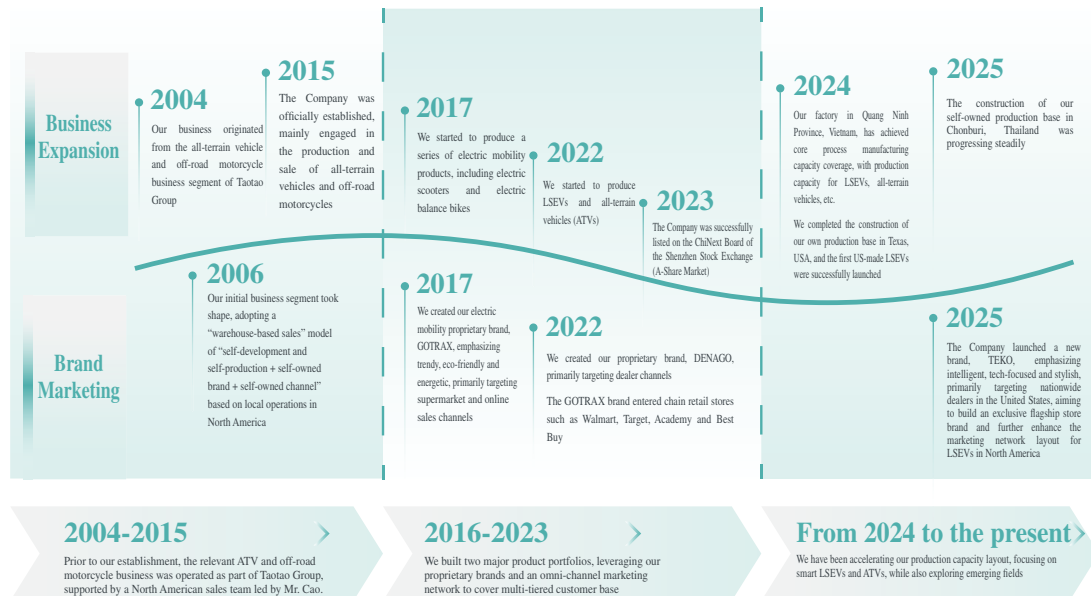
Our Key Development Milestones

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.

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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.

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 products 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, 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 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, 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 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 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.

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- 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.

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

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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 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
- Extensive network supporting global market penetration
- Integrated synergies creating structural cost advantages
- Globalized production footprint supporting deepened operations in core markets
- Precise market insight driving continuous product upgrades
- Forward-looking technology innovation driving value creation
- Experienced management team with a global perspective

GROWTH STRATEGIES

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

- Expand and upgrade our product portfolio
- Deepen our channel ecosystem
- Elevate brand value
- Strengthen manufacturing footprint and deepen supply chain localization
- Drive forward-looking technology innovation

OUR SALES NETWORK

We have established a broad sales network for our products, comprising (i) our distribution network, which includes key account customers, dealers and wholesale customers, and (ii) direct sales through our self-operated direct-to-consumer (“DTC”) websites and our original design manufacturing (“ODM”) business. Our sales network is characterized by our focus on the build-to-stock (“BTS”) model and a multi-channel marketing strategy.

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The following table sets forth a breakdown of our revenue by sales channels for the relevant periods 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 and (ii) third-party e-commerce platforms.
- (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 a one-off basis, and we have not entered into any distribution agreements with them.
- (4) DTC websites refer to our self-operated online stores.

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.

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 a 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 CUSTOMERS

Over the years, we have built up a broad and geographically diverse customer base globally, spreading across over 75 countries and regions. 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.

OUR SUPPLIERS

Our suppliers primarily consist of providers of raw materials, hardware and accessories for the production of our E-mobility products and powersports. The purchase from our top five suppliers in 2023, 2024 and 2025, was RMB172.9 million, RMB785.5 million and RMB514.1 million, respectively,

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representing 13.5%, 27.1% and 20.9% of our aggregate 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.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document.

Summary of Our Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0
Cost of sales	(1,344,740)	(62.7)	(1,944,650)	(65.3)	(2,315,223)	(58.7)
Gross profit	799,506	37.3	1,031,979	34.7	1,626,207	41.3
General and administrative expenses.	(109,041)	(5.1)	(152,873)	(5.1)	(179,804)	(4.6)
Selling and marketing expenses . . .	(314,924)	(14.6)	(313,398)	(10.6)	(351,981)	(8.9)
Research and development expenses.	(87,654)	(4.1)	(125,467)	(4.2)	(123,371)	(3.1)
Net impairment losses on financial assets	(16,786)	(0.8)	(4,766)	(0.2)	(24,952)	(0.6)
Other income	19,026	0.9	23,888	0.8	26,971	0.7
Other gains, net.	13,626	0.6	32,786	1.1	(39,361)	(1.0)
Operating profit	303,753	14.2	492,149	16.5	933,709	23.7
Finance income	42,959	2.0	44,147	1.5	40,893	1.0
Finance costs	(12,263)	(0.6)	(23,070)	(0.8)	(27,347)	(0.7)
Finance (costs)/ income, net	30,696	1.4	21,077	0.7	13,546	0.3
Profit before income tax	334,449	15.6	513,226	17.2	947,255	24.0
Income tax expense	(53,971)	(2.5)	(81,964)	(2.7)	(130,932)	(3.3)
Profit for the year	280,478	13.1	431,262	14.5	816,323	20.7
Attributable to:						
— Owners of the Company	280,478	13.1	431,263	14.5	816,323	20.7
— Non-controlling interests.	—	—	(1)	(0.0)	—	—
Other comprehensive income/(expenses)						
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>						
Currency translation differences of foreign operations	(386)	(0.0)	10,836	0.4	(26,178)	(0.7)
Total comprehensive income for the year.	280,092	13.1	442,098	14.9	790,145	20.0

Revenue

During the Track Record Period, we generated our revenue from (i) E-mobility products, (ii) powersports, and (iii) others. Our revenue amounted to RMB2,144.2 million, RMB2,976.6 million and RMB3,941.4 million in 2023, 2024 and 2025, respectively.

SUMMARY

Revenue by Product

The following table sets forth our revenue by products 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

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

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit amounted to RMB799.5 million, RMB1,032.0 million and RMB1,626.2 million, and our gross profit margin amounted to 37.3%, 34.7% and 41.3%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
E-mobility products ⁽¹⁾	503,454	39.4	676,015	35.8	1,278,418	45.9
Powersports ⁽²⁾	253,626	34.1	303,815	32.9	300,567	31.9
Others ⁽³⁾	42,426	34.6	52,149	31.8	47,222	22.3
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3

Notes:

- (1) Our E-mobility products primarily comprise LSEVs, electric scooters, electric balance bikes and electric bicycles, whose gross profit margins ranged from approximately 30% to 50%, 30% to 40%, 25% to 35% and 35% to 45%, respectively, during the Track Record Period.
- (2) Our powersports primarily comprise ATVs and off-road motorcycles, whose gross profit margins ranged from approximately 30% to 35% and 35% to 40%, respectively, during the Track Record Period.
- (3) Others mainly included sales of accessories, helmets, and scrap materials and lease income

Profit for the Year

In 2023, 2024 and 2025, our profit amounted to RMB280.5 million, RMB431.3 million and RMB816.3 million, respectively.

SUMMARY

Summary of Our Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total non-current assets	605,195	1,381,423	2,013,031
Total current assets	3,182,289	3,157,166	3,893,206
Total non-current liabilities	64,424	58,726	145,311
Total current liabilities	781,228	1,353,353	2,140,348
Net current assets	2,401,061	1,803,813	1,752,858
Net assets	2,941,832	3,126,510	3,620,578

Net current assets

Our net current assets decreased by 24.9% from RMB2,401.1 million as of December 31, 2023 to RMB1,803.8 million as of December 31, 2024, primarily due to (i) the decrease in cash and cash equivalents of RMB808.3 million, and (ii) the increase in trade and notes payables of RMB271.4 million; partially offset by (i) the increase in inventories of RMB491.3 million, and (ii) the increase in current borrowings of RMB204.9 million. Our net current assets remain relatively stable at RMB1,803.8 million, RMB1,752.9 million and RMB1,891.0 million, as of December 31, 2024 and 2025 and March 31, 2026, respectively.

Net assets

Our net assets increased significantly from RMB953.7 million as of January 1, 2023 to RMB2,941.8 million as of December 31, 2023, primarily due to (i) profit for the year of RMB280.5 million, (ii) the issue of ordinary shares of RMB1,865.2 million, and (iii) share-based compensation expenses of RMB6.8 million recognized in other reserves; partially offset by dividends of RMB164.0 million. Our net assets increased by 6.3% from RMB2,941.8 million as of January 1, 2024 to RMB3,126.5 million as of December 31, 2024, primarily due to (i) profit for the year of RMB431.3 million and other comprehensive income of RMB10.8 million, and (ii) share-based compensation expenses of RMB14.1 million and the exercise of share options of RMB9.9 million; partially offset by (i) repurchases of shares under share schemes of RMB63.8 million, and (ii) dividends of RMB217.7 million. Our net assets increased by 15.8% from RMB3,126.5 million as of January 1, 2025 to RMB3,620.6 million as of December 31, 2025, primarily due to (i) profit for the year of RMB816.3 million and (ii) share-based compensation expenses of RMB7.5 million recognized in other reserves, partially offset by (i) other comprehensive expenses of RMB26.2 million and (ii) dividends of RMB326.5 million.

SUMMARY

Summary of Our Statements of Cash Flows

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash generated from operating activities .	173,694	206,907	750,822
Net cash used in investing activities	(219,369)	(768,817)	(174,079)
Net cash generated from/(used in) financing activities	1,543,629	(264,492)	(454,612)
Net increase/(decrease) in cash and cash equivalents	1,497,954	(826,402)	122,131
Cash and cash equivalents at beginning of the year	142,706	1,649,015	840,755
Effects of exchange rate changes on cash and cash equivalents	8,355	18,142	(680)
Cash and cash equivalents at the end of the year	1,649,015	840,755	962,206

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks related to our business, (ii) risks relating to doing business in the jurisdictions where we operate, and (iii) risks related to the [REDACTED], which are set out in the section headed “Risk Factors”. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) Our success is dependent on our continued innovation and successful launches of new products, and we may not be able to anticipate or make timely responses to changes in the preferences of consumers; (ii) We may face intense competition in the E-mobility products and powersports industry; (iii) We are exposed to risks and uncertainties associated with operating, investing and expanding internationally; (iv) Our business could be adversely affected by global trade tensions, the imposition of anti-dumping (“AD”) and countervailing duty (“CVD”) investigations, and elevated trade tariffs; (v) We face exposure to foreign currency risks; (vi) We may not be able to sustain our rapid growth, effectively manage our expansion, or implement our business strategies, which could adversely impact our operating performance, financial condition and results of operations; and (vii) We rely heavily on third-party dealers for sales and distribution of our products, which is crucial for our overall success.

LISTING ON THE CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE

Since March 2023, the A Shares of our Company have been listed on ChiNext Board of the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non compliance with the rules of ChiNext Board of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on ChiNext Board of the Shenzhen Stock Exchange. Our Directors confirmed and our PRC Legal Advisors advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A Share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would cause them to cast doubt on our Directors’ confirmation with regard to the compliance records of our Company on ChiNext Board of the Shenzhen Stock Exchange.

SUMMARY

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Rates of return			
Return on assets	10.2%	10.4%	15.6%
Return on equity	14.4%	14.2%	24.2%
Liquidity ratios			
Current ratio	4.07	2.33	1.82
Quick ratio	3.16	1.44	1.02
Gearing ratio	10.2%	16.0%	28.6%

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Cao was interested in approximately 67.41% of our total issued share capital, comprising (i) approximately 41.27% by Zhongtao Investment wholly-owned by him and (ii) approximately 26.14% of our total issued share capital directly held by him. Ms. Cao, the sister of Mr. Cao, was interested in approximately 5.6% of our total issued share capital, comprising (i) approximately 3.53% of our total issued share capital controlled by Ms. Cao in her capacity as the sole general partner of our employee shareholding platform Zhongjiu Investment, (ii) approximately 1.38% of our total issued share capital directly held by her, and (iii) approximately 0.69% of our total issued share capital controlled by Ms. Cao in her capacity as the sole general partner of our employee shareholding platform Zhongbang Investment. Accordingly, Mr. Cao, Zhongtao Investment, Ms. Cao, Zhongjiu Investment and Zhongbang Investment constitute a group of Controlling Shareholders before the [REDACTED]. For details of the relationship among the group of our Controlling Shareholders and their shareholding in our Company, see the sections headed “History, Development and Corporate Structure” and “Substantial Shareholders.”

Immediately following the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) no new Shares are issued under our 2023 Restricted Share Incentive Plan and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), Mr. Cao and Ms. Cao will continue to control, directly and indirectly (through Zhongtao Investment, Zhongjiu Investment and Zhongbang Investment), the exercise of approximately [REDACTED] voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Cao, Zhongtao Investment, Ms. Cao, Zhongjiu Investment and Zhongbang Investment will remain as a group of Controlling Shareholders of our Company upon [REDACTED].

[REDACTED]

SUMMARY

[REDACTED]

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the mid-point of the indicative range of the [REDACTED] of [REDACTED] to [REDACTED] per H Share), without the exercise of the [REDACTED].

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to expand our production capacity and enhance the intelligence, efficiency, and global coverage of our manufacturing infrastructure;
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to enrich and expand our product and service portfolio and apply product-related intelligent technologies to our products;
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to expand our global sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities;
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to repay a portion of our bank loans; and
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], for working capital and other general corporate purposes.

See “Future Plans and Use of [REDACTED].”

LEGAL PROCEEDINGS

As of the Latest Practicable Date, save as disclosed below, we were not subject to any litigation, arbitration or administrative proceedings pending or threatened against our Company or any Director which could have a material adverse effect on our financial condition or results of operations. For details, see “Business — Legal Proceedings and Compliance — Legal Proceedings”.

- ***Dispute in connection with AD/CVD deposit demand.*** Following the imposition of U.S. AD/CVD orders on certain PRC-origin low-speed personal transportation vehicles, CBP demanded estimated AD/CVD deposits totaling approximately US\$9.0 million and

SUMMARY

subsequently issued claims for liquidated damages in the same amount in connection with certain imports by Tao Motor, Inc. (“**Tao Motor**”) during the relevant “critical circumstances” retroactive period. Tao Motor has petitioned for remission and filed a lawsuit in the United States Court of International Trade challenging the U.S. International Trade Commission (the “**ITC**”) affirmative injury and critical circumstances determinations, and we believe we are not under an immediate obligation to pay the demanded deposits.

- **Tariff classification dispute.** Golabs challenged CBP’s reclassification of certain hoverboards from “toys” to “other motor vehicles,” which gave rise to assessed duties and Section 301 tariffs of approximately US\$1.73 million. This matter was formally concluded pursuant to a stipulated judgment entered on March 9, 2026, following which CBP reliquidated the relevant entry, with no further outstanding, ongoing or contingent implications on our Group arising from the matter.
- **Patent infringement claim.** In January 2025, Razor USA LLC filed a Section 337 complaint with the ITC against multiple respondents, including Golabs, alleging that certain GOTRAX branded electric self-balance bikes infringed certain U.S. utility and design patents. The ITC proceeding does not seek monetary damages but seeks trade remedies; Golabs is defending the proceeding, the design patent allegations were withdrawn in December 2025, and as of the Latest Practicable Date, the settlement conference was not held and the case remains under review by commission.

DIVIDEND

Pursuant to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. We did not have pre-determined dividend payout ratio during the Track Record Period and up to the Latest Practicable Date. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions and shall be considered and resolved at our general meeting. Our Board shall take into account the general industry conditions, stage of development, business model, profitability and whether we have any major capital expenditure arrangements. Pursuant to our Articles of Association, where cash dividends are distributed, the proportion of cash dividends in the relevant profit distribution shall generally be not less than 80% if we are at a mature stage of development with no major capital expenditure arrangement, not less than 40% if we are at a mature stage of development stage with major capital expenditure arrangements, and not less than 20% if we are at a growth stage with major capital expenditure arrangements. In 2023, 2024 and 2025, We declared dividends to our Shareholders of RMB164.0 million, RMB217.7 million and RMB326.5 million, respectively. In April 2026, we declared dividends of RMB163.6 million, which were fully paid in May 2026.

Future profit distributions may be conducted in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders’ interests and any other conditions that our Board may deem relevant. As advised by our PRC Legal Advisor, under applicable PRC laws and our Articles of Association, any future net profit shall first be applied to make up for accumulated losses, if any, after which we are required to allocate 10% of our after-tax profit to our statutory reserve fund until such fund has reached 50% or more of our registered capital. Accordingly, we will only be able to declare dividends after our accumulated losses, if any, have been made up for and the required allocation to our statutory reserve fund has been made. There is no assurance that dividends of any amount will be declared or distributed in any year.

SUMMARY

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), [REDACTED] expenses to be borne by us are estimated to be approximately [REDACTED] ([REDACTED]), comprising: (i) [REDACTED] fees of [REDACTED] ([REDACTED]); and (ii) [REDACTED] expenses of [REDACTED] ([REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of [REDACTED] ([REDACTED]); and (b) other fees and expenses of [REDACTED] ([REDACTED]), approximately [REDACTED] ([REDACTED]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately [REDACTED] ([REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED] ([REDACTED]), among which [REDACTED] ([REDACTED]) was recognized in our consolidated statement of profit or loss, and [REDACTED] ([REDACTED]) was attributable to the [REDACTED] of [REDACTED] and will be deducted from equity upon [REDACTED]. The [REDACTED] expenses are expected to represent approximately [REDACTED] of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and that the [REDACTED] is not exercised. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT

U.S. Tariff Developments

On February 20, 2026, the U.S. Supreme Court held in *Learning Resources, Inc. v. Trump* that the International Emergency Economic Powers Act, or IEEPA, did not authorize the Trump administration to impose broad-based tariffs, including the reciprocal tariffs and certain drug-trafficking-related tariffs challenged in that litigation. Following that decision, on March 4, 2026, the U.S. Court of International Trade, in *Atmus Filtration, Inc. v. United States*, ordered U.S. Customs and Border Protection, or CBP, to liquidate relevant entries without assessing IEEPA-based tariffs and to refund previously collected tariffs; on March 6, 2026, the court amended that order to remove the requirement of immediate compliance while CBP developed a refund process. Accordingly, we may apply for refunds of the relevant IEEPA-based tariffs paid in 2025, subject to applicable procedures and the final implementation of the relevant refund process.

Summary of Unaudited Financial Information for the Three Months Ended 31 March 2026

We are a public company listed on the Shenzhen Stock Exchange and have disclosed unaudited financial information as of and for the three months ended March 31, 2026 pursuant to the relevant PRC securities laws and regulations. Our unaudited interim condensed consolidated financial information has been reviewed by our reporting accountant, see “Appendix IA — Unaudited Interim Condensed Consolidated Financial Information.”

Revenue

Our revenue increased by 65.7% from RMB639.3 million for the three months ended March 31, 2025 to RMB1,059.0 million for the three months ended March 31, 2026, respectively, primarily due to an increase in revenue from the U.S. of RMB273.0 million, mainly driven by the continued business expansion of our E-mobility products, in particular LSEVs, as we further broadened our brand coverage of our existing DENAGO brand through the launch of the TEKO brand and expanded our product offerings with new models, such as TEKO TRIUMPH in January 2026 and TEKO Turbo Lite in March 2026.

SUMMARY

Gross Profit and Gross Profit Margin

Our gross profit increased by 82.9% from RMB235.6 million to RMB430.9 million for the three months ended March 31, 2025 and 2026 respectively. Our gross profit margin increased from 36.9% to 40.7% during the same periods, primarily due to (i) changes in product mix resulting from the continued expansion of our LSEV products with higher gross profit margin, and (ii) our ongoing efforts to optimize our production capabilities by advancing our manufacturing base in Vietnam and the United States.

Net Profit

Our net profit increased by 104.5% from RMB86.2 million to RMB176.3 million for the three months ended March 31, 2025 and 2026, respectively.

Total Assets and Total Liabilities

Our total assets remained relatively stable at RMB5,906.2 million and RMB6,018.7 million as of December 31, 2025 and March 31, 2026, respectively. Our total liabilities remained relatively stable at RMB2,285.7 million and RMB2,239.9 million as of December 31, 2025 and March 31, 2026, respectively.

Net Cash Flows from Operating Activities

In the three months ended March 31, 2026, we had net cash generated from operating activities of RMB250.8 million, which primarily represents profit before income tax of RMB211.8 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of RMB43.2 million, (b) net foreign exchange losses of RMB28.9 million, (c) finance costs of RMB20.5 million; partially offset by interest income of RMB4.7 million and net gains on disposal of derivative financial instruments of RMB1.2 million; and (ii) changes in working capital, which primarily consisted of a decrease in receivables of RMB82.4 million, partially offset by an increase in inventories of RMB128.3 million.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 and there is no event since December 31, 2025 which would materially affect the information shown in our financial statements included in the Accountants’ Report in Appendix I to this document.

BUSINESS ACTIVITIES IN REGIONS SUBJECT TO INTERNATIONAL SANCTIONS

Our business operations overseas are subject to the jurisdiction of international sanctions administered by various authorities, including those of the Relevant Jurisdictions. That said, as advised by our International Sanction Legal Advisor, during the Track Record Period, we did not conduct 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 during the Track Record Period. Such sales did not constitute a material portion of our revenue, and substantially all of such sales were order-based transactions, rather than recurring or long-term contractual arrangements.

DEFINITIONS

In this document unless the context otherwise requires the following terms shall have the following meanings. Certain technical terms are explained in the section headed “Glossary”.

“2023 Restricted Share Incentive Plan”	the restricted share incentive plan adopted by the Shareholders on August 2, 2023, which permits the grant of restricted shares to eligible participants
“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the ChiNext Board of Shenzhen Stock Exchange
“A Shareholder(s)”	holder(s) of the A Share(s)
“Accountants’ Report”	the accountants’ report for Track Record Period prepared by Confucius International CPA Limited, the text of which is set out in Appendix I
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III
“Audit Committee”	the audit committee of the Board
“BIS”	the Bureau of Industry and Security of the U.S. Department of Commerce
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate
	[REDACTED]
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this document and for geographical reference only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China, and Taiwan Region
“ChiNext Board”	the ChiNext Board of the Shenzhen Stock Exchange

DEFINITIONS

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Zhejiang Taotao Vehicles Co., Ltd. (浙江濤濤車業股份有限公司), a joint stock company established in the PRC with limited liability on September 24, 2015, the A Shares of which are listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301345)
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Cao, Ms. Cao, Zhongtao Investment, Zhongjiu Investment and Zhongbang Investment
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EAR”	the Export Administration Regulations (15 C.F.R. Parts 730–774) administered by the BIS
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
“Frost & Sullivan Report”	a commissioned industry report prepared by Frost & Sullivan

[REDACTED]

DEFINITIONS

“Group”, “our Group”,
“the Group”, “we”, or “us”

the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

“Guide”

the Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)

“H Share(s)”

ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are to be [REDACTED] for and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong dollars” or
“HK dollars” or “HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]

“Hong Kong Stock Exchange” or
“Stock Exchange”

The Stock Exchange of Hong Kong Limited

[REDACTED]

“IFRS”

International Financial Reporting Standards

“Independent Third Party(ies)”

any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[REDACTED]

“International Sanction Legal
Advisor”

Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo), our legal advisors as to International Sanctions laws in connection with the [REDACTED]

DEFINITIONS

[REDACTED]

“Latest Practicable Date” May 18, 2026, being the latest practicable date for ascertaining certain information in this document before its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

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

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

“Mr. Cao” Mr. Cao Matao (曹馬濤), the chairman of the Board, executive Director and general manager of the Company, a Controlling Shareholder and the brother of Ms. Cao

“Ms. Cao” Ms. Cao Xiashu (曹俠淑), a Controlling Shareholder and the sister of Mr. Cao

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“OFAC” The U.S. Treasury Department’s Office of Foreign Assets Control

[REDACTED]

DEFINITIONS

“OFSI”	The UK Office of Financial Sanctions Implementation
[REDACTED]	
“PRC Legal Advisor”	Grandall Law Firm (Hangzhou), being the legal advisor to the Company as to the PRC laws
[REDACTED]	
“Primary Sanctioned Activity”	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a listing applicant incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Jurisdiction(s)”	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means any jurisdiction that is relevant to the listing applicant and has sanctions related laws or regulations restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons or entities targeted by such law or regulation. For the purposes of this document, Relevant Jurisdictions include the U.S., the EU, the UN, the UK, Australia and Canada
“Relevant Person(s)”	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means the Group, its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of its shares, including the Sponsors and the Stock Exchange
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“Sanctioned Country”	has the meaning ascribed to it under Chapter 4.4 of the Guide and means any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction
“Sanctioned Target”	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means any person or entity (i) designated on SDN List or any list of targeted persons or entities issued under the sanctions-related laws or regulations of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the laws or regulations of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
“SAT”	the State Administration of Taxation (國家稅務總局)
“SCNPC”	Standing Committee of the National People’s Congress, the permanent body of the National People’s Congress of the PRC
“SDN”	Specially Designated Nationals designated pursuant to U.S. sanctions programs
“Secondary Sanctionable Activity”	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means certain activity by a listing applicant that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the listing applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 per share each, including H Shares and A Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange (深圳證券交易所)
“Sole Sponsor”	CITIC Securities (Hong Kong) Limited
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Taotao Group”	Taotao Group Co., Ltd. (濤濤集團有限公司), a company established in the PRC on June 8, 2004, one of our promoters at the time of our Company’s incorporation
“Tariff Legal Advisor”	Neville Peterson LLP
“Tax Advisor”	Pan-China Certified Tax Agents Limited, being the tax advisor to the Company with respect to transfer pricing arrangement of our Group
“Track Record Period”	the three financial years ended December 31, 2023, 2024 and 2025
“Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法), promulgated by the CSRC on February 17, 2023

[REDACTED]

“United States” or the “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“Zhongbang Investment”	Jinyun County Zhongbang Investment Partnership (Limited Partnership)* (縉雲縣眾邦投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 16, 2018 and a Controlling Shareholder
“Zhongjiu Investment”	Jinyun County Zhongjiu Investment Partnership (Limited Partnership)* (縉雲縣眾久投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 16, 2018 and a Controlling Shareholder
“Zhongtao Investment”	Zhejiang Zhongtao Investment Co., Ltd.* (浙江中濤投資有限公司), a limited liability company established in the PRC on April 14, 2017 and a Controlling Shareholder

DEFINITIONS

“%” percent

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or entities have been included in this document in both the Chinese and English languages; the English versions are for identification purposes only and in the event of any inconsistency, the Chinese versions shall prevail.

* *For identification purpose only*

GLOSSARY

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

“ABE”	Allgemeine Betriebserlaubnis, an official approval that certifies that a standard vehicle or component meets the legal requirements for road traffic
“Ackermann steering”	a geometric arrangement of linkages in the steering of a car or other vehicle designed to solve the problem of wheels on the inside and outside of a turn needing to trace out circles of different radii
“AD” or “Anti-dumping Duty”	a duty imposed on imported goods that are sold at less than fair value, with the aim of offsetting dumping and protecting domestic industries
“ATV”	all-terrain vehicle
“beam-type frame”	a structural system using strong horizontal members supported by vertical ones to create open spaces, common in buildings and vehicles
“BTO”	build-to-order, a manufacturing strategy where a product is only manufactured after a customer places a confirmed order
“BTS”	build-to-stock, a build-ahead production approach in which production plans may be based upon sales forecasts and/or historical demand
“cadence”	a technique for emergency stops by rapidly pumping the brake pedal to prevent wheel lockup
“CAN”	Controller Area Network, a robust, message-based serial communication protocol letting microcontrollers and devices talk to each other in vehicles and industrial systems without a central host computer
“CARB”	California Air Resources Board, an agency of the government of California that aims to reduce air pollution
“CCC”	China Compulsory Certification, a compulsory safety mark for many products imported, sold or used in the Chinese market
“CPSC”	Consumer Product Safety Commission, a historically-independent agency of the United States government which seeks to promote the safety of consumer products
“cross-promotional collaborations”	marketing partnerships where two or more complementary brands promote each other’s products/services to their existing audiences for mutual benefit, expanding reach, boosting credibility, and increasing sales with lower costs by leveraging shared customer bases

GLOSSARY

“CVD” or “Countervailing Duty”	a duty imposed on imported goods to counteract subsidies provided by foreign governments, in order to offset unfair trade advantages and protect domestic industries
“DTC”	direct-to-consumer, a sales strategy where a company sells its products directly to end customers, bypassing traditional intermediaries like retailers or wholesalers
“E-mark”	EU type-approval mark, a rectangular label showing compliance with EU/ECE regulations for vehicles or vehicle components, which allows them to be sold within the EU and other signatory countries
“E-mobility”	the concept of using electric power for transportation, encompassing electric vehicles like LSEVs, motorcycles, and electric bicycles, along with the supporting infrastructure for charging and energy supply
“EPA”	Environmental Protection Agency, an independent agency of the United States government tasked with environmental protection matters
“EPS”	Electric Power Steering, systems use an electric motor, controlled by an Electronic Control Unit, to assist driver steering
“exhaust system”	a system used to guide reaction exhaust gases away from a controlled combustion inside an engine or stove
“FOB”	a term in international commercial law specifying at what point respective obligations, costs, and risk involved in the delivery of goods shift from the seller to the buyer under the Incoterms standard published by the International Chamber of Commerce
“GMS”	general merchandise stores, retailers that sell a wide variety of non-food products, such as clothing, hardware, housewares, and toys, often in one large location
“Incoterms standard”	standardized rules by the International Chamber of Commerce, defining buyers’ and sellers’ responsibilities for tasks, costs, and risks in global trade, like insurance, freight, and customs
“IoT”	Internet of Things, a network of devices, vehicles, appliances and other physical objects that are embedded with sensors, software and network connectivity
“ISO9001 certification”	the world’s leading standard for quality management systems
“KAC”	key account customer, primarily includes (i) GMS, such as Walmart, Target, Academy and Tractor Supply Company and (ii) third party e-commerce platforms such as Amazon and Walmart

GLOSSARY

“KBA”	Kraftfahrt-Bundesamt, a German federal authority for road traffic based in Flensburg, which is subordinate to the Federal Ministry of Transport
“large-displacement”	a significant change in an object’s shape or position, requiring special analysis (nonlinear) in engineering simulations because the structure’s stiffness changes
“LSEV”	low-speed electric vehicle, a four-wheeled electric motor vehicle designed for low-speed, short-distance mobility with an attainable speed exceeding 20 mph but not more than 25 mph on a paved level surface and a gross vehicle weight rating of less than 3,000 pounds
“LSPTVs”	low-speed personal transportation vehicles, including low-speed vehicles, LSEVs, golf carts, golf cars, personal transportation vehicles, light utility vehicles and other similar vehicles primarily used for short-distance personal transportation, recreational, community or utility purposes
“MAP”	Minimum Advertised Price
“ODM”	original design manufacturing
“OTA”	Over the Air, referring to wireless software/firmware updates for devices like phones and cars
“over-the-air remote upgrades”	wireless methods to deliver software/firmware updates to devices like phones, IoT gadgets, and especially connected cars, using Wi-Fi or cellular data, eliminating physical visits for fixes, new features, or performance improvements, happening automatically or with user consent, and requiring secure server infrastructure for delivery and cryptographic signing for safety
“PC”	polycarbonate, a durable, transparent, thermoplastic plastic known for its exceptional impact resistance, optical clarity, and heat resistance
“reinforcement tube”	a specialized tube with added strength, often using embedded wires, coils, or braids, to prevent kinking, crushing, or collapse, maintaining its shape for fluid/air flow in demanding medical or industrial applications
“steering knuckle”	a vehicle suspension component that connects the wheel, brake, and suspension systems, and allows the wheel to pivot for steering
“TFT”	Thin-Film Transistor, a technology used in high-quality LCD screens, powering digital dashboards, infotainment systems, and backup cameras for clear, colorful, and responsive displays of speed, navigation, media, and vehicle diagnostics
“torque”	the engine’s twisting force that gets the vehicle moving, measured in pound-feet or Newton-meters

GLOSSARY

“torque sensor”	a torque sensor measures the amount of force you are applying to the pedals
“towing receiver”	a robust, square metal tube mounted to a vehicle’s frame that serves as the universal connection point for various towing accessories like ball mounts, bike racks, or cargo carriers
“TSC”	Tractor Supply Company, a rural retailer work within or serve the broader mass merchandise retail landscape and specialized niche markets
“UL2271 certified”	a lithium-ion battery used in a light electric vehicle has been tested and verified to meet rigorous safety and performance standards
“UL 2849 certified”	an electric bicycle’s entire electrical system has been tested by a third-party organization, Underwriters Laboratories, and deemed safe according to the UL 2849 standard
“UTV”	Utility Task Vehicle, a versatile off-road vehicle with side-by-side seating, steering wheel, foot pedals, seatbelts, and a roll cage, used for work or recreation
“VIN”	vehicle identification number

FORWARD-LOOKING STATEMENTS

We have included in this document forward looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward looking statements.

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “would,” “could,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “continue,” “seek,” “estimate” or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and

FORWARD-LOOKING STATEMENTS

- certain statements in the sections headed “Risk Factors,” “Industry Overview,” “Regulatory Overview,” “Business,” “Financial Information,” “Relationship with Our Controlling Shareholder” and “Future Plans and Use of [REDACTED]” with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to [REDACTED] our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. This Document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.

RISKS RELATING TO OUR BUSINESS

Our success is dependent on our continued innovation and successful launches of new products, and we may not be able to anticipate or make timely responses to changes in the preferences of consumers.

The success of our operations depends on our ability to introduce new or enhanced E-mobility products and powersports products, and other new products. Consumer preferences differ across and within each of the regions in which we operate or plan to operate and may shift over time in response to changes in demographic and social trends, economic circumstances and the marketing efforts of our competitors. There can be no assurance that our existing product models will continue to be favored by consumers or that we will be able to anticipate or respond to changes in consumer preferences in a timely manner. Our failure to anticipate, identify or react to these particular preferences could adversely affect our sales performance and our profitability. In addition, demand for many of our products is closely linked to customers’ purchasing power and disposable income levels, which may be adversely affected by unfavorable economic developments in the countries in which we operate.

We invest significant resources in the development and enhancement of our products. However, we may not succeed in creating innovative products, and newly launched models may not achieve commercial success. If we are unable to accurately assess market direction and effectively develop and manufacture new or improved products, our financial performance and competitive position may be adversely affected. New product launches also carry inherent risks, including uncertainty around consumer acceptance and marketing effectiveness. There is no assurance that our new products will meet sales expectations.

We may face intense competition in the E-mobility and powersports industry.

We operate in the E-mobility products and powersports industry and face competition across multiple product categories and geographical markets, including LSEVs, electric two-wheelers and powersports. We expect additional competitors to enter this market and as they do so, we expect that competition will intensify. According to Frost & Sullivan, the global LSEV market grew from approximately US\$1.1 billion in 2023 to approximately US\$2.5 billion in 2025 and is expected to reach approximately US\$6.7 billion by 2030, which may continue to attract both existing manufacturers and new entrants. In the LSEV market, competition is concentrated in key regional markets such as North America, the EU, and Japan and South Korea, with more than 50 competitors in each such region. In 2025, although we ranked first in the global LSEV market by revenue, our market share was 10.9%, while the second to fifth largest players accounted for 9.6%, 6.6%, 4.3% and 1.9% of the global LSEV market by revenue, respectively. Our future competitors may enjoy competitive advantages, such as greater capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products and more established relationships with a larger number of suppliers, contract manufacturers and channel partners. The global E-mobility market presents a competitive landscape where top players are relatively concentrated by virtue of compliance capabilities and supply chain advantages, and we

RISK FACTORS

are among the top tier market players, which consist of E-mobility manufacturers with annual revenue over US\$300 million. While our focus on E-mobility products and powersports and in-house manufacturing supports our competitive position, rising competition may reduce unit sales, increase inventory, and drive down prices. Our ability to successfully compete in our industry will be fundamental to our future success in existing and new markets and our market share. If our competitors introduce new products or services that compete with or surpass the quality, price or performance of our products or services, we may be unable to satisfy existing customers or attract new customers at the prices and levels that would allow us to generate attractive rates of return on our investment, which may materially and adversely affect our business, results of operations and financial performance.

We are exposed to risks and uncertainties associated with operating, investing and expanding internationally.

In 2023, 2024 and 2025, we generated 98.9%, 99.0% and 97.6%, respectively, of our total revenue from sales outside of China, such as the United States, Europe and South America. Beyond China, we have established manufacturing bases in the United States and Vietnam. We are ramping up capacity at our plant in Vietnam and developing a new production base in Thailand. Going forward, we expect to continue operating our existing business and expanding internationally.

The manufacturing, marketing, distribution and sale of our products internationally, as well as the construction and operation of our production plants outside of China, may expose us to risks associated with political and economic instabilities, regulatory changes, trade barriers, unfamiliar local legal and market environments, labor and cultural differences, difficulties in staffing and managing overseas operations and distribution networks, challenges in managing relationships with overseas stakeholders, potential failure to achieve expected returns from overseas investments, and weaker legal and intellectual property protections in certain jurisdictions.

The above-mentioned risks vary from country to country and are difficult to predict. Failure to address these risks effectively in each region, or to obtain the required approvals, permits, licenses or filings, or to comply with the associated conditions, could result in fines, sanctions, suspension, revocation or non-renewal of such approvals, permits or licenses, or even criminal penalties, and could have a material adverse effect on our reputation, business, financial condition, and results of operations.

Our business could be adversely affected by global trade tensions, the imposition of anti-dumping and countervailing duty investigations, and elevated trade tariffs.

Shifts in global trade and investment policies, growing geopolitical tensions, and more intensive scrutiny from customs and regulatory authorities, particularly in relation to China, could materially and adversely affect our operations, supply chain, and financial results. Governments can impose, adjust, or remove tariffs, AD duties, and other restrictions at short notice, often in response to economic or political developments. This unpredictability makes it difficult to forecast costs, delivery schedules, or margins.

Most of our key components, including chassis, plastic parts, battery packs, motors and related equipment, are produced in China and then shipped to Vietnam for assembly, and finally exported to the United States, Europe and other overseas markets. This production and supply chain structure exposes us to risks relating to U.S. tariff classification, country-of-origin determination, anti-circumvention scrutiny, AD/CVD orders and customs enforcement. 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, and imports of PRC-origin LSPTVs were subject to ordinary customs duties, CVD rates and AD rates. See “Business — Impact of U.S. Tariff.” Our E-mobility products are currently under AD and CVD investigations in the United States. On September 8, 2025, we filed an appeal with

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the U.S. Court of International Trade challenging the determination of “critical circumstances” in these investigations. The case schedule has not yet been established, and the outcome remains uncertain. See “Business — Legal Proceedings and Compliance — Legal Proceedings — Dispute in Connection with AD/CVD Deposit Demand.” In 2025, we imported 26,822 units of LSEVs from Vietnam for sale in the United States. These investigations and related litigation could lead to substantial additional duties, cash deposit requirements, penalties, or other remedies, potentially with retroactive effect, which could significantly increase our costs and make us less competitive in the U.S. market. Furthermore, an adverse ruling could set a precedent affecting future trade compliance and our ability to manage similar disputes. Any such developments could materially and adversely affect our business, financial condition and operating results. Recent changes in trade policy have also brought higher tariffs on a wide range of goods in several of our key markets. The U.S. government has introduced multiple tariff rounds and related measures affecting numerous countries and industries. These policies are evolving quickly. While the share of our revenue from products shipped directly from China to the U.S. has been declining, future policy changes remain difficult to predict, and their potential impact on us, our customers, or our suppliers could be significant. Higher costs, reduced demand, or supply chain constraints could in turn materially and adversely affect our business, financial condition, operating results, and ability to raise funds.

In addition, we initiated a litigation against U.S. Customs and Border Protection in the Court of International Trade, challenging the tariff classification of certain hoverboard products. Prior to the resolution of this case, the maximum potential exposure was approximately US\$1.73 million. On March 9, 2026, the matter was resolved through a stipulated judgment and agreed reliquidation/refund procedures. See “Business — Legal Proceedings and Compliance — Legal Proceedings — Tariff Classification Dispute.” Although this particular matter has been resolved, similar customs classification or tariff treatment disputes may arise in the future and could adversely affect our business, financial condition and operating results.

In addition, the current U.S. tariff regime, including elevated tariffs on imports from China, may adversely affect our plan to use a portion of the [REDACTED] from the [REDACTED] to invest in production centers in regions such as the United States. If tariffs increase further or are applied to a broader range of components or equipment used in these facilities, our ability to realize the intended cost and delivery benefits may be undermined.

We face exposure to foreign currency risks.

We recorded net foreign exchange gains of RMB17.8 million, RMB33.6 million in 2023 and 2024, and net foreign exchange loss of RMB36.7 million in 2025, respectively. We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. In addition, as the [REDACTED] from the [REDACTED] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the

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future, and if the exchange rate between the Renminbi and other currencies evolves in a way that is unfavorable to us, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to sustain our rapid growth, effectively manage our expansion, or implement our business strategies, which could adversely impact our operating performance, financial condition and results of operations.

Our ability to accurately forecast our future results of operations is subject to significant uncertainties, and our historical performance may not be indicative of our future business, results of operations, financial condition or prospects. We may incur unforeseen expenses, encounter difficulties, complications and delays, and fail to achieve expected results in future periods. Our revenue growth may slow or decline due to a variety of factors, including slowing demand, intensified competition, technological changes, a decline in the growth of our total addressable market, or our failure to capture growth opportunities. If our assumptions regarding risks and future growth prove incorrect, or if we fail to respond effectively to uncertainties and challenges, our operating and financial results may differ materially from our expectations, which could materially and adversely affect our results of operations and financial condition. Our continued success depends largely on our ability to manage our expansion and growth effectively, including managing a larger organization across multiple locations, supporting rapid growth through our supply chain, controlling expenses and investments, expanding our research and development, sales and service facilities, entering new markets, enhancing our operational, financial, management and compliance systems and controls, and addressing unforeseen challenges. If our staffing, systems, policies, procedures and controls are not adequate to support future operations, our costs and expenses may increase faster than expected, we may fail to respond effectively to competition or execute our business strategies, and changes in our product portfolio and revenue mix may adversely affect our profit margin, which could in turn adversely affect our reputation, prospects and results of operations.

We rely heavily on third-party dealers for sales and distribution of our products, which is crucial for our overall success.

Our external distribution network plays a crucial role in our retail system, especially in driving sales of the E-mobility products and powersports products. As of December 31, 2025, we had 11 KACs and 776 dealers. During the Track Record Period, our revenue from third-party dealers amounted to RMB262.5 million, RMB711.5 million and RMB1,848.0 million in 2023, 2024 and 2025, respectively, representing 12.2%, 23.9% and 46.9% of total revenue during the respective years. See “Business — Our Sales Network and Customers”. We rely on third-party dealers to directly interact with and serve our users, but their interest may not be entirely aligned with ours or with that of other dealers. There can be no assurance that we will be able to maintain our existing relationships with dealers. Additionally, our existing dealers may not be able to maintain past levels of sales or expand their sales. In addition, as we seek to expand into new regions, we cannot assure you that we will be able to successfully establish and maintain relationships with new dealers in these regions on favorable terms or at all.

Furthermore, we manage our dealers through goal-oriented performance monitoring, including reviewing the achievement of sales target and execution of promotion activities on social media. However, we cannot assure you that we will be successful in managing our dealers and detecting inconsistencies with our brand image or values or noncompliance with the provisions of our distribution agreements by them. Any noncompliance by our dealers could, among other things, adversely affect our brand reputation, demands for our products and our relationships with other dealers. Any of these could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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We may not be able to realize the expected benefits of acquisitions or successfully integrate acquired businesses.

We may in the future evaluate and pursue acquisition opportunities that complement our business strategy. Any acquisition involves uncertainties, valuation risk, and integration risks. We may not identify all existing or potential liabilities, operational issues or integration challenges. Following completion, we may experience difficulties in integrating the acquired business’s operations, personnel, systems, internal controls and business relationships into our Group, and the integration process may require additional time, costs and management attention. As a result, we may not realize the expected synergies, commercial benefits or financial returns of an acquisition within the timeframe anticipated, or at all.

In December 2025, we acquired 100% of the equity interests in Champion Holdings for a total consideration of US\$15.0 million. Champion Holdings is a U.S.-based business principally engaged in the sales of ATVs, off-road motorcycles and LSEVs through its subsidiary. We acquired Champion Holdings to expand our sales scale and enhance our sales network, customer resources and brand portfolio. However, there can be no assurance that the integration of Champion Holdings will proceed as expected or that we will fully realize the anticipated benefits of this acquisition or any future acquisitions. If we are unable to effectively manage such integration or achieve the expected benefits, our business, financial condition, results of operations and prospects may be materially and adversely affected.

If we fail to maintain existing customers and attract new end customers, or fail to do so in a cost-effective manner, our business may be adversely affected.

Our success depends, in part, on our ability to cost-effectively attract customers to our products, retain our existing customers and encourage these customers to continue to use our products. We spend on advertising, promotion and other marketing activities to acquire new end customers, and we expect our sales and marketing expenses to increase in the future in absolute amount as we continue to implement strategies to increase awareness of our brand and our products.

We may fail to identify opportunities that satisfy our anticipated return on sales and marketing expenses as we scale our investments or to fully understand or estimate the conditions and factors that drive customer behavior. If any of our marketing activities prove less successful than anticipated in retaining existing customers or attracting new end customers, we may not be able to recover such expenses and our sales results may fail to meet our expectations, either of which could have an adverse effect on our business, financial condition and results of operations. There can be no assurance that our marketing efforts will result in increased sales of our products. If we are unable to retain existing customers or attract new end customers, or fail to do so in a cost-effective manner, our growth could be slower than we expect, and our business, financial condition and results of operations may be harmed.

We currently generate a significant share of our revenue from our key customers.

Revenue generated from our five largest customers in 2023, 2024 and 2025 accounted for 49.7%, 48.9% and 34.8%, respectively, of our total revenue during those respective periods. For details, see “Business — Our Sales Network and Customers — Major Customers.” We are subject to customer concentration risk, and any reduction, delay or loss of sales to our major customers could adversely affect our revenue, business, results of operations and financial condition. Our major customers may cancel, reduce or delay purchases, may not guarantee purchase volume, may develop in-house alternatives, may switch to our competitors, particularly in the event of supply delays or shortages, or may discontinue sales or lose market share in their end markets. In addition, many of our customers are large multinational corporations with substantial negotiating power and development resources, which may enable them to develop, acquire or co-develop competing technologies. Meeting their technical

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requirements and being selected as a supplier requires substantial time and resources, and we cannot assure you that our products will continue to be selected by them or generate meaningful revenue. If we lose any major customer, if our customers develop or acquire competing technologies, or if they fail to settle accounts regularly or make payments on schedule, our business, financial condition and results of operations could be materially and adversely affected.

Our historical financial and results of operations during the Track Record Period are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability.

During the Track Record Period, our revenue amounted to RMB2,144.2 million, RMB2,976.6 million and RMB3,941.4 million in 2023, 2024 and 2025, respectively. During the same years, our gross profit amounted to RMB799.5 million, RMB1,032.0 million and RMB1,626.2 million, respectively. However, our historical revenue growth, gross profit and gross profit margin may not be indicative of our future financial performance, and you should not rely on our historical results to predict our future performance. Our selling prices may be affected by tariff-related policies and increased costs associated with production and supply chain adjustments in response to U.S. tariffs, including production transfer to Vietnam and other non-PRC locations, which may be policy-driven and may not be sustainable, and any change in tariff policies, product mix, production costs or customer demand may materially and adversely affect our selling prices, gross profit margin and results of operations.

Accordingly, you should consider our business prospects in light of the risks and difficulties we may encounter as a company operating in dynamic industries and international markets, including, among other factors, our ability to (i) respond to changes in market demand and consumer preferences for our products, (ii) expand our customer base and retain and expand business with our existing customers and dealers, (iii) maintain and expand our production capabilities and manage our multi-regional production and supply chain arrangements, (iv) manage and further improve operational efficiency and cost control, (v) navigate changes in macroeconomic, geopolitical, trade and regulatory conditions in the markets where we operate, including changes in tariffs, customs treatment, AD/CVD measures and other trade restrictions, (vi) manage the impact of tariff-related pricing, shipping term adjustments and any potential changes to customer demand, pricing expectations and margins resulting from such trade measures, and (vii) execute acquisitions, investments and business expansion plans, as well as successful integration.

Our rising inventory levels may expose us to impairment risk if demand forecasts are inaccurate or new product launches reduce turnover of existing inventory.

As of December 31, 2023, 2024 and 2025, the carrying value of inventories was RMB714.8 million, RMB1,206.1 million and RMB1,705.8 million, representing 18.9%, 26.6% and 28.9% of total assets, respectively. Inventories primarily consist of raw materials, work-in-progress, and finished goods. We recorded inventory write-down provisions of RMB13.0 million, RMB13.5 million and RMB14.3 million in 2023, 2024 and 2025, respectively. We have recorded relatively long inventory turnover days, and our inventory days amounted to 199 days, 183 days and 232 days in 2023, 2024 and 2025, respectively. We employ a hybrid manufacturing approach integrating the BTS and BTO models. See “Business — Production — Our Manufacturing Models”. Inaccuracies in sales forecasting under

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this approach may lead to excessive inventory accumulation. Furthermore, if the launch of new products reduces demand for existing products, we may face challenges in clearing existing inventory, resulting in impairment losses that could adversely affect operating performance.

We experience seasonal fluctuations in our sales.

Our sales are affected by seasonal fluctuations. Seasonal ordering trends often result in a higher volume of orders in the fourth quarter. However, there is no assurance that our end customers’ purchase orders and deliveries will align with our expectations for each season. Accordingly, our operating results may vary from period to period. If we are unable to plan our production and delivery schedules effectively and secure purchase orders from end customers during non-peak seasons, it may adversely affect our business, financial condition, and results of operations.

We are subject to the risks associated with sanctions, export controls, and evolving trade and regulatory policies.

Our operations may be adversely affected by trade policies, sanctions, export controls and other regulatory restrictions in the jurisdictions in and with which we operate. These laws and regulations are subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by national security concerns and other factors beyond our control. Compliance with such restrictions requires significant resources and may materially and adversely affect our and our business partners’ ability to obtain or supply critical technologies, systems, devices, components or services. During the Track Record Period, we recorded sales to customers located in Russia. In 2023, 2024 and 2025, our revenue from customers located in Russia amounted to approximately RMB112.9 million, RMB100.3 million and RMB46.6 million, respectively, representing approximately 5.3%, 3.4% and 1.2% of our total revenue for the corresponding years. See “Business — Business Activities in Regions Subject to International Sanctions.”

If any of our significant suppliers, customers or other business partners become subject to sanctions, export controls or other trade restrictions, we may need to secure alternative arrangements on acceptable terms, and there can be no assurance that we would be able to do so in a timely manner or at all. In addition, increasing regulatory focus on national security, data privacy, cybersecurity, critical infrastructure and intellectual property protection, together with additional tariffs, import or export restrictions and technology controls, may reduce our operational flexibility and competitiveness. Any failure to comply with applicable sanctions, export controls or other trade-related regulations could result in civil or criminal penalties, government investigations, restrictions on access to controlled technologies, and materially and adversely affect our business, financial condition and results of operations.

Our investments in R&D may not generate the results we expect to achieve.

Our research and development expenses were RMB87.7 million, RMB125.5 million and RMB123.4 million in 2023, 2024 and 2025, respectively. The E-mobility and powersports industry we operate in is subject to rapid technological changes and are evolving quickly in terms of technological development. We need to continuously invest in R&D to make technological advances in order to make our products competitive in the market. As a result, our R&D capabilities will remain important to our business operations. However, R&D activities are inherently uncertain, and we might encounter practical difficulties in developing, conceptualizing and commercializing our R&D results.

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We may not be able to fulfill our obligations in respect of contract liabilities, which may have a material and adverse impact on our business, reputation, and liquidity position.

As of December 31, 2023, 2024 and 2025, we recorded contract liabilities of RMB26.0 million, RMB27.5 million and RMB57.0 million, respectively. Failure to meet our obligations related to these contract liabilities could have a materially adverse impact on our business, operations, financial position and reputation. If we fail to deliver products on time or meet customer expectations, it may result in the inability to recognize the expected revenue, which could significantly impact our financial performance. A failure to deliver products on time, or to meet customer expectations, could also lead to claims for refunds, penalties, or the termination of contracts, which could in turn materially and adversely impact our business, reputation, and liquidity position.

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

We face credit risks attributable to our trade receivables, prepayments and other receivables, due from our customers for goods sold or other services performed in the ordinary course of our business. As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB588.1 million, RMB698.2 million and RMB939.2 million, respectively. In 2023, 2024 and 2025, our trade receivable turnover days were 79 days, 83 days and 80 days, respectively. The fluctuation and extension of trade receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade Receivables” for details. Additionally, our prepayments and other receivables as of December 31, 2023, 2024 and 2025, amounted to RMB44.6 million, RMB49.3 million and RMB52.9 million, respectively. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We recorded relatively long inventory turnover days and accounts receivable turnover days, which may lead to delays in converting our revenue into cash. We recognized credit loss allowance of RMB31.8 million, RMB37.4 million and RMB53.4 million, as of December 31, 2023, 2024 and 2025, respectively. Our cash conversion cycle — a metric to measure how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales — was 182 days, 164 days and 186 days in 2023, 2024 and 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting accounts payable turnover days. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

We rely on external suppliers for certain components and raw materials used in our products. Price fluctuations, shortages, or interruptions in supply could adversely affect our business, financial condition, and results of operations.

Although we manufacture our core components in-house, with a self-manufacturing rate exceeding 80%, we still rely on external suppliers for certain key parts and raw materials. In each year during the Track Record Period, our total purchases from our five largest suppliers accounted for 13.5%, 27.1% and 20.9% of our total purchase amount in 2023, 2024 and 2025, respectively. Timely, cost-effective delivery from these suppliers is critical to our efficiency, competitiveness, and ability to execute our

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business strategy. Any deterioration in our relationships with suppliers or disruptions in their operations could delay deliveries, increase costs and impair our ability to meet customer demand. Although most suppliers may be replaceable, identifying and qualifying alternative suppliers can be time-consuming, costly and, in some cases, impracticable. As our business grows, we will need to continue to scale and adapt our supply chain effectively.

We face risks relating to supplier accidents, natural disasters, insolvency or other operational difficulties, failures to procure raw materials or provide sufficient manufacturing or testing capacity, failures to implement necessary technologies, limited control over delivery schedules, quantities and quality, shipment delays, shortages, quality deterioration, increased costs, and the possibility that suppliers may prioritize our competitors’ orders over ours. We also face risks if suppliers choose to work with competitors or discontinue collaboration with us, and our efforts to diversify and localize our supply chain may not be successful. In addition, suppliers may extend lead times, restrict supply, raise prices, or experience quality, capacity, cybersecurity or labor compliance issues. If we fail to manage these risks effectively, our ability to deliver competitive products on time may be compromised, our costs may increase, and our business, financial condition and results of operations may be materially and adversely affected.

Share-based payment may have a material and adverse effect on our financial condition.

We have adopted certain share award schemes that permits the grant of share awards, such as restricted A Shares, to our Directors, senior executives and other eligible persons, such as employees. We believe the granting of such share awards is important to our ability to attract, retain and motivate our management team and qualified employees. For details, see note 9 to the Accountant’s Report in Appendix I to this document. We are required to recognize share-based payment expenses based on the fair value of granted share awards. We recorded share-based payment expenses of RMB6.8 million, RMB14.1 million and RMB7.5 million in 2023, 2024 and 2025, respectively. Any additional grant of share awards by us will further increase our share-based payment expenses, which may adversely affect our results of operations and financial condition, and potentially dilute existing Shareholders’ ownership.

If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our products, our management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We must maintain and enhance our brand identity while increasing market awareness of the reputation of our business and products. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our E-mobility products and powersports, attract and retain customers, maintain our current market leadership, and successfully differentiate our offerings from those of competitors. Our selling and marketing expenses amounted to RMB314.9 million, RMB313.4 million and RMB352.0 million, in 2023, 2024 and 2025, respectively, representing 14.6%, 10.6% and 8.9% of total revenue during the same periods. These efforts require substantial expenditures, and we anticipate expenses will increase as our market becomes more competitive and as we expand into new markets. Furthermore, these investments in brand promotion and thought leadership may not yield increased revenue. To the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur.

In addition, adverse publicity, with or without merit, relating to events or activities attributed to us, our management, directors, employees, shareholders, business partners or their affiliates, industry, or products similar to ours, may tarnish our reputation and reduce the value of our brand. For instance, unfounded and adversarial statements or opinions could be misleading and harm our business and reputation. Given the delicate and complex nature of the industry that we operate in, we are vulnerable

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to such statements or opinions. If we fail to respond to such statements or opinions in a proper manner, our business reputation, financial condition and results of operations may be adversely affected. Moreover, our brand value depends on our ability to provide safe products that meet industry standards in our markets. Damage to our reputation and loss of brand equity may reduce demand for our products, have an adverse effect on our future financial results, or reduce the [REDACTED] of our H Shares. Damage may also require additional resources to rebuild our reputation and restore the value of the brands. If we are unable to successfully enhance and protect our reputation, our business operations, results of operations, and financial condition could be materially and adversely affected.

We may be compelled to undertake product recalls or take other actions, which could adversely affect our brand image and results of operations.

Our E-mobility and powersports may not perform consistently with customers’ expectations or with comparable products currently available on the market. Any product defects or performance failures as expected could harm our reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand and reputation, and significant warranty and other expenses, and could have a material adverse impact on our business, financial condition, operating results and prospects.

If our products are subject to recalls in the future, we may also be subject to adverse publicity and damage to our brand. In the future, we may at various times, voluntarily or involuntarily, initiate a recall if any of our products, including any systems or parts sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary or caused by systems or components engineered or manufactured by us or our suppliers, could involve significant expense and could materially and adversely affect our brand image in our target markets, as well as our business, prospects, financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights throughout the world, which could harm our business and competitive position.

We consider our copyrights, trademarks, trade names, internet domain names, patents and other intellectual property rights invaluable to our ability to continue to develop and enhance our brand recognition, and have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. See “Business — Intellectual Property.”

Even so, these measures may not be enough to prevent others from infringing, misusing or misappropriating our rights. Intellectual property laws differ across jurisdictions and may be applied inconsistently. Some jurisdictions offer weaker protection, and in certain markets, we do not hold issued or pending patents for technologies important to our products. Statutory laws and regulations are subject to judicial interpretation and enforcement and contractual rights may be breached by limited remedies available to us. Monitoring and preventing unauthorized use or disclosure of our proprietary technology, intellectual property and confidential information can be difficult, costly, and time-consuming, and we cannot be sure that our measures will prevent misappropriation or infringement. Any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation.

Claims by third parties for alleged infringement of their intellectual property rights and other litigations could adversely affect our business.

The industry in which our business operates is characterized by a large number of patents, some of which may be of questionable scope, validity or enforceability. As a result, there is a significant amount of uncertainty in the industry regarding patent protection and infringement, and we cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise

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violate intellectual property or proprietary rights of third parties. We could become subject to claims and litigation alleging infringement by us of third-party patents, copyrights or trade secrets. For instance, in January 2025, Razor USA LLC filed a complaint with the ITC against multiple respondents, including Golabs, Inc., alleging that certain hoverboard models infringe its utility patents RE46964 and RE49608 and design patent D739906. The ITC proceeding does not seek monetary damages and relates to the importation of the subject matter products, seeking trade remedies. Golabs has obtained a licence from Daniel Wood, a potential joint inventor of the asserted utility patents. As of December 2025, the complainant withdrew its design patent infringement allegations. The settlement conference was not held and the case remains under review by the ITC as of the Latest Practicable Date. See “Business — Legal Proceedings and Compliance — Legal Proceedings — Patent Infringement Claim.” Separately, if we recruit employees from other technology companies, including certain potential competitors, and these employees used or alleged to have used certain know-how, technology or contents, or the participation by such employees in our research and development, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our products or business operations, or invalidate or render unenforceable our intellectual property rights. An adverse judgment in an intellectual property dispute could harm our reputation and require us to take costly remedial actions, including redesigning our products. In addition, because patent applications may remain pending for many years, there may be patents issued in the future based on applications of which we are currently unaware that our products may infringe.

We may not be successful in redesigning our products to avoid alleged infringement, in developing and implementing non-infringing technology, or in obtaining licenses to the relevant third-party intellectual property on acceptable terms and in a timely manner, if at all. In addition, third parties may assert infringement claims against us, including non-practicing entities whose business model is to seek patent licensing revenues from operating companies such as us. Any such claims, regardless of merit or outcome, may be time-consuming and expensive to resolve, may result in litigation, divert management’s time and attention from our business, and harm our reputation with our suppliers and in the industry generally. If any infringement claim against us is successful, or if we are unable to redesign our products, implement non-infringing technology or obtain necessary licenses on commercially reasonable terms or at all, our business, financial condition and results of operations could be materially and adversely affected. As we continue to expand our product portfolio through new technologies and innovations, our exposure to infringement claims may increase.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights. Failure to protect them could materially harm our technology and products.

Our trade secrets, know-how and other proprietary information may not be adequately protected, and may be subject to unauthorized use, disclosure, misappropriation or infringement. Confidential information relating to our product designs, R&D activities, manufacturing processes, supplier and customer relationships and business strategies may be accessed by our employees, consultants, contractors, suppliers, third-party manufacturers or business partners in the ordinary course of business. We may have limited control over how such parties safeguard our proprietary information, and legal protections or contractual remedies available to us may be limited, costly to enforce or ineffective in certain jurisdictions. In addition, the use of third-party intellectual property by our employees, consultants, contractors or advisors may give rise to disputes regarding related know-how and inventions, and the protection and enforcement of trade secrets, copyrights and other proprietary rights may be limited or inconsistent in certain jurisdictions. Employee departures, collaboration with third parties or disputes over ownership or use of technology may also result in intellectual property disputes, misappropriation of confidential information or competitive harm. Any unauthorized use,

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disclosure or misappropriation of our proprietary information could weaken demand for our products, impair our ability to attract and retain customers, and materially and adversely affect our competitive position, business, financial condition and results of operations.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively.

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. However, we cannot assure you that any of our pending patent applications will result in issued patents, or that any patents currently held by us or issued in the future will not be contested, circumvented, invalidated or otherwise found unenforceable. Even if granted, such patents may not provide meaningful proprietary protection or competitive advantages, and their scope may not be broad enough to prevent third parties from developing or commercializing similar technologies. In addition, patents and patent applications owned by third parties in fields relevant to our business may have priority over, limit our ability to exploit or license, or otherwise adversely affect our existing or pending patents. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Any interruption in our operation process may have an adverse impact on our business.

Our operation process covers from R&D through production, storage, logistics, marketing and sales to after-sales services. Any interruption or failure in the operation process, which involves use of raw materials, parts and components supplied by third-party vendors, could result in product quality or safety problems and other regulatory or environmental risks that may have an adverse impact on our business. Our operation process may be disrupted by fire, flood, earthquake, power outage, telecommunications failure, security breach, and other incidents that are beyond our control. Any interruption in the operation may render us unable to fulfill the orders placed with us in a timely manner and/or design and supply products to the customer’s satisfaction or at all. In addition, the use of the more complex and costly technologies and equipment may further increase our exposure to operational risks and the difficulty in timely repair or replacement. In addition, our ability to manufacture and supply products and our ability to meet our delivery obligations to our customers would be significantly disrupted and our relationships with our customers could be damaged. Any interruption in the operation throughout our entire operation process for an extended period could cause us to suffer financial loss and reputational harm, which may adversely affect our business, results of operations and financial condition.

Our products and services may experience quality problems from time to time, which could result in decreased sales, adversely affect our results of operations and harm our reputation.

Our products and services can contain design and manufacturing defects. There can be no assurance that all defects will be identified and corrected before products reach our customers. Any failure to detect and remedy such issues could lead to reduced revenue, increased warranty or repair costs, and damage to our reputation. Additionally, we source and purchase certain components from third-party suppliers. We cannot assure that the quality and functions of these components supplied by third-party suppliers will be consistent with and maintained at our high standard. Any defects or quality issues in these components or any noncompliance incidents associated with these third-party suppliers could result in quality issues with our products and hence compromise our brand image and results of operations.

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We are subject to various risks relating to the Third-party Payment Arrangements.

During the Track Record Period, certain of our customers settled their payments with us through third-party payors (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.

As of October 17, 2025, we had ceased all Third-party Payment Arrangements for future incoming orders. As of the Latest Practicable Date, no fine or other penalties had been imposed by the relevant government authorities with respect to our Third-party Payment Arrangements. See “Business — Our Sales Network and Customers — Third-Party Payment Arrangements” for details. However, we are subject to various risks relating to such Third-party Payment Arrangements during the Track Record Period, including possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may as a result be adversely affected.

Our floor plan financing arrangement with dealers may expose us to credit and liquidity risks, and any ineffective risk management could adversely affect our business and financial performance.

Our floor plan financing arrangement, which has been utilized by our wholly owned U.S. subsidiary Denago EV Corporation since May 2024 to facilitate dealer purchases in North America, may expose us to credit, liquidity and inventory repurchase risks. Although purchase proceeds are paid to us by the partnering financial institutions in cash upon delivery, we undertake contractual obligations (including an inventory repurchase obligation and the provision of a letter of credit as performance security) under the arrangement. If a dealer fails to sell the financed products and repay the relevant borrowings on a timely basis, the bank may repossess the financed inventory and require us to repurchase such inventory. In addition, we bear the interest cost for the first 60 days following delivery, which may increase our finance costs and adversely affect our profitability. Any failure to effectively manage these risks, or any tightening/withdrawal of such financing support by the partnering financial institutions, could adversely affect our business, cash flows and financial condition.

As of December 31, 2024 and December 31, 2025, the closing balance of the financed amount under our floor plan financing arrangements was RMB32.6 million and RMB167.6 million, respectively. Any material increase in dealer defaults, deterioration in end-market demand, or tightening of financing providers’ risk appetite could lead to higher repurchase requests, higher finance costs, or changes to the availability/terms of such arrangements, which may in turn reduce dealers’ ability to maintain adequate inventory and negatively affect our sales growth. See “Business — Our Sales Network and Customers — Floor Plan Financing Arrangement.”

We may fail to comply with legal or regulatory requirements or to obtain or adhere to requirements under relevant licenses, permits, registrations or certificates.

Our manufacturing and other production facilities as well as the packaging, storage, distribution, advertising and labeling of our products, are subject to extensive legal and regulatory requirements. For example, pursuant to the Road Motor Vehicle Manufacturing Enterprises and Product Access Management Measures (《道路機動車輛生產企業及產品准入管理辦法》) promulgated by the Ministry of Industry and Information Technology, we must obtain and maintain relevant access approvals for the production and sale of road motor vehicle products. See

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“Regulatory Overview — Laws and Regulations Related to Road Motor Vehicles” for details. Loss of or failure to renew or obtain necessary permits, licenses, registrations or certificates could delay or prevent us from meeting product demand, introducing new products, building new facilities or acquiring new businesses and could materially and adversely affect our operating results. Future material changes in industry standards, laws and regulations, such as increased restrictions on manufacturers, could result in increased operating costs or affect our ordinary operations, which could also have a material adverse effect on our operations and our financial results. For example, certain of our products, such as motorcycle helmets, are subject to CCC certification, and we are required to ensure that certified products continue to meet applicable standards and regulatory requirements. We have obtained the Production License for Special Equipment from relevant PRC authority and have secured relevant certifications in multiple countries and regions worldwide. See “Business — Licenses, Approvals and Permits” for additional details.

Our products are subject to safety standards and failure to satisfy such mandated standards would have a material adverse effect on our business and operating results.

All E-mobility products and powersports products must comply with the safety standards in each market where they are sold, including but not limited to the United States and Europe. These products must meet or exceed all mandated safety standards, including national level and local level standards. It is required under these standards to conduct rigorous testing and use approved materials and equipment. We may also be required to satisfy additional industry standards and face regulatory changes relating to E-mobility products and powersports business in the future. Certain of our products may not comply with applicable laws and standards regarding weight, specifications or other technical parameters, which could result in restrictions or prohibitions on sales in certain markets. See “Regulatory Overview” for details.

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.

We may become subject to product liability claims, which could harm our business, prospects, operating results and financial condition. The E-mobility products and powersports industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event our products do not perform as expected or malfunction resulting in property damage, personal injury or death. For example, (i) a Missouri wrongful death lawsuit arising from a traffic collision involving an off-road motorcycle, where the plaintiff alleges negligence and a design defect in the motorcycle’s fuel system, and (ii) a New York personal injury lawsuit alleging a product defect and negligence in connection with an alleged engine oil leakage. The plaintiff in the New York case seeks damages of more than US\$75,000, while the plaintiff in the Missouri case has not specified the amount claimed. Both cases are at an early stage and are being defended and under our product liability insurance policies with a coverage limit of US\$1.0 million per claim. See “Business — Legal Proceedings and Compliance — Legal Proceedings — Product Liability Claims.” A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of our future products which would have material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may have a material adverse effect on our reputation, business and financial condition.

We provide tiered warranty coverage tailored to each product category and, where appropriate, to specific components. See “Business — Customer Service and Warranty” for details. The occurrence of any material defects in our products could make us liable for damages and warranty claims in excess of our current reserves. In addition, we could incur significant costs to correct any defects, warranty

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claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our products could affect our brand image, decrease retailer, dealers, distributor and customer demand, and adversely affect our operating results and financial condition. While our warranty is limited to repairs and returns, warranty claims may result in litigation, the occurrence of which could adversely affect our business and operating results.

Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyber-attacks.

We rely on our information technology systems, as well as those of third parties, including cloud service providers and related telecommunications network providers, to support our services, data storage, transaction processing, customer response functions, inventory management and supply chain operations. Any material malfunction, interruption, slowdown or other performance failure of such systems could result in service outages or delays, impair user experience, damage user data, harm our reputation and materially and adversely affect our business, financial condition and results of operations. In addition, if such third-party service providers cease to provide services to us, fail to maintain adequate service levels, or if our or their systems become obsolete or are unable to support our future growth, our business, financial condition and results of operations could be materially and adversely affected.

We face certain risks in relation to our leases.

Certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. Although failure to do so does not in itself invalidate the leases, the lessors and the lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. We may also be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons out of our control, and the relevant facilities need to be temporarily closed if we are not able to identify suitable premises on acceptable terms to relocate in a timely manner. The occurrence of such events could disrupt our operations, and materially and adversely affect our business, financial condition and results of operations.

Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders or introduce covenants that may restrict our operations or our ability to pay dividends.

We will need significant capital to, among other things, conduct research and development and expand our production capacity as well as roll out new products. We also expect to require significant capital and incur substantial costs in upgrading and expanding our existing manufacturing plants in the United States and Vietnam, and in constructing our new production base in Thailand. As we ramp up our production capacity and operations, we may also require significant capital to maintain our property, plant and equipment and such costs may be greater than anticipated. Our expected sources of capital include both equity and debt financing. However, financing might not be available to us in a timely manner or on terms that are acceptable, or at all.

Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business plan. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our

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spending, delay or cancel our planned activities or substantially change our current corporate structure. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations.

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.

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 a result, we may be required by competent authorities to pay the outstanding amount, and could be subject to late payment penalties or enforcement application made to the court.

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 insurance and housing funds, we have made further inquiries to the local social insurance and housing funds authorities and obtained confirmations from them, and our PRC Legal Advisors are of the view that the likelihood of us being subject to penalty, or centralized collection imposed by the relevant government authorities is remote. We cannot assure you that the competent local government authorities will not require us to pay the outstanding amount within a specified time limit or impose late fees or fines on us, which may affect our financial condition and results of operations.

Any failure by us or our employees or our business partners to comply with applicable anti-money laundering, anti-terrorism, anti-bribery, export controls, economic and trade sanctions regulations and similar laws could lead to significant penalties and damages to our reputation, adversely affecting our operating performance, financial condition and results of operations.

Any failure by us or our business partners who work with us to comply with applicable anti-money laundering (“AML”), anti-terrorism, anti-bribery, export controls, or economic and trade sanctions laws and regulations could lead to significant penalties and damage to our reputation. We and our business partners who work with us are often required to comply with certain AML requirements set out by regulators in the jurisdictions where we and our business partners operate. We are also subject to various AML, anti-terrorism, anti-bribery, export controls and economic and trade sanctions laws and regulations that prohibit, among other things, any involvement in transferring the proceeds of criminal activities and the import and export of controlled products and technologies. To comply effectively with such laws and regulations, we and our business partners must establish sound internal control policies and procedures with respect to AML, anti-terrorism, anti-bribery, export controls, economic and trade sanctions, which can require significant resources and expenditures.

The policies and procedures we and our business partners have adopted may not be effectively implemented in protecting our products from being exploited for money laundering, terrorist financing, bribery and corruption, terrorism, economic and trade sanctions and other illegal purposes. If we fail to comply with AML, anti-terrorism, anti-bribery, export controls and economic and trade sanction laws and regulations, we could be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities, and damages to our reputation, all of which may adversely affect our business, results of operations and financial condition.

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If we fail to recruit, retain and motivate highly skilled personnel, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Our success depends on the continued service of our directors, senior management, and other key personnel, including R&D, engineering, product design, finance, legal, and support teams — many of whom are difficult to replace. The loss of any such personnel, or delays in finding and integrating suitable replacements, could disrupt operations and materially harm our business, financial condition, results, and prospects. We face intense competition for qualified talent, especially in engineering, R&D, marketing, and operations. Rising labor costs, global labor shortages, and inflation add to this challenge. Failure to attract, train, and retain skilled employees in a timely manner could impede our strategic objectives, slow business growth, and affect our ability to maintain our corporate culture. Rapid expansion may further strain our ability to onboard new hires effectively.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

As of the Latest Practicable Date, we are a party to certain material legal or administrative proceedings. For instance, following U.S. AD/CVD proceedings on certain PRC-origin low-speed personal transportation vehicles, CBP demanded approximately US\$9.0 million of estimated AD/CVD deposits in respect of certain products previously imported by Tao Motor, which is being disputed and is subject to ongoing proceedings. See “Business — Legal Proceedings and Compliance — Legal Proceedings.” We may in the future be subject to or involved in other lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines relating to our business operations. Lawsuits and other administrative or legal proceedings that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits and other legal and administrative proceedings may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our products, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our Directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our Directors or officers may be a target for lawsuits, including putative class action lawsuits brought by shareholders and lawsuits against our Directors and officers as a result of their position in other public companies. We cannot assure you that we or our Directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs’ appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our Directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

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We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial conditions and results of operations. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations. Given the uncertainty, complexity and scope of many of these litigation matters, their outcome generally cannot be predicted with a reasonable degree of certainty.

Non-compliance with regulatory standards and requirements of any third parties with which we conduct business could disrupt our business, harm our reputation and adversely affect our financial condition and results of operations.

Third parties with which we conduct business, such as suppliers and other business partners, may be subject to regulatory penalties or punishments because of their failure to comply with relevant regulatory requirements or may be infringing upon other parties’ legal rights, which may, directly or indirectly, disrupt our business. We cannot be certain whether such third party has violated any regulatory requirements or infringed or will not violate or infringe any other parties’ legal rights. For example, the data that we obtain from our collaborating business partners may be defective, and we may not be able to identify all instances of intellectual property infringement, and we may be held liable and pay damages for such infringement. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to regulatory risks with respect to tax compliance regulations and policies.

We may encounter significant risks stemming from changes in tax policies, adjustments in tariff rates, as well as potential modifications to corporate income tax and value-added tax exemptions, and others, could adversely affect our profitability. These changes may lead to increased operational costs and reduced margins, impacting our financial performance and strategic planning. As tax policies are subject to governmental review and alteration, we must remain vigilant and adaptable to ensure compliance and mitigate potential financial repercussions. In the ordinary course of business we may be subject to inquiries, reviews, claims, assessments or other regulatory actions conducted by relevant tax or revenue authorities in the jurisdictions in which we operate. We may be subject to additional tax or duty liabilities, or increased statutory royalties in relation to our operations, as a result of any unfavorable decisions made by such relevant tax or revenue authorities, which may result in investigations, fines, and/or administrative penalties, and materially and adversely affect our business, financial position and results of operations. Such regulatory actions may also divert our management’s attention and other resources, especially if they are not resolved in a timely manner. For example, we carried out certain intra-group transactions during the Track Record Period, and our profit allocation and income tax positions in connection with such transfer pricing arrangements are subject to the interpretations by relevant tax authorities of applicable tax law as well as applicable rules and regulations with respect to transfer pricing in relevant jurisdictions. See “Business — Transfer Pricing.” There is no assurance that the respective tax authorities would not challenge the appropriateness of our historical transfer pricing arrangements or that the relevant regulations or standards governing such arrangements will not be subject to future changes. If a competent tax authority later determines that the transfer prices and the transaction terms that we have adopted as well as our historical income tax provisions and accruals are not appropriate, such authority may require the relevant subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. If we are

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considered not to be in compliance with the applicable transfer pricing rules and regulations, the relevant tax authority may also have the power to order us to pay all outstanding tax and statutory interest and/or fines.

We may not continue to receive preferential tax treatments and financial incentives currently available to us, and any change or discontinuation of such preferential treatments or incentives could adversely affect our results of operations. We cannot assure you that such preferential tax treatments, government grants, subsidies or other financial incentives will continue to be available to us, or that we will continue to satisfy the relevant qualification requirements. During the Track Record Period, we and certain of our subsidiaries were entitled to preferential tax treatments and financial incentives, for details please see note 11 to the Accountants’ Report in Appendix I. Any failure to renew or maintain the relevant qualifications, any change in applicable tax laws, regulations or government policies, or any reduction, discontinuation or delay in payment of such government grants, subsidies or other financial incentives could increase our income tax expenses, reduce our other income and cash inflows, and adversely affect our net income, financial condition and results of operations.

An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products and services.

Our products and services may be considered discretionary items for some consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, and other factors, such as consumer confidence in future economic conditions, fears of recession, the availability and cost of consumer credit, levels of unemployment and tax rates. As global economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions. Unfavorable economic conditions may lead consumers to delay or reduce purchases of our products and services and consumer demand for our products and services may not grow as we expect. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and services may have an adverse effect on our operating results and financial condition.

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities, such as property insurance, product liability insurance and employers’ insurance. For further details, see “Business — Insurance.” However, insurance companies in the PRC and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. We may produce wastewater, generate hazardous waste and emit greenhouse gas in the course of our operation. We monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See “Business — Environmental, Social and Governance.”

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We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases.

Our business could be adversely affected by natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika, acts of war, terrorism or other force majeure events beyond our control. These events may disrupt our research and development, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, these natural disasters, outbreaks of contagious diseases and other adverse public health developments could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

Our Controlling Shareholder may have substantial influence over our Company and his interests may not be aligned with the interests of other Shareholders.

Upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our 2023 Restricted Share Incentive Plan), our Controlling Shareholder will hold [REDACTED] of our total issued Shares. As a result, Controlling Shareholder, will have significant influence over our business, including decisions regarding mergers, consolidations, liquidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that other holders of our ordinary shares may view as beneficial.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Our business is subject to a variety of local and overseas laws, rules, policies and other obligations, including those relating to cybersecurity, privacy, data protection and international trade.

We are subject to numerous laws, regulations and policies in the markets where we operate, including those relating to data privacy, cybersecurity and trade barriers and remedies in our international operations. In the course of our business, we may possess business, contractual and limited personal information relating to our customers, suppliers and other business partners. See “Business — Data Security and Privacy.” As we expand globally, compliance with evolving and sometimes inconsistent laws governing the collection, use, retention, security and transfer of personal information, including cross-border transfer restrictions, may increase our costs and require changes to our business practices. Although we have implemented measures to protect our systems and data, such measures may not be effective in all circumstances. Any failure to comply with applicable privacy, data protection or cybersecurity laws and regulations, or to safeguard data security and privacy, could result in investigations, legal liability, penalties and reputational harm. In addition, trade barriers and trade remedies, including export requirements, tariffs, taxes, anti-dumping and countervailing duty orders and other restrictions and costs, may increase the prices of our products and reduce our competitiveness in certain markets. For details, see “— Our business could be adversely affected by global trade tensions, the imposition of anti-dumping and countervailing duty investigations, and elevated trade tariffs” in this section.

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You should assess the legal protections you are entitled to under legal system in the jurisdictions where we operate.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, legal proceedings may incur significant costs, divert our resources, and negatively affect our management’s focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

We are subject to the currency exchange control system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, PRC tax laws and regulations may be adjusted from time to time. For example, under the Individual Income Tax Law of the People’s Republic of China (the “IIT Law”) (中華人民共和國個人所得稅法), which was amended on June 30, 2011 and came into effect on September 1, 2011, foreign nationals who have domiciles in the PRC, or have no domicile in China but have resided in the PRC for one year or more, would be subject to PRC individual income tax at progressive rates on their income gained within or outside the PRC. The Standing Committee of NPC has approved the amendment of the IIT Law, which became effective on January 1, 2019. Under the amended IIT law, foreign nationals who have no domicile in China but have resided in the PRC for a total of 183 days or more in a tax year would be subject to PRC individual income tax on their income gained within or outside the PRC. Our ability to attract and retain highly skilled foreign scientists and research personnel to work in China may be materially affected by such tax regulations, which may in turn have a material adverse effect on our business, financial condition, results of

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operations, cash flows and prospects. The PRC tax laws and regulations may change from time to time in the future and may also have an adverse effect on our business, financial condition and results of operations.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future security activities.

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities (關於依法從嚴打擊證券違法活動的意見) (the “**July 6 Opinion**”), which called for the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “**Overseas Listing Trial Measures**”) and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies’ securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities. Pursuant to the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. In addition, according to the Overseas Listing Trial Measures, any future share issuance or listing after this [REDACTED] will also be subject to filing procedures of CSRC and we are also required to report certain material matters to CSRC after this [REDACTED]. Any failure to complete such filing or reporting procedures would subject us to administrative penalties by CSRC which could harm our reputation and may adversely affect our results of operations and financial condition. We cannot guarantee that new rules or regulations promulgated in the future pursuant to the July 6 Opinion and any other related PRC rules and regulations will not impose any additional requirement on us or otherwise tightening the regulations on us.

[REDACTED] of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares (“**Non-Chinese Resident Individual Holders**”), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa 1993 No. 045 (Guo Shui Han 2011 No. 348) (關於國稅發1993045號文件廢止後有關個人所得稅徵管問題的通知(國稅函2011348號)) dated June 28, 2011 and issued by the State Tax Administration (the “**SAT**”), the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the “**Individual Income Tax Law**”) and its implementation regulations, Non-Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the

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aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-mainland China resident individual holders on the transfer of shares in mainland China resident enterprises listed on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders’ [REDACTED] in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the “EIT Law”) and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between the China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han 2008 No. 897) (關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知(國稅函2008897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including the [REDACTED]). Non-Chinese resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the Chinese tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the Chinese tax authorities’ approval. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-Chinese resident enterprise holders’ [REDACTED] in H Shares may be materially and adversely affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years. Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRSs, or vice versa.

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors and senior management residing in China.

We are a company incorporated under the laws of the PRC and a large portion of our assets are located in the PRC. The majority of our Directors, Supervisors and senior management reside within the PRC. The assets of these Directors, Supervisors and senior management also may be located within the PRC. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People’s Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost. Although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our H Shares on the Stock Exchange,

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the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

On July 14, 2006, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “**2006 Arrangement**”). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement. On January 18, 2019, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**2019 Arrangement**”) and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a “choice of court agreement in writing” entered into before the 2019 Arrangement taking effect. However, there remains uncertainties as to the outcome of any specific applications to recognize and enforce such judgments and arbitral awards in China.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under the PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities. In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit a formal application, which will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. The procedures, however, may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or our affiliated entities or their subsidiaries. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations, and we may not be able to recover our loss due to such misuse or misappropriation if the third party relies on the apparent authority of such employees and acts in good faith.

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RISKS RELATING TO THE [REDACTED] AND OUR SHARES

We will be concurrently subject to [REDACTED] and regulatory requirements of mainland China and Hong Kong.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the ChiNext of the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Main Board of the Stock Exchange. Under current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable.

Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [REDACTED] decision in our H Shares.

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

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

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

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [REDACTED] and [REDACTED] of our H Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our

RISK FACTORS

business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in [REDACTED] not directly related to our business performance.

Future sales or perceived sales of our H Shares in the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be adversely impacted as a result of future sales of our H Shares or other securities relating to our H Shares in the [REDACTED] by our Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders’ interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [REDACTED] of our H Shares.

In addition, while [REDACTED] [REDACTED] shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they [REDACTED], they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED]. Any sale of the H Shares [REDACTED] by such [REDACTED] pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares and any sizeable sale could have a material and adverse effect on the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] of our H Shares.

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

We have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of mainland China, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under the IFRSs. The declaration, payment and amount of any future dividends are subject to the discretion of our Board of Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Board of Directors may deem relevant, and subject to the approval at Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of mainland China. For details, see “Financial Information — Dividend.” No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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You should not place any reliance on any information released by us in connection with the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in mainland China. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, [REDACTED] in our H Shares should be reminded that, in making their [REDACTED] decisions as to whether to [REDACTED] our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution our [REDACTED] not to rely on any information contained in press articles or other media coverage relating to us, our H Shares and the [REDACTED]. Prior to the publication of this document, there may be press and media coverage regarding the [REDACTED] and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our [REDACTED] should not rely on such information.

Certain facts, forecast and other statistics in this document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this document are derived from various government, official sources and public information. However, our Directors cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and presenting such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources have not been independently verified by us, the Sole Sponsor, [REDACTED] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [REDACTED] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [REDACTED] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

RISK FACTORS

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

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

WAIVERS AND EXEMPTIONS

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

WAIVER IN RELATION TO PRESENCE OF MANAGEMENT IN HONG KONG

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

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. None of our executive Directors ordinarily resides in Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

- (a) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Mr. Sun Yong (孫永) (“**Mr. Sun**”) and Ms. Chan Pui Ching (陳佩貞) (“**Ms. Chan**”) (the “**Authorized Representatives**”). Ms. Chan is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;
- (b) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Our Company has implemented a policy whereby (1) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (2) in the event that a Director expects to travel or is otherwise out of office, he/she will provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (3) each Director has provided his/her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

WAIVERS AND EXEMPTIONS

- (c) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;
- (d) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong within a reasonable time, when required;
- (e) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of South China Capital Limited as compliance advisor (the “**Compliance Advisor**”) upon [REDACTED] for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange;
- (f) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Advisor, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Advisor informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Advisor;
- (g) we will appoint other professional advisors (including legal advisors in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (h) our Company has designated one of our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company’s professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

WAIVERS AND EXEMPTIONS

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code and Mergers and Share Buy-backs;
- (c) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Sun and Ms. Chan as our joint company secretaries. See “Directors and Senior Management — Joint Company Secretaries” for their biographical details.

Mr. Sun has extensive experience in areas of finance and operations management. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Mr. Sun, who is our executive Director, secretary of the Board and chief financial officer and has day-to-day knowledge of the Company’s affairs. Mr. Sun has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Sun presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Chan, who is an associate member of The Hong Kong Chartered Governance Institute and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Sun for an initial period of three years from the [REDACTED] to enable Mr. Sun to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Sun may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Chan, as a joint company secretary of our Company, will work closely with Mr. Sun to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Sun in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Chan will also assist Mr. Sun in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Chan is expected to work closely with Mr. Sun and will maintain regular contact with Mr. Sun, the Directors and the senior management of our Company. In addition, Mr. Sun will comply with the

WAIVERS AND EXEMPTIONS

annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Sun will also be assisted by (a) the Compliance Advisor, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Chan ceases to provide assistance to Mr. Sun as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Mr. Sun will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We must demonstrate and seek the Stock Exchange’s confirmation that Mr. Sun, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Name	Position	Address	Nationality
Mr. CAO Matao (曹馬濤)	Chairman of the Board, executive Director and general manager	No. 107, Dongshantou, Houwu Village, Qiancang Town, Yongkang City, Zhejiang Province, China	Chinese
Mr. YAO Guangqing (姚廣慶)	Executive Director and deputy general manager	No. 69, Back Street, Yaotang Village, Shizhu Town, Yongkang City, Zhejiang Province, China	Chinese
Mr. SUN Yong (孫永)	Executive Director, secretary of the Board, chief financial officer and joint company secretary	No. 1, Building 47, Gaoshantou Residential Compound, Dongcheng Sub-district, Yongkang City, Zhejiang Province, China	Chinese

Non-executive Directors

Mr. CAO Yuejin (曹躍進)	Non-executive Director	No. 107, Dongshantou, Houwu Village, Qiancang Town, Yongkang City, Zhejiang Province, China	Chinese
Mr. ZHAO Longman (趙龍曼)	Non-executive Director, employee representative Director	8401 Mint Mews, Frisco, Texas, United States	Chinese

Independent Non-executive Directors

Mr. CHEN Junze (陳軍澤)	Independent non-executive Director	Room 2001, Unit 1, Building 1, Yinma Apartment, Wenyi Road, Hangzhou City, Zhejiang Province, China	Chinese
Mr. CHEN Dongpo (陳東坡)	Independent non-executive Director	No. 155, Dongxin Road, Gongshu District, Hangzhou City, Zhejiang Province, China	Chinese
Mr. ZHANG Jianxin (張建新)	Independent non-executive Director	Room 302, Unit 4-4, Hanya Garden, Jiancai Road, Nankai District, Tianjin City, China	Chinese
Ms. ZANG Cuicui (臧翠翠)	Independent non-executive Director	Flat G, 25/F, Tower 10, Yee Lai Court, South Horizons, Phase 2, Ap Lei Chau, Hong Kong	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Mr. Cao is the son of our Non-executive Director, Mr. Cao Yuejin. Further information is set out in the section headed “Directors and Senior Management”.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

CITIC Securities (Hong Kong) Limited
18/F One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

Legal Advisors to the Company

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

Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place, Central
Hong Kong

As to PRC law:

Grandall Law Firm (Hangzhou)
Grandall Building, No. 2 & No. 15
Block B, Baita Park, Old Fuxing Road
Hangzhou, Zhejiang Province
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to International Sanctions laws:

**Ashurst Tokyo (Ashurst Horitsu Jimusho
Gaikokuho Kyodo Jigyo)**
Gaikokuho Kyodo Jigyo
Shiroyama Trust Tower
30th Floor, 4-3-1 Toranomom
Minato-ku, Tokyo
Japan

As to tariff laws:

Neville Peterson LLP
One Exchange Plaza
55 Broadway #2602
New York
United States

**Legal Advisors to the Sole Sponsor and
[REDACTED]**

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

Jingtian & Gongcheng LLP
Suites 3203–3207,
32/F., Edinburgh Tower
The Landmark,
15 Queen’s Road Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing, China

Auditors and Reporting Accountants

Confucius International CPA Limited
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
Room 1501–08, 15/F., Tai Yau Building
181 Johnston Road, Wanchai
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai Branch
Co.**
Suite 2504, Wheelock Square
1717 Nanjing West Road, Jing’an District
Shanghai, PRC

Tax Advisor

Pan-China Certified Tax Agents Limited
14/F, Tower B, China Resources Building
1366 Qianjiang Road, Shangcheng
District
Hangzhou, Zhejiang Province
PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	No. 10, Xinyuan Road, Xinbi Street Jinyun County, Lishui City Zhejiang Province, China
Headquarters and Principal Place of Business in the PRC	No. 10, Xinyuan Road, Xinbi Street Jinyun County, Lishui City Zhejiang Province, China
Principal Place of Business in Hong Kong	Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	https://www.taomotor.com.cn <i>(the information contained on the website does not form part of this document)</i>
Joint Company Secretaries	Mr. SUN Yong (孫永) No. 1, Building 47 Gaoshantou Residential Compound Dongcheng Sub-district Yongkang City Zhejiang Province China Ms. CHAN Pui Ching (陳佩貞) <i>(associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> Room 1919, 19/F Lee Garden One, 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. SUN Yong (孫永) Ms. CHAN Pui Ching (陳佩貞)
Audit Committee	Mr. CHEN Dongpo (陳東坡) <i>(Chairperson)</i> Mr. CHEN Junze (陳軍澤) Mr. CAO Yuejin (曹躍進)
Remuneration and Appraisal Committee	Mr. ZHANG Jianxin (張建新) <i>(Chairperson)</i> Mr. CHEN Dongpo (陳東坡) Mr. SUN Yong (孫永)
Nomination Committee	Mr. CHEN Junze (陳軍澤) <i>(Chairperson)</i> Mr. CAO Matao (曹馬濤) Mr. ZHANG Jianxin (張建新) Ms. ZANG Cuicui (臧翠翠)
Strategy and ESG Committee	Mr. CAO Matao (曹馬濤) <i>(Chairperson)</i> Mr. CHEN Junze (陳軍澤) Mr. YAO Guangqing (姚廣慶)

CORPORATE INFORMATION

Compliance Advisor

South China Capital Limited

28/F, Bank of China Tower
No. 1 Garden Road Central
Hong Kong

[REDACTED]

Principal Bank

**Bank of China, Jinyun County sub-branch of
Lishui Branch**

No. 110 Wenyu Road
Jinyun County
Lishui City
Zhejiang Province
China

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official governmental publications and other publicly available publications. We engaged Frost & Sullivan to prepare the F&S Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED], or any of our or their respective directors, senior management representatives, advisors or any other persons involved in the [REDACTED] and no representation is given as to its accuracy.

OVERVIEW OF E-MOBILITY PRODUCTS

E-mobility products refer to vehicles powered by on-board batteries or other energy storage devices, primarily used for short-distance personal or small-group commuting. They mainly comprise (i) LSEV, which are typically designed with enclosed or semi-enclosed cabins, feature lower maximum speeds and shorter ranges, and meet the multi-passenger short-distance travel needs; and (ii) electric two-wheelers, covering electric scooters, electric balance bikes and electric bicycles, which are generally flexible and portable and are suitable for single or double riders.

OVERVIEW OF THE GLOBAL LSEV INDUSTRY

Definition and Classification of LSEV

LSEVs are four-wheeled electric vehicles designed for short-distance transportation and neighborhood mobility with an attainable speed exceeding 20 miles per hour but not more than 25 miles per hour on a paved level surface and a gross vehicle weight rating of less than 3,000 pounds, and are permitted to operate legally on certain public roads. LSEVs are widely used in scenarios such as neighborhood commuting, scenic area tours, and short-distance travel within campuses or communities. LSEVs differ significantly from automobiles in performance and functions, and the two are not mutually substitutable.

LSEV and Automobile Performance Comparison

	LSEV	Automobile
Distance of travel	Short-distance oriented	Supports both short and long trips
Battery capability	Low capacity, short range	High capacity, long range
Usage restrictions	Limited road access	Full road network access
Speed	Low speed (20-25 mph)	High speed (>25mph)

Note: “long-distance” is defined as trips with a single-trip distance exceeding 20 km, while “short-distance” refers to trips with a single-trip distance below 20 km.

Source: Frost & Sullivan

Factors Underpinning the High Growth Potential of the LSEV Industry

Total Cost of Ownership Advantage

Cost advantage is a key driver of LSEV to market penetration, as LSEVs generally involve lower upfront costs and long-term operating and maintenance costs than traditional automobiles. Compared with traditional automobiles, LSEVs typically have lower maintenance and repair costs and other recurring expenses. Their parts and components are generally less expensive and due to their smaller size and lower power output, LSEVs consume less energy per mile. In terms of insurance costs,

INDUSTRY OVERVIEW

traditional gasoline-powered vehicles typically incur annual premiums ranging from US\$1,500 to US\$2,700 in the U.S., while LSEVs generally have lower premiums, further supporting the total cost-of-ownership advantage of LSEVs.

The total cost-of-ownership advantage of LSEVs is further reflected in their lower operating and maintenance costs over the product lifecycle. In terms of energy consumption, the electricity cost per 100 kilometers for an LSEV is significantly lower than the fuel cost for a fuel-powered car over the same distance. According to research by the U.S. Department of Energy, electric vehicles (the broader category to which LSEVs belong) save approximately 6 cents in fuel costs per mile compared with gasoline vehicles. In addition, due to relatively simple mechanical structure and low maintenance requirements, LSEVs generally incur lower maintenance and repair costs than traditional automobiles, and certain recurring expenses, such as insurance premiums and service costs, may also be lower, subject to applicable local requirements and usage scenarios. In certain markets, policy measures such as inspection exemptions or purchase-related incentives, may further reduce the cost of ownership and lower the barrier to use. China has issued the Guiding Opinions on Vigorously Developing Sports Tourism and Promoting the High-quality Development of the Sports Industry, as well as the Guideline Catalog for Industrial Restructuring (2024 Edition), to guide the high-quality development of related sectors and optimize the industrial structure.

High Adaptability to Short-Distance Travel and Diverse Usage Scenarios

LSEVs are well suited for short-distance mobility scenarios due to their compact size, low-speed design and relatively low operating and maintenance costs. They can be used for urban short-distance commuting, intra-community transportation and travel on narrow roads in towns and villages, where full-size automobiles may not be necessary or cost-efficient.

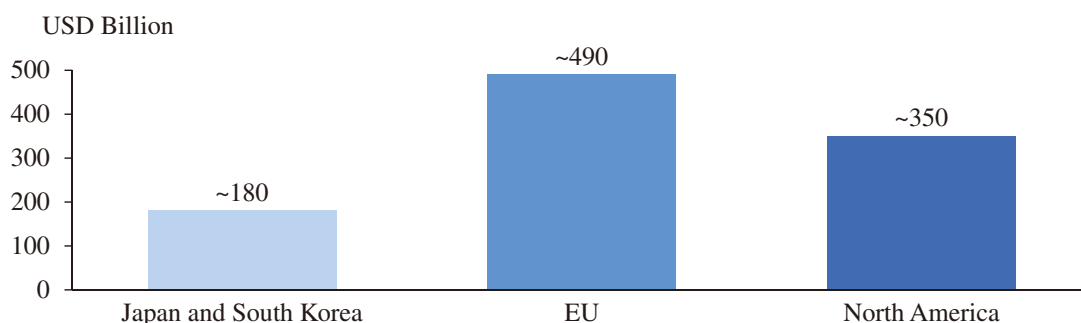
Serviceable Addressable Market Size in Key Global Markets

The serviceable addressable market (“SAM”) represents the segment of the market that a specific product or service can actually cover or serve. The global SAM for LSEV can reach the trillion-dollar level. In terms of market maturity across regions, the North American market is the most developed, followed by the EU, while the Japan-South Korea market is still in the early stages of development. In terms of market size by region, the EU ranks first, followed by North America and Japan and South Korea. In terms of growth potential, measured by the CAGR for the next five years, North America also leads, followed by the EU, Japan and South Korea. There are more than 50 competitors in each of these key regional markets. The differences in market maturity, market size and growth potential across these regions are mainly attributable to factors such as the intensity of short-distance travel demand, regulatory environment, consumer spending power and transportation use cases. For example, in the United States, Federal Motor Vehicle Safety Standard (“FMVSS”) No. 500 (49 CFR § 571.500) provides a federal regulatory framework for low-speed vehicles.

The North American market, characterized by over 60% of travel concentrated in short-distance scenarios, strong demand for transportation from the middle class and elderly populations, and high-frequency usage scenarios like gated communities, possesses higher market maturity. Middle-class consumers have relatively high income and are mostly family households with demands for family trips and daily commuting, and can afford to purchase LSEVs. The elderly age bracket market also shows strong demand for low-speed, safe and easy-to-operate travel tools, which perfectly align with the inherent product features of LSEVs. In addition, there are a large number of elderly communities in the United States, where most intra-community trips are short-distance. Walking imposes a heavy physical burden on the elderly, while driving traditional automobiles is unnecessary. As such, LSEVs are well suited for commuting within retirement communities. Driven by evolving lifestyle trends and rising outdoor leisure needs, both the middle-class and elderly consumer segments jointly underpin the substantial market potential of LSEVs, and these two major customer groups are in line with the Group’s current customer profiles. According to the U.S. Census Bureau’s 2024 estimates, there are approximately 59.3 million Americans aged 65 and over, accounting for 17.7% of the total U.S. population.

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SAM Size for LSEV in Key Global Markets



Note: “CAGR” refers to the estimated compound annual growth rate of the LSEV market in each region from 2026 to 2030

Source: Frost & Sullivan, IMF, expert interview, public filing

LSEV Industry Chain

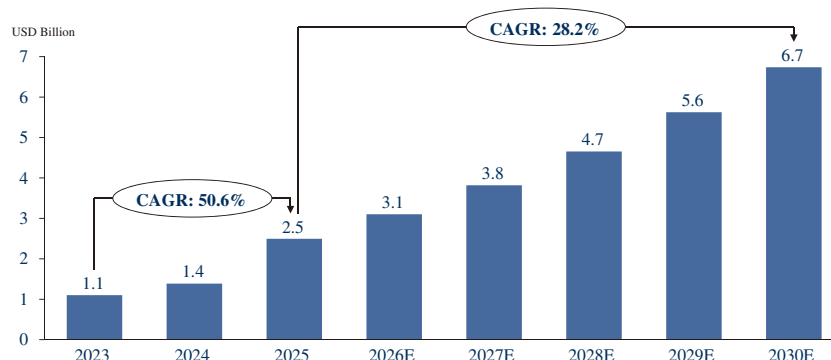
The LSEV industry chain can be divided into three main segments: upstream core component supply, midstream vehicle manufacturing and system integration, and downstream diversified application scenarios.

System integration, midstream brand operation, and downstream service ecosystems are becoming higher value-added areas. System integration refers to the technical integration of core components such as the battery, motor, and electronic control system, in compliance with the relevant industry standards. Brand operation refers to establishing brands and carrying out marketing and sales activities, such as channel deployment and consumer targeting, to enhance consumer loyalty and brand influence and revenue. The downstream service ecosystem refers to building a complete service chain that covers pre-sales consulting, delivery, and after-sales support. Established LSEV companies increasingly seek to build long-term competitive advantages through a “hardware + software + services” model which equips vehicles with software systems and supported by pre-sale and after-sales services to customers. Our Company’s products and services cover vehicles, intelligent software, and both pre-sales and after-sales services, and therefore meet the operating requirements of this model.

Global LSEV Market Size

Global LSEV market size

Global LSEV Market Size, 2023-2030E



Source: Frost & Sullivan, IMF, expert interview, public filing

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Analysis of Success Factors for LSEV Enterprises

Globalized production capacity layout. Established enterprises focus on the United States as a key market. On one hand, they establish production bases in supply chain hubs such as Southeast Asia, leveraging local labor and raw material resources to control basic costs. On the other hand, they deploy vehicle and core component manufacturing capabilities in key regions of the United States, forming a dual-track production capacity system.

Established overseas sales network. Building distributor relationship and cultivating high-quality distributors are core supports for leading manufacturers in constructing competitive barriers. Leading manufacturers focus on building the distributor system, prioritizing the selection and cultivation of partners with strong financial capabilities, a younger profile and the potential for deeper collaboration.

Continuous product iteration capability. Established enterprises focus on users’ core needs and scenario pain points to drive product upgrades across three dimensions: hardware, functionality and experience. Such user-oriented iteration can help match market changes, build word-of-mouth through differentiated functions, and support sales and brand recognition.

Drivers and Development Trends in the LSEV Market

Diversified demand in community scenario accelerates market penetration. Demand from the elderly for stable transportation and short-distance shopping, the pursuit of flexible commuting and convenient parking among young people, and the need for equipment transport in daily community operations collectively expand market demand. Meanwhile, vehicle lightweighting, foldable designs and long-range capabilities further align with the practical usage scenarios of community transportation. Foldable design solutions that allow key components such as seats and roof, or the whole LSEV, to be folded quickly to reduce the volume.

Upgraded outdoor leisure consumption drives market expansion. The outdoor leisure economy covers economic activities related to outdoor activities including golfing, camping, cycling, hiking, mountaineering and suburban excursions. Residents in Europe, America and other developed regions generally advocate nature, pursue a leisure and healthy lifestyle, and are keen on outdoor activities, driving the rapid growth of the market. The growth of outdoor leisure activities, such as scenic area tours and camping, has increased demand for mobility products that are not only functional, but also convenient, low-noise and suitable for outdoor usage scenarios. Compared with traditional fuel-powered transportation vehicles, LSEVs have no tailpipe emissions during operation, generate relatively low noise and are generally compact in size, which makes them well suited for use in scenic areas, campsites and other outdoor leisure settings where environmental impact, noise control and ease of movement are important considerations. In addition, consumers in these scenarios increasingly expect mobility products to provide a better user experience beyond basic passenger or goods transportation. By incorporating smart modules that support functions such as navigation, Bluetooth connectivity and smart locks, LSEVs can better meet consumers’ demand for convenient and user-friendly short-distance mobility in outdoor leisure scenarios, thereby supporting the continued expansion of the LSEV market.

GLOBAL E-MOBILITY INDUSTRY COMPETITIVE LANDSCAPE

Overview of the E-Mobility Industry Competitive Landscape

Among them, E-Mobility manufacturers with annual revenue exceeding US\$300 million are defined as top-tier players. E-Mobility manufacturers with annual revenue ranging from US\$50 million to US\$300 million are defined as second-tier players.

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Global E-Mobility Enterprise Ranking and Market Share (by Revenue), 2025

Ranking	Company	Revenue (\$US in million)
Top Tier	Company B, Company C, Company E, Company A, The Company	>300
Second Tier	Company D	50-300

Global LSEV Market Ranking

Global LSEV Enterprise Ranking and Market Share (by Revenue), 2025

Ranking	Company	Revenue (\$US in million)	Market Share
1	The Company	1,957.4	10.9%
2	Company A	1,929.9	9.6%
3	Company B	1,185.0	6.6%
4	Company C	766.0	4.3%
5	Company D	346.3	1.9%

Source: Frost & Sullivan, expert interview, public filing

Note:

1. Company A is a non-listed company established in 2007, focusing on the R&D, production and sales of LSEVs;
2. Company B is an enterprise founded in 1954 and is a non-independently listed entity. Its core business comprises the R&D and manufacturing of LSEVs;
3. Company C is an enterprise established in 1958, which was listed on NASDAQ in 1993 and is currently a non-independently listed entity. Company C focuses on the R&D, production and global sales of LSEVs;
4. Company D is a non-listed company founded in 2017, with its core business being the R&D and production of LSEVs.
5. Company E is a brand under a listed company established in 2012, focusing on the R&D, production and sales of electric two-wheelers, electric scooters and electric balance bikes.

LSEV Industry Entry Barriers

Technical barriers

The LSEV industry has relatively high technical requirements. Enterprises must possess deep technical expertise in key areas such as the three-electric system and unmanned driving technology. The three-electric system consists of batteries, motors and electronic controls, serving as the core component of new energy vehicles. The system is critical for LSEVs and delivers core functions including stable cruising range, power output and intelligent vehicle control. In addition, leading industry players are actively exploring unmanned driving technology to enhance overall product competitiveness and product strength. For instance, optimization work on the chassis structure and the application practice of intelligent connectivity technology for LSEVs require substantial R&D investment and professional technical support. Furthermore, product iteration in this industry is rapid, making it difficult for new entrants to reach the corresponding technical level in a short time. Significant time and capital must be devoted to R&D. These factors collectively constitute high technical barriers.

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Supply chain barriers

A well-established supply chain system is crucial for ensuring product quality and supply stability. Established enterprises, through long-term development, have built close cooperative relationships with numerous high-quality suppliers, enabling them to ensure stable raw material supply while achieving effective cost control. Moreover, a globalized production capacity layout can further reduce production costs. However, for new entrants, building such an efficient and stable supply chain system is quite challenging. It requires considerable time and effort to find suitable suppliers and coordinate relationships among various segments of the supply chain. Therefore, the supply chain constitutes a significant competitive barrier within the industry.

GLOBAL ELECTRIC TWO-WHEELER INDUSTRY OVERVIEW

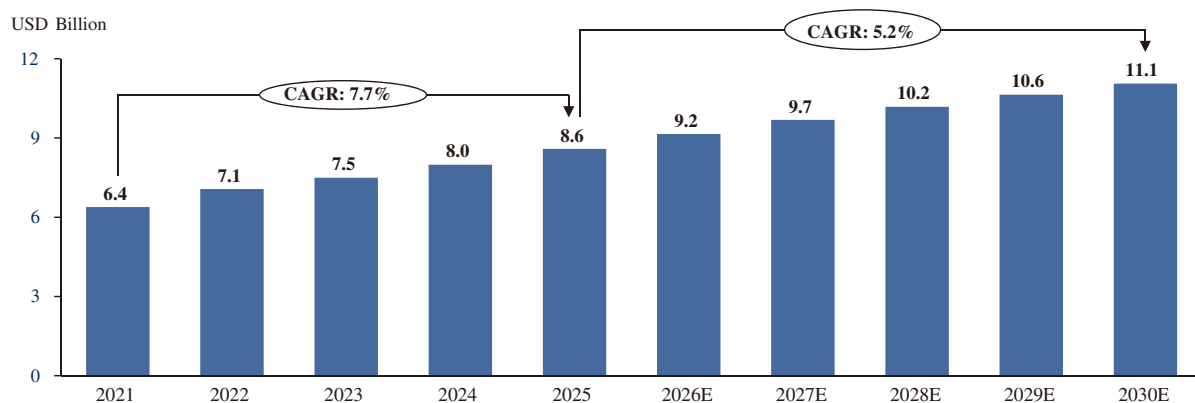
Definition and Classification of Electric Two-Wheelers

Electric two-wheelers are two-wheeled transportation tools that integrate modern electronic information technology, intelligent control technology and electric drive systems. They are widely used in scenarios such as short-distance commuting and leisure entertainment. Based on product form and functional positioning, electric two-wheelers can be mainly divided into electric balance bikes, electric bicycles and electric scooters. Electric balance bikes rely on gyroscopes and acceleration sensors to achieve automatic balance, requiring no manual steering control, and are mostly stand-on models commonly used for short-distance travel or leisure scenarios. Electric bicycles retain the pedal-cycling function of traditional bicycles while being equipped with motor-assisted drive, featuring a complete riding structure including handlebars and seats, and are mostly used for scenarios, such as daily commuting and shopping. Electric scooters are based on a scooter frame, equipped with a motor, handlebars and small wheels. They are lightweight and easy to fold, solving the “last mile” commuting need.

Intelligent Electric Two-Wheeler Market Size

In the smart electric two-wheeler market, mature markets such as North America and Europe account for over 70% of the overall market share. Constrained by saturated market penetration and a shift in consumer demand toward the stock replacement phase, their CAGR is significantly below 5%. In contrast, emerging markets including South America and Southeast Asia make up less than 30% of the total market. Driven by surging demand for short-distance travel amid rapid urbanization and rising consumer purchasing power, their CAGR is close to 10%.

Global Intelligent Electric Two-Wheeler Market Size, 2021-2030E



Source: Frost & Sullivan, expert interview, public filing

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Drivers of the Intelligent Electric Two-Wheeler Market

Rising global demand for short-distance mobility.

With the continuous advancement of urbanization and rising resident income levels, consumers have higher requirements for travel convenience, covering diverse needs such as short-distance commuting, daily transportation and leisure travel. Many suburban residents move to urban areas in pursuit of greater convenience and a higher quality of life. Urbanization-driven and convenience-oriented lifestyle shifts have significantly increased global demand for short-distance commuting, neighborhood travel and leisure mobility. Users increasingly prefer electric two-wheelers over traditional modes due to lower costs, easier access and better adaptation to congestion and parking constraints. This rising demand continues to expand the market foundation worldwide.

Active industry competition accelerates product iteration.

New entrants and established manufacturers are rapidly expanding the supply side of the intelligent electric two-wheeler market. Competition drives faster iteration in performance, safety and intelligent features, resulting in more diversified and higher-quality product offerings. The vitality of industry players fuels continuous innovation and supports sustained market expansion.

Global Intelligent Electric Two-Wheeler Market Competitive Landscape

Established Chinese manufacturers have a significant position in the global intelligent electric two-wheeler market by virtue of core barriers in technological R&D, compliance certification, and supply chain integration; while tail-end manufacturers remain highly fragmented, mostly surviving through regional OEM services. We hold approximately 1.3% market share in the global electric two-wheeler market.

Intelligent Electric Two-Wheeler Industry Entry Barriers

Supply chain barriers

Core components such as batteries, motors, controllers and structural frames have a direct impact on vehicle performance and safety, and require long-term matching and calibration to achieve stable quality. Established companies maintain deep cooperation with key suppliers, securing advantages in cost, consistency and reliability. New entrants generally lack the supply chain maturity and verification cycles needed to ensure product stability.

Distribution and service barriers

Two-wheelers are used frequently and require ongoing maintenance, which places high demands on sales and after-sales service capabilities. Established players operate extensive and responsive offline service networks, while new entrants must invest significant resources to build comparable capabilities. Limited channel coverage and after-sales capacity constrain their ability to achieve effective market penetration.

GLOBAL POWERSPORTS INDUSTRY

Definition and Classification of Powersports

Powersports are a category of vehicles specifically designed for complex outdoor scenarios. They require strong environmental adaptability, enabling normal operation and function fulfillment under various harsh and complex outdoor conditions. Powersports are mainly divided into two categories,

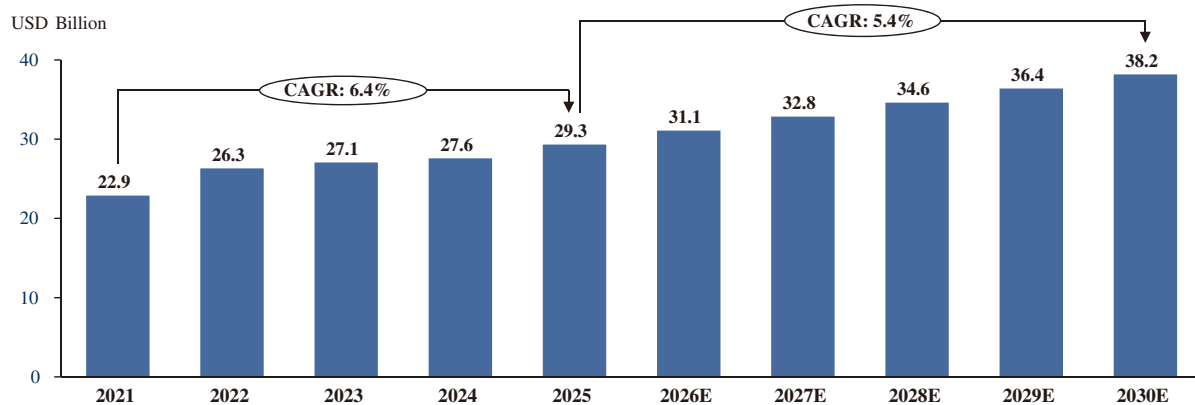
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being ATVs and off-road motorcycles. ATVs have excellent passability, capable of traversing various terrains such as rugged mountains, muddy swamps and gravel-filled wilderness. They are often used in outdoor exploration, off-road competitions and some outdoor work scenarios. Off-road motorcycles are relatively flexible and portable, making them suitable for outdoor areas with relatively better road conditions but requiring quick maneuvering, such as rural roads and roads around scenic areas. They are also widely used in outdoor recreation, leisure and short-distance transportation.

Global Powersports Market Size

In the global powersports market, North America accounts for approximately half of the market share due to its mature outdoor recreation culture, with a CAGR of less than 5%. Europe and the Asia-Pacific region together account for less than 40% of the market, with a growth rate of about 5%. Emerging markets, including Latin America and Southeast Asia hold a market share of roughly 10%. However, driven by the advancement of agricultural mechanization, the rise in outdoor recreation demand, and infrastructure construction, their growth rate reaches about 10%, making them an important growth driver for the global market.

Global Powersports Market Size by Revenue, 2021-2030E



Source: Frost & Sullivan, expert interview, public filing

Analysis of the Raw Material of E-Mobility Products

Main Raw Materials	Unit	2021	2022	2023	2024	Key Factors Influencing Pricing
Lithium Iron Phosphate Batteries (24V 10AH)	RMB/Unit	300-500		300-450	200-350	Raw Material Fluctuations: Lithium carbonate prices dropped to RMB150,000 per ton in 2024, while iron phosphate prices increased by RMB500 per ton; Market demand split between two sectors: Most batteries are used in electric vehicles, squeezing supply for industrial applications
Hub Motor (Below 500W)	RMB/Unit	400-800	350-700	300-600	250-500	Rare Earth Price Fluctuations: Price of praseodymium and neodymium declined in 2023, reducing electricity costs; Lightweight Innovation: Optimizing magnet geometry to reduce material usage
Primary Aluminum	RMB/Ton	15,000-24,000	16,000-26,000	17,000-20,000	18,000-22,000	Energy Costs: 2022 coal/power hikes lifted prices; 2024 stable supply aided 2023-2024 recovery; NEV Demand: EV frame lightweight use boosted consumption, lifting 2023-2024 prices.
Iron Ore	RMB/Ton	600-1,700	650-1,000	700-950	700-850	Supply Swings: Australia/Brazil shipments drove 2021 extremes; 2023-2024 stability narrowed volatility; Auto Steel Demand: Vehicle/construction needs softened prices post-2022.

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Global Powersports Industry Drivers and Development Trends

Policy-driven green and intelligent development. Policies in various countries strongly promote the development of the powersports industry towards green and intelligent directions. For example, China’s New Energy Vehicle Industry Development Plan (2021–2035) drives the electrification and intelligent upgrading of special-purpose vehicles, while the EU’s Regulation (EU) 2016/1628 on emissions from non-road mobile machinery promotes the low-emission transformation and technical compliance standardization of outdoor special-purpose vehicles. Such policies encourage enterprises to increase investment in technology R&D, enhancing the environmental performance, electrification and intelligence level of vehicles.

Technological innovation enhances product performance and functionality. Continuous breakthroughs in new energy technologies and autonomous driving technologies, along with developments in solid-state batteries and hydrogen fuel cell technology, are improving the performance of powersports, enriching their functionalities, and simultaneously enhancing operational convenience and safety. Solid-state battery refers to an innovative battery technology that uses a solid electrolyte as the medium for ion transmission. Solid-state batteries feature larger capacity and longer driving range. However, the market is still in the early stage of development and has not been widely adopted. It is expected to be gradually applied to LSEVs in the future. For example, the TLG Super Electric Y7 adopts solid-state battery technology. We are a Chinese enterprise and subject to the legal and regulatory system of China. The United States is not only our major revenue source at this stage but also a key strategic layout region in the future with high business relevance. Accordingly, policy support from China is conducive to the sales and promotion of our products in the U.S. market.

GLOBAL POWERSPORTS MARKET COMPETITIVE LANDSCAPE

Overseas manufacturers have a significant position in the global powersports market with advantages in brand heritage, technical R&D, global supply chains, regulatory compliance, and market positioning, while further solidifying their leading status through intelligent technology integration. We hold approximately 0.5% market share in the global powersports market.

Powersports Industry Entry Barriers

Product barriers

Powersports operate in demanding environments such as mountainous, muddy or gravel terrains, which impose strict requirements on product power performance, structural strength, durability and safety. Leading brands establish product advantages through long-term extreme-condition testing, professional competition validation and accumulated user feedback, creating strong reliability credentials. These product-level advantages are difficult for new entrants to replicate in the short term.

Supply chain barriers

The powersports industry relies heavily on coordinated supply-chain collaboration, requiring manufacturers to build stable links across both upstream components and downstream channels. New entrants, lacking long-standing supplier integration and established channel resources, face substantial challenges in building comparable systems, forming a significant entry barrier.

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SOURCE OF INFORMATION

This section includes information from the F&S Report commissioned by us, as we believe information imparts a better understanding of the global LSEV and powersports industries. We believe that Frost & Sullivan has specialized research capabilities and experience in this industry in China. Frost & Sullivan is an independent market intelligence provider that provides market research, information and advice to companies in various industries, including the global LSEV and powersports industries. We have agreed to pay a commission fee of RMB750,000 for the F&S Report. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the F&S Report. Figures and statistics provided in this document and attributed to Frost & Sullivan or the F&S Report have been extracted from the F&S Report and published with the consent of Frost & Sullivan.

In preparing the F&S Report, Frost & Sullivan conducted detailed research which involved primary research that involved expert interviews and company interviews, and secondary research analyzing information and statistics published by government departments, industry associations, publications and studies by industry experts, public company annual and quarterly reports, Frost & Sullivan’s other research reports, online resources and data from Frost & Sullivan’s research database. Frost & Sullivan also assumes that (1) the social, economic and political environments of China, the U.S. and globally will remain stable during the forecast period, (2) the data quoted from authoritative agencies remains unchanged, (3) related market drivers are expected to continue to drive the growth of the relevant markets in the forecast period, and (4) there is no extreme force majeure events or new industry regulation which would materially or fundamentally affect the relevant markets.

DIRECTORS’ CONFIRMATION

After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no adverse change in the market information presented in the F&S Report since the date of the report which may qualify, contradict or have an impact on the information in this document.

REGULATORY OVERVIEW

PRC LAWS, REGULATIONS AND POLICIES

This section summarizes the main PRC laws, regulations and policies related to the company’s daily business activities currently carried out in China.

Laws and Regulations Related to Road Motor Vehicles

According to the Regulations of the PRC on Certification and Accreditation (《中華人民共和國認證認可條例》) promulgated and implemented by the State Council on July 20, 2023, the State implements a unified certification and accreditation supervision and management system. Any legal person, organization or individual may voluntarily entrust a legally established certification body to certify products, services and management systems. Products listed in the catalogue of products subject to compulsory product certification must be certified by the certification body designated by the certification and accreditation supervision and administration department of the State Council.

According to the Road Motor Vehicle Manufacturing Enterprises and Product Access Management Measures (《道路機動車輛生產企業及產品准入管理辦法》) promulgated by the Ministry of Industry and Information Technology (“MIIT”) on November 27, 2018 and implemented on June 1, 2019, it is clarified that the State shall implement classified access management for enterprises engaged in road motor vehicle production and the road motor vehicle products produced by them for domestic use. Road motor vehicle manufacturers and products are divided into six categories: passenger cars, trucks, passenger cars, special vehicles, motorcycles and trailers. Road motor vehicle manufacturers can only produce and sell corresponding road motor vehicle products after obtaining relevant access; road motor vehicle manufacturers should continue to maintain access conditions.

According to the Announcement of the National Certification and Accreditation Administration on Issuing the Implementation Rules of Compulsory Product Certification of Motorcycle Occupant Helmets, Household and Similar Equipment (《國家認監委關於發布摩托車乘員頭盔、家用和類似用途設備強制性產品認證實施規則的公告》) promulgated by the National Certification and Accreditation Administration (“CNCA”) on October 16, 2017 and implemented on November 1, 2017, the State has changed the management of production license for motorcycle occupant (including driver and passenger) helmets to the implementation of compulsory product certification (“CCC certification”). The manufacturer shall ensure that the certified products produced can continue to meet the requirements of certification and applicable standards.

According to the Notice on Further Standardizing the Export Order of Automobile and Motorcycle Products (《關於進一步規範汽車和摩托車產品出口秩序的通知》) promulgated and implemented by the MOFCOM, the MIIT, the GAC, the AQSIQ and the CNCA on September 6, 2012, the State implements export qualification management for automobile and motorcycle (including off-highway two-wheeled motorcycles and ATVs) manufacturers, authorized operation management for export enterprises, and classified management for production enterprises.

According to the Measures for the Administration of Goods Export Licenses (《貨物出口許可證管理辦法》) promulgated by the MOFCOM on June 7, 2008 and lately revised on November 30, 2019, the State implements a unified goods export license system. The state implements export license management for goods whose export is restricted. The MOFCOM, in conjunction with the GAC, formulates, adjusts and issues the annual Catalogue of Goods under Export License Administration (《出口許可證管理貨物目錄》). For goods subject to export quota license management and export license management, foreign trade operators shall apply for an export license from the designated license issuing agency according to regulations before export, and the customs will accept the declaration, inspection and release on the basis of the export license.

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Laws and Regulations on Production Safety and Environmental Protection

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), which was last amended by the Standing Committee of the National People’s Congress (“SCNPC”) on June 10, 2021 and came into effect on September 1, 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen production safety management, establish and improve the production safety responsibility system and production safety rules and regulations, increase the investment guarantee for production safety funds, materials, technology and personnel, improve production safety conditions, enhance the standardization and informatization of production safety, raise the level of production safety, and ensure production safety. The principal person-in-charge of an entity shall be fully responsible for the production safety work of the entity. Where an entity violates the Production Safety Law, it shall be imposed with fines, ordered to suspend production for rectification in accordance with the circumstances of the violation; if the violation constitutes a crime, criminal liability shall be pursued.

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (or the Environmental Protection Law), which was lately revised by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, enterprises, institutions and other producers and operators that discharge pollutants should take measures to prevent and control environmental pollution and harm caused by waste gas, waste water, waste residue, medical waste, dust, odorous gas, radioactive substances, noise, vibration, light radiation and electromagnetic radiation generated in production and construction or other activities. The state implements the pollutant discharge permit management system according to the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated and implemented by the SCNPC on December 29, 2018, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection competent administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance inspection shall not be put into production or use.

According to the Regulations on the Administration of Pollution Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, enterprises, institutions and other production and operation units in accordance with the law shall

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subject to administration of pollution discharge permits shall discharge pollutants in accordance with the Administration of Pollution Discharge Permits, and shall not discharge pollutants without obtaining a pollutant discharging permit.

Regulations Related to Overseas Investment

Pursuant to the Administrative Measures for Overseas Investments (《境外投資管理辦法》) which was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and provincial competent commerce departments shall conduct filing or approval management depending on different circumstances of overseas investments of enterprises. Overseas investments involving any sensitive country or region, or any sensitive industry shall be subject to approval management, overseas investments under other circumstances shall be subject to filing management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) which was promulgated by the NDRC on December 26, 2017 and came in effect on March 1, 2018, an enterprise located within the territory of the PRC (the “**Investor**”) making an outbound investment shall go through such formalities as the approval and filing for the outbound investment project (the “**Project(s)**”), the reporting of relevant information, and the cooperation in the supervision and inspection over the outbound investment. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, the non-sensitive Projects involving Investors’ direct investment of assets and equities or the provision of financing or guarantees shall be subject to filing. The aforementioned “sensitive project” means a project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Industries for Outbound Investment (Edition 2018) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to list the overseas investment sensitive industries in detail.

SAFE issued the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) on 13 February 2015, and effective from June 1, 2015, abolishing the verification and approval of foreign exchange registration of overseas direct investment. The banks shall directly examine and handle foreign exchange registration of overseas direct investment. SAFE and its branches shall conduct indirect regulation of foreign exchange registration of overseas direct investment via banks.

Laws and Regulations Related to Intellectual Property

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”) promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents, namely invention, utility model and design. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date. Following the grant of patent rights for an invention or a utility model, unless otherwise stipulated in this Law, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, or use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method. Following the

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grant of design patent rights, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, offer to sell, sell or import the design patented products for manufacturing and business purposes.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by SCNPC on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, lately amended on April 29, 2014 and effective from May 1, 2014, a trademark approved and registered by the Trademark Office is a registered trademark. Trademark registrants enjoy exclusive rights to the trademarks, which are protected by law. The validity period of a registered trademark is ten years from the date of approval.

Domain Name

Pursuant to the Administrative Measures on Internet Domain Names issued by the Ministry of Industry and Information Technology (《互聯網域名管理辦法》) promulgated on August 24, 2017 and implemented on 1 November 2017. The setting-up of domain name root servers and the establishment of operation institution of domain name root servers, the administrative agencies of domain name registration and the service institution of domain name registration within the PRC shall obtain approvals from the MIIT or the communication administrations at the levels of provinces, autonomous regions and the municipalities. In principle, the domain name registration service adheres to the "first-to-file" registration principle. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and implemented on January 1, 2018 provides for the obligations of internet information service providers and other entities in combating terrorism and maintaining network security.

Laws and Regulations Related to Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated on February 22, 1993 and lately amended on December 29, 2018 by the SCNPC, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures. The counterfeiting or imitation of quality marks such as certification marks is prohibited; falsifying the place of origin of product, and falsifying or imitating the name or address of another factory is prohibited; adulteration of, or mixing of improper elements with products under manufacturing or on sale, passing off the sham as the genuine or passing off the inferior as the superior is prohibited.

Laws and Regulations Related to Import and Export Trade

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on 22 January 1987 and last amended on 29 April 2021, unless otherwise specified, import and export goods can be received by the consignee and consignor of import and export goods. The person handles the customs declaration and tax payment procedures by himself, or the consignee and consignor of import and export goods can entrust a customs declaration enterprise to handle the customs declaration and tax payment procedures. Consignees and consignors of import and export goods and customs declaration enterprises shall file with the customs according to law when going through customs declaration formalities.

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According to the PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and lately amended on December 30, 2022, and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, lately amended on March 10, 2024 and effective on May 1, 2024, no unit or individual may set or maintain prohibition or restriction measures on the import and export of goods except those explicitly prohibited or restricted by laws or administrative regulations.

According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and effective on January 1, 2022, the consignee, consignor or customs declaration enterprise of imported or exported goods only needs to apply to the customs for filing, and no longer needs to register with the General Administration of Customs. The filing information will be made public through the China Customs Enterprise Import and Export Credit Information Publicity Platform.

According to the PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and lately amended on December 30, 2022, the requirement that foreign trade operators engaged in the import and export of goods or technologies must go through filing and registration with the competent foreign trade department of the State Council or its authorized authority is abolished.

Laws and Regulations Related to Labor and Social Security

Labor Law, Labor Contract Law and Implementation Regulations of the Labor Contract Law of the People's Republic of China

According to the PRC Labor Law (《中華人民共和國勞動法》) as lately amended by the SCNPC on December 29, 2018, the PRC Labor Contract Law (《中華人民共和國勞動合同法》) as recently amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated and implemented by the State Council on September 18, 2008, a labor contract shall be concluded to establish a labor relationship. Employers shall establish and improve labor rules and regulations according to law to ensure that workers enjoy labor rights and fulfill labor obligations. Labor contracts must be concluded in writing, and stricter regulations are put forward to employers for concluding fixed-term labor contracts, hiring temporary workers and dismissing workers.

Social Insurance and Housing Provident Fund

According to the PRC Social Insurance Law (《中華人民共和國社會保險法》) recently revised and implemented by the SCNPC on December 29, 2018, and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》) lately amended and implemented by the State Council on March 24, 2019, social insurance systems such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance have been established. Payment units must register for social insurance with the local social insurance agency and participate in social insurance. Paying units and individuals shall pay social insurance premiums in full and on time.

Pursuant to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), the “**Interpretation (II)**”, promulgated by the Supreme People's Court on July 31, 2025 and effective from September 1, 2025, any agreement between an employer and an employee, or any undertaking made by an employee to the employer, whereby social insurance contributions are agreed not to be paid, shall be deemed invalid by the people's courts. Where an employer fails to pay

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social insurance contributions in accordance with applicable laws and regulations, and the employee requests to terminate the labor contract and seeks economic compensation from the employer pursuant to item (3) of Article 38 of the Labor Contract Law of the PRC, the people’s courts shall support such request in accordance with the law. Where an employer has made supplemental payment of social insurance contributions in accordance with the law and subsequently requests the employee to refund the social insurance contribution compensation already paid, the people’s courts shall support such request in accordance with the law.

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) latest amended and implemented by the State Council on March 24, 2019, employers shall register at the housing provident fund management center for payment and deposit of the housing provident fund, and handle the establishment procedures of housing provident fund accounts on behalf of its employees. The unit shall pay the housing accumulation fund in full and on time.

Laws and Regulations Related to Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended on December 6, 2024 and implemented on January 20, 2025, collectively referred to as the Enterprise Income Tax Law, the unified enterprise income tax rate is 25%. However, if a non-resident enterprise has not established an institution or place in China, or if it has established an institution or place but the income obtained has no actual connection with the institution or place it has established, it shall pay enterprise income tax at a rate of 10% on its income originating in China. A uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, and tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that have passed the recognition will enjoy a 15% tax rate reduction for Enterprise Income Tax.

VAT

Pursuant to the PRC Value-Added Tax Law (《中華人民共和國增值稅法》) (the “VAT Law”), promulgated by the National People’s Congress on December 25, 2025 and effective from January 1, 2026. Units and individuals (including individual industrial and commercial households) who sell goods, services, intangible assets, real estate, and import goods within the territory of China are taxpayers of VAT and shall pay VAT in accordance with the provisions of the Law. Unless otherwise specified, taxpayers sell goods, processing, repair and repair services, tangible movable property leasing services and import goods, the tax rate is 13%, and in some specific cases 9%, 6% and 0%.

Laws and Regulations Related to Foreign Exchange

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) announced and implemented by the State Council on August 5, 2008, the regulations apply to the foreign exchange receipts and payments or foreign exchange business activities of domestic institutions and domestic individuals, as well as the foreign exchange receipts and payments or foreign exchange business activities of overseas institutions and foreign individuals in China.

According to the Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the State Administration of Foreign Exchange on

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December 26, 2014, the State Administration of Foreign Exchange and its branches and the Foreign Exchange Administration Department shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, fund exchange and other activities involved in overseas listing of domestic companies. Domestic companies shall, within 15 working days from the end of overseas listing and issuance, go to the foreign exchange bureau where they are registered with relevant materials for overseas listing registration.

According to the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the State Administration of Foreign Exchange on June 9, 2016, the foreign exchange income of the project (including foreign exchange capital, foreign debt funds and funds transferred from overseas listing, etc.) can be settled in banks according to the actual operating needs of domestic institutions. If the current laws and regulations have restrictive provisions on the settlement of foreign exchange income from capital accounts of domestic institutions, such provisions shall prevail.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. According to the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Deepening Reform and Promoting the Facilitation of Cross border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the State Administration of Foreign Exchange on December 4, 2023, foreign exchange funds raised by overseas listings of domestic enterprises can be directly remitted to capital account settlement Account, the funds in the capital account settlement account can be used independently for foreign exchange settlement.

Laws and Regulations Related to Overseas Securities Issuance and Listing By Domestic Enterprises

Securities laws and regulations

The Securities Law of the PRC (《中華人民共和國證券法》) (the “**Securities Law**”), which was lately amended by the Standing Committee of the National People’s Congress on December 28, 2019 and came into effect on March 1, 2020, comprehensively regulates the activities of China’s domestic securities market, including the issuance and trading of securities, acquisition of listed companies, information disclosure, investor protection, securities trading venues, securities companies, securities registration and clearing institutions, securities service institutions, securities industry associations and securities regulatory agencies, etc. The Securities Law further stipulates that when domestic enterprises directly or indirectly issue securities overseas or list their securities overseas, they shall comply with the relevant regulations of the State Council. If domestic company stocks are subscribed and traded in foreign currencies, specific measures shall be separately stipulated by the State Council. China Securities Regulatory Commission is a securities regulatory agency established by the State Council, which is responsible for supervising and managing the securities market according to law, maintaining market order and ensuring the legal operation of the market.

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Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and related guidelines, which will take effect on March 31, 2023. According to the Trial Measures, if an enterprise in China directly or indirectly issues or lists shares overseas, it shall file with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas; Under any of the following circumstances, overseas issuance and listing shall not be allowed: laws, administrative regulations or relevant state regulations explicitly prohibit listing and financing; The relevant competent department of the State Council has examined and determined in accordance with the law that overseas issuance and listing may endanger national security; a domestic enterprise or its controlling shareholder or actual controller has committed criminal offences of corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order in the last three years; domestic enterprises are under investigation according to law for suspected crimes or major violations of laws and regulations, and there is no clear conclusion; there is a major ownership dispute over the equity held by the controlling shareholder or the shareholder controlled by the controlling shareholder or the actual controller.

According to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provisions on Strengthening Confidentiality and Archives Administration**”) jointly promulgated by China Securities Regulatory Commission and other relevant departments on February 24, 2023 and came into effect on March 31, 2023, domestic enterprises and securities companies and securities services institutions providing corresponding services should strictly abide by the relevant laws and regulations of the PRC and the requirements of the Provisions on Strengthening Confidentiality and Archives Administration. Strengthen the legal awareness of keeping state secrets and archives administration, and establish and improve the confidentiality and archives work system. Take necessary measures to implement the responsibility of strengthening confidentiality and archives administration and do not disclose state secrets and the working secrets of state organs, and do not harm the national and public interests. If a domestic enterprise provides and publicly discloses documents and data involving state secrets and work secrets of state agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other units and individuals, or provides them through its overseas listed entities, etc., it shall report to the competent department with examination and approval authority for approval in accordance with the law, and report to the confidentiality administrative department at the same level for filing. Domestic enterprises provide, publicly disclose, or provide through their overseas listed entities to relevant securities companies, securities service institutions, overseas regulatory agencies and other units and individuals, and publicly disclose other documents and materials that will have an adverse impact on national security or public interests after disclosure., corresponding procedures shall be strictly implemented in accordance with relevant national regulations.

U.S. LAWS, REGULATIONS AND POLICIES

The manufacture, importation, and distribution of E-mobility products and powersports are subject to numerous standards and regulations governing vehicle safety, emissions control, environmental protection, labeling, and consumer product safety. The most significant of these standards and regulations affecting us are summarized below.

Motor Vehicle Safety

The manufacture, importation, and sale of motor vehicles in the U.S. are primarily regulated under the National Traffic and Motor Vehicle Safety Act of 1966 (49 U.S.C. § 30101 et seq., “**Safety Act**”) and regulations promulgated by the National Highway Traffic Safety Administration (“**NHTSA**”) under

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the U.S. Department of Transportation (“**DOT**”). The Safety Act’s purpose is to reduce traffic accidents and the resulting deaths, injuries, and property damage by ensuring that vehicles sold or introduced into interstate commerce meet minimum safety requirements.

Under the Safety Act, each vehicle or equipment manufacturer must certify that its products comply with all applicable Federal Motor Vehicle Safety Standards (“**FMVSS**”) governing the design, construction, performance, and durability of motor vehicles and motor vehicle equipment. These standards address a wide range of safety elements — including braking systems, lighting, crashworthiness, occupant protection, electronic stability control, and performance of specific components. Manufacturers must conduct testing, maintain technical records supporting certification, and affix mandatory labels and identification numbers, such as the VIN. In the event that a manufacturer or NHTSA determines a vehicle or component is defective or non-compliant, the manufacturer must undertake a recall campaign to remedy the defect. Non-compliance with such requirements may result in civil penalties or restrictions on vehicle importation and sale.

Importers and distributors of motor vehicles and regulated equipment also fall within the scope of the Safety Act. Imported vehicles must comply with all applicable safety standards, be properly certified, and, where necessary, enter through registered importers following prescribed procedures. Noncompliant imports may be refused entry, seized, or required to be exported or destroyed.

Under 49 CFR §571.3, a “low-speed vehicle” means a motor vehicle that is four-wheeled, has an attainable speed of exceeding 20 mph but not more than 25 mph on a paved level surface, and has a gross vehicle weight rating of less than 3,000 pounds. Low-speed vehicles are subject to FMVSS No. 500, which requires such vehicles to comply with certain maximum speed and minimum equipment requirements, including requirements relating to headlamps, front and rear turn signal lamps, taillamps, stop lamps, reflex reflectors, mirrors, parking brake, windshield glazing, VIN labeling and seat belts. By contrast, the federal definition of “low-speed electric bicycle” under 15 U.S.C. §2085 applies to certain two- or three-wheeled vehicles with fully operable pedals, an electric motor of less than 750 watts and a maximum motor-powered speed of less than 20 mph under specified testing conditions.

Emissions and Environmental Standards

The Clean Air Act (42 U.S.C. § 7401 et seq.) authorizes the U.S. Environmental Protection Agency (“**EPA**”) to regulate emissions from new vehicles and engines. California has received a waiver from the EPA allowing the state to establish its own emissions control standards for certain regulated pollutants. Accordingly, new vehicles and engines sold in California must be certified by the California Air Resources Board (“**CARB**”). CARB’s emissions standards are generally more stringent than federal EPA requirements.

Manufacturers and assemblers must also comply with regulations governing the control and disposal of air pollutants, water discharges, and hazardous waste generated in the course of vehicle production and assembly. These regulations are administered primarily by federal and state environmental agencies.

Consumer Product Safety

The Consumer Product Safety Commission (“**CPSC**”) regulates ATVs pursuant to Section 42 of the Consumer Product Safety Act, as amended by the Consumer Product Safety Improvement Act (16 C.F.R. Part 1420). The CPSC has established mandatory safety standards governing structural stability, braking systems, steering and throttle controls, protective measures, speed and performance limits for models intended for children and youth, and product labeling.

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Most electric bicycles meeting the federal definition of LSEVs are treated as consumer products under the CPSA. These e-bikes must comply with CPSC regulations governing bicycles, including mechanical integrity, braking, labeling, and electrical-system safety. Electric scooters that do not meet the definition of a motor vehicle similarly fall within CPSC jurisdiction and must meet applicable mechanical, electrical, and fire-safety rules. Lithium-ion batteries and charging systems incorporated into these products must comply with CPSC-recognized testing standards that address fire, thermal-runaway, and electrical hazards. Traditional golf carts and many neighborhood-use vehicles may fall under CPSC jurisdiction when not classified as motor vehicles by the NHTSA. When treated as consumer products, they are subject to the CPSA’s general prohibitions on hazardous products, reporting obligations, and any applicable voluntary or mandatory safety standards.

The CPSC requires manufacturers and importers to ensure compliance with these standards, maintain all relevant test reports and certificates of conformity. Under Section 15 of the CPSA, manufacturers, importers, and distributors must report potential safety defects, unreasonable risks of serious injury, or noncompliance with applicable rules. The CPSC may order recalls, require consumer notifications, and impose civil penalties.

In addition, the Magnuson-Moss Warranty Act (15 U.S.C. § 2301 et seq.), administered by the Federal Trade Commission (“FTC”), governs written and implied warranties for consumer products. While warranties are not mandatory, any warranty provided must comply with disclosure and labeling requirements under the Act.

Importation and Labeling Requirements

The U.S. customs regulations, administered by U.S. Customs and Border Protection (“CBP”), apply to all products imported into the U.S. These regulations cover, among other areas, the classification and valuation of goods, entry formalities, recordkeeping, and the assessment of duties and tariffs. Tariff rates are generally set out in the Harmonized Tariff Schedules of the U.S. Separate laws govern antidumping and countervailing duties, embargoes and other trade remedy measures that may also affect imported products.

Under the Trade Act of 1974 (19 USC § 2251 et seq., “**Trade Act**”), the President of the U.S. may grant temporary import relief by raising import duties or imposing non-tariff barriers (e.g., quotas) on imports that injure or threaten to injure domestic industries producing similar goods. Section 301 of the Trade Act authorizes the President of the U.S. to take appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce.

Currently, U.S. and China trade policy has given rise to the imposition of significant additional tariffs on products imported into the U.S. from China, and vice versa, under Sections 201 and 301 of the Trade Act. Depending on the results of trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time.

Products must also comply with the FTC labeling rules, including requirements for accurate manufacturer identification and “Made in” claims. Mislabeling or false declarations may result in civil penalties, fines, or seizure of goods by the CBP.

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Anti-Dumping and Anti-Subsidy Laws

The importation and distribution of our products into the United States are subject to U.S. trade-remedy laws, including anti-dumping and countervailing duty statutes administered by the U.S. Department of Commerce (“**DOC**”) and enforced by CBP. These laws are designed to address imports sold at less than fair value or benefiting from foreign government subsidies that materially injure, or threaten to injure, a U.S. industry.

Under the Tariff Act of 1930, as amended (19 U.S.C. § 1202 et seq.), the DOC may initiate anti-dumping or countervailing duty investigations based on petitions filed by domestic manufacturers or on its own initiative. If the DOC determines that dumping or subsidization exists, and the U.S. International Trade Commission finds actual or threatened material injury to a domestic industry, anti-dumping and/or countervailing duty orders may be imposed. Such orders can remain in effect for extended periods, subject to administrative reviews and sunset reviews every five years. Importers subject to such orders would be required to pay cash deposits at rates determined by the DOC and could face retroactive duties on past entries. Rates may change through annual administrative reviews.

Anti-circumvention rules also apply and may subject products to duties if manufacturing or assembly operations are shifted to third countries in a manner the DOC determines to be circumvention of existing orders. Additionally, CBP may detain or reclassify goods it suspects fall within an anti-dumping or countervailing duty order’s scope.

Battery Safety and Transportation

Lithium-ion batteries used in micro-mobility products are classified as hazardous materials under the U.S. Hazardous Materials Regulations (49 C.F.R. Parts 171–180) administered by the Pipeline and Hazardous Materials Safety Administration. Manufacturers, importers, and distributors must comply with UN 38.3 testing requirements for lithium batteries, ensure proper packaging and labeling during transport, and adhere to applicable shipping restrictions established by the DOT and International Air Transport Association.

Electromagnetic Compatibility

Electronic equipment installed in vehicles, including control modules and wireless communication systems, is subject to the regulations of the Federal Communications Commission. Under Part 15 of Title 47 of the Code of Federal Regulations, all electronic devices that emit radio frequency energy must undergo testing and certification to ensure electromagnetic compatibility before being marketed or sold in the U.S.

Production Safety Laws

The Occupational Safety and Health Act (“**OSH Act**”, 29 U.S.C. § 651 et seq.) was passed to ensure that employers provide employees with an environment free from recognized hazards, such as exposure to toxic chemicals, excessive noise levels, mechanical dangers, heat or cold stress, or unsanitary conditions. The OSH Act applies to most private sector workers and employers, including manufacturers, construction companies, law firms, hospitals, charities, labor unions and private schools. The OSH Act established the federal Occupational Safety and Health Administration (“**OSHA**”), which sets and enforces workplace health and safety standards, including for the motor vehicle industry. These standards address specific workplace risks, including machinery and equipment safety, electrical systems, hazardous materials, respiratory protection, personal protective equipment, recordkeeping, and emergency preparedness. Employers must comply with all applicable standards relevant to their

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industry and operations. They are required to provide safety training, maintain equipment in safe operating condition, establish written programs for regulated hazards, and communicate safety procedures to employees.

OSHA enforces its regulations and standards by conducting inspections of workplaces and work sites, which may be conducted in response to incidents, complaints, or programmed enforcement initiatives. Violators face corrective-action orders, civil penalties and fines, which are adjusted annually for inflation.

In addition to the OSH Act, many states in the U.S. have enacted state laws and implement separate state programs regarding occupational safety (“**State Plans**”). If State Plans do not cover certain workers, OSHA provides coverage for those workers. State Plans must adopt standards that are at least as protective as the OSHA standards. This does not prevent state laws from establishing more stringent safety requirements than those required by federal standards.

Labor and Employment Laws

Our U.S. operations are subject to federal, state, and local labor and employment laws governing wages and hours, employee benefits, and equal employment opportunity. The Fair Labor Standards Act (29 U.S.C. § 201 et seq.) sets minimum-wage, overtime, and record-keeping requirements, and state and local wage-hour rules may impose stricter standards. We are further subject to federal and state laws prohibiting discrimination, harassment, and retaliation, including Title VII of the Civil Rights Act (42 U.S.C. § 2000e et seq.), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and the Age Discrimination in Employment Act (29 U.S.C. §§ 621-634). Applicable laws also govern employee leave, such as the Family and Medical Leave Act (29 U.S.C. § 2601 et seq.), and require adherence to workers’ compensation and unemployment-insurance programs.

VIETNAM LAWS, REGULATIONS AND POLICIES

Civil and Commercial Laws

The 2015 Civil Code (No. 91/2015/QH13) is the fundamental law of the Vietnamese legal system, promulgated by the National Assembly of the Socialist Republic of Vietnam on November 24, 2015 and effective from January 1, 2017. The Code stipulates the legal status and general legal standards on the rights and obligations of individuals and legal entities, as well as the basic principles governing civil relations. The main content of the Code focuses on areas such as personal rights, property, obligations and contracts, ownership, inheritance and other civil relations. In terms of structure, the Code consists of 6 parts, covering from general provisions to specific institutions. Specifically, including: Part One — General provisions; Part Two — Ownership and other rights to property; Part Three — Obligations and contracts; Part Four — Inheritance; Part Five — Laws applicable to civil relations involving foreign elements; Part Six — Implementation provisions. The Code upholds the principles of freedom, voluntary commitment to agreement, equality, goodwill, and honesty between the subjects. At the same time, the Code ensures the protection of human rights and civil rights in the civil field. As the “root law of private law”, the 2015 Civil Code is of particular importance in stabilizing social relations, protecting the rights and legitimate interests of individuals and organizations, and promoting the sustainable development of the socio-economy.

The 2005 Commercial Law (Law No. 36/2005/QH11) is an important legal document regulating commercial activities in Vietnam. The Law was promulgated by the National Assembly of the Socialist Republic of Vietnam. The Law was passed on June 14, 2005. On January 1, 2006, the Law officially took effect. The Commercial Law creates a safe legal corridor for market participants, regulating the purchase and sale of goods, provision of services and other profit-making activities. A basic principle of the Commercial Law is to ensure freedom and equality in business activities. The content of the law is

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structured into 9 chapters with main contents including regulations on traders, rights and obligations of subjects participating in contracts for the purchase and sale of goods, contracts for the provision of services, commercial advertising activities, promotions, display — introduction of goods, fairs — exhibitions, consignment of goods for the purchase and sale of goods, commercial agencies, and some other forms of commerce such as auctions, bidding, and processing. The law stipulates methods of dispute resolution and sanctions for violations.

Anti-Corruption Laws

The 2018 Law on Anti-Corruption (Law No. 36/2018/QH14) is an important legal document in the fight against corruption in Vietnam. The Law was promulgated by the National Assembly of the Socialist Republic of Vietnam. The Law was passed on November 20, 2018. On July 1, 2019, the Law officially took effect. The Law stipulates measures to prevent, detect and handle acts of corruption, and sanctions in the state sector and the non-state enterprise sector. At the same time, the Law clearly defines the responsibilities of agencies, organizations, units and individuals in anti-corruption and international cooperation in anti-corruption. The core content of the Law is to control the assets and income of people holding positions and powers. The Law contributes to enhancing publicity and transparency in management activities of the state and private sectors.

Taxation

The Law on Value Added Tax 2024 (Law No. 48/2024/QH15) was promulgated by the National Assembly of the Socialist Republic of Vietnam on November 26, 2024, effective from July 1, 2025. The Law consists of 4 chapters and 18 articles, regulating taxable and non-taxable subjects, taxpayers, tax bases, tax calculation methods, deductions and VAT refunds. The basic content of the Law aims to comprehensively regulate VAT collection activities on goods and services arising in the production, business and consumption processes, in order to ensure budget revenue, fairness in tax obligations and compliance with international practices. The outstanding new point of the Law is the expansion of tax management to e-commerce, digital platform business and foreign suppliers.

Law No. 90/2025/QH15 — full name is “Law amending and supplementing a number of articles of the Law on Bidding; Law on Investment under the Public-Private Partnership model; Law on Customs; Law on Value Added Tax; Law on Export Tax and Import Tax; Law on Investment; Law on Public Investment; Law on Management and Use of Public Assets” — was promulgated by the National Assembly of the Socialist Republic of Vietnam on June 25, 2025. The Law takes effect from July 1, 2025. The main content of the Law is to amend and supplement a number of articles in many current laws to perfect the legal framework related to bidding, investment, customs, taxes and management and use of public assets. In terms of structure, Law 90/2025/QH15 is built in the form of the same document amending and supplementing many laws — in which the Implementation Provisions and transitional provisions are clearly defined, allowing the laws to be edited synchronously. This is a mechanism to simultaneously amend many areas of law in one issuance. Notable amendments and supplements include: adjusting regulations on selecting contractors and investors; adding and abolishing provisions related to customs and taxes (VAT, import-export tax) to suit reality; amending the law on management and use of public assets and adjusting regulations on public investment and investment under the public-private partnership method.

Labor and Employment Laws

The 2019 Labor Code (No. 45/2019/QH14) is an important law regulating labor relations in Vietnam, promulgated by the National Assembly of the Socialist Republic of Vietnam on November 20, 2019 and effective from January 1, 2021. The Code stipulates the rights and obligations of employees and employers, labor standards, employment, wages, working hours, rest hours, labor safety, social insurance, labor discipline and labor dispute resolution. In terms of structure, the Code consists of 17

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Chapters, covering main sections such as general provisions, labor contracts, dialogue and collective labor agreements, wages, working conditions, female workers and gender equality, and labor dispute resolution. The content of the Code clearly demonstrates the principle of respecting and protecting the legitimate rights and interests of employees, while ensuring the legitimate management rights of employers. The Code also has many new points such as increasing the retirement age, expanding the framework for agreements on overtime hours, and better protecting vulnerable workers. The significance of the 2019 Labor Code is to contribute to building harmonious, stable, progressive labor relations, improving the quality of human resources and promoting socio-economic development.

The Law on Social Insurance 2024 (No. 41/2024/QH15) was promulgated by the National Assembly of the Socialist Republic of Vietnam on June 29, 2024, with the decision taking effect from July 1, 2025. The meaning of the Law on Social Insurance 2024 is to ensure social security benefits for employees. The Law comprehensively regulates regulations on social insurance (SI) in Vietnam, including compulsory SI, voluntary SI, supplementary pension insurance, social pension benefits, SI fund management, registration for participation — contribution — benefit, rights and obligations of participants and SI implementation organizations. In terms of structure, the Law consists of 11 Chapters including: general provisions (scope of regulation, subjects, rights and obligations); SI participation regime; conditions for enjoying pensions, subsidies, and supplementary pension insurance; registration, payment, and management of the social insurance fund; benefits and procedures for enjoying the regime; state management of social insurance, inspection, and handling of violations. Some highlights of the Law are: expanding the subjects participating in compulsory social insurance (including part-time workers, workers under contracts other than labor contracts if paid and subject to management and supervision), supplementing the social pension regime for the elderly without pensions; simplifying procedures, allowing the issuance of electronic social insurance books; adjusting the conditions on the number of years of payment to receive pensions; and at the same time, enhancing the responsibility of state management of social insurance.

The Trade Union Law 2012 (No. 12/2012/QH13) is an important legal document regulating the organization and activities of trade unions in Vietnam, promulgated by the National Assembly of the Socialist Republic of Vietnam on June 20, 2012 and effective from January 1, 2013. In terms of structure, the Law consists of 6 Chapters, including: general provisions; rights and responsibilities of trade unions; rights and responsibilities of union members and employees; trade union organizations; trade union finance; and implementation provisions. The Law affirms the central role of trade unions in representing and protecting the legitimate and legal rights and interests of employees, contributing to building harmonious, stable and progressive labor relations.

The 2014 Construction Law (No. 50/2014/QH13) is an important legal document that comprehensively regulates construction investment activities in Vietnam, promulgated by the National Assembly of the Socialist Republic of Vietnam on June 18, 2014 and effective from January 1, 2015. The Law stipulates and guides the process and procedures for establishing, appraising, approving, and managing construction planning; establishing and appraising construction investment projects; surveying, designing, constructing, accepting, and handing over works; granting construction permits; warranty, maintenance, and quality management of works. In terms of structure, the Law consists of 10 Chapters, covering the main parts such as: general provisions; construction planning; construction investment projects; survey, design, and construction; construction contracts; quality management and maintenance of works; construction permits; state management of construction and implementation provisions. The law also enhances the responsibilities of investors, contractors and state management agencies. The important significance of the 2014 Construction Law is to contribute to perfecting the legal corridor for the construction sector, effectively using social resources, ensuring quality and sustainable urban and infrastructure development.

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The Land Law 2024 (No. 31/2024/QH15) was promulgated by the National Assembly of the Socialist Republic of Vietnam on January 18, 2024. The Law takes effect from January 1, 2025 (except for some specific provisions according to transitional regulations). In terms of structure, the Law consists of 16 Chapters including main ideas such as establishing principles, definitions, scope of application, land ownership regime, general rights and obligations; rights and obligations of the State, citizens and land users regarding the rights to use, transfer, lease, rent, inheritance, capital contribution, mortgage, etc.; Land use regime, land classification, land use purposes, and other chapters on regulations on land division/consolidation, annual land lease, transfer, sublease, lease rights, land valuation mechanism, land use rights for project implementation, land recovery, compensation, dispute resolution and state management of land. The Law updates and comprehensively improves the land law system on land ownership, management and use in Vietnam — clearly defining the rights and responsibilities of the State, citizens and land users, regulating all aspects of land allocation, lease, transfer, recovery, use, change of land use purpose, land division, land consolidation, agricultural land, non-agricultural land, urban land, industrial land, and other special types of land to enhance transparency, unity and stability in land management.

Law No. 43/2024/QH15 is a document amending and supplementing a number of articles of a series of laws including the 2024 Land Law (No. 31/2024/QH15), the 2023 Housing Law (No. 27/2023/QH15), the 2023 Real Estate Business Law (No. 29/2023/QH15), and the 2024 Credit Institutions Law (No. 32/2024/QH15), promulgated by the National Assembly of the Socialist Republic of Vietnam on June 29, 2024 and effective from August 1, 2024. The basic content of Law 43/2024/QH15 is to amend and supplement a number of articles of laws related to the management of land, housing, real estate and credit institutions. Thereby, the law adjusts a number of regulations to ensure consistency and suitability with practice after major laws are amended (such as the 2024 Land Law).

REGULATIONS RELATED TO INTERNATIONAL TRADE RESTRICTIONS

The following is a summary of the sanctions regimes imposed by the jurisdictions below. This summary does not intend to set out the laws and regulations relating to the U.S., the EU, the UK, the UN, Australian and Canadian sanctions in their entirety.

United States

The United States deploys a wide range of restrictive measures including sanctions and export controls against various targeted countries, groups and individuals. U.S. sanctions include both “primary” and “secondary” sanctions, as well as non-blocking “list-based” sanctions. OFAC administers and enforces the majority of U.S. sanctions programs. U.S. primary sanctions generally apply to U.S. persons, including any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Primary sanctions may be “country based” or “list based.” Comprehensive country-based sanctions programs generally prohibit U.S. persons from dealing with sanctioned countries and their governments. Currently, the U.S. maintains comprehensive sanctions against: Cuba, Iran, North Korea, Syria (lifted since July 1, 2025), the Crimea region of Ukraine, the self-proclaimed Luhansk People’s Republic, the self-proclaimed Donetsk People’s Republic and the Zaporizhzhia and Kherson territories of Ukraine occupied by Russia. There are also sectoral sanctions restricting U.S. persons from engaging in certain types of transactions — typically financing and investments — with certain economic sectors of Belarus, China, Russia, and Venezuela. On the other hand, list-based sanctions prohibit U.S. persons from dealing with or facilitating dealings with individuals, entities and organizations that have been designated as SDNs by OFAC. Violations of primary sanctions can result in “strict” civil or even criminal liability.

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The U.S. has also enacted secondary sanctions targeting non-U.S. persons engaged in prohibited transactions (e.g., significant transactions with parties blocked under U.S. sanctions). The detailed rules of such secondary sanctions differ by sanctions programs. Non-U.S. persons found to be in breach of secondary sanctions may be denied access to the U.S. economic system, including being designated as SDNs themselves. On the other hand, the U.S. have also implemented stringent export control regulations. Unlike U.S. economic sanctions that apply based on the persons involved, U.S. export controls apply based on the products involved. Any item that is sent from the U.S. to a foreign destination is an export. “Items” include commodities, software or technology, circuit boards, blueprints, design plans, retail software packages, and technical information.

BIS regulates exports of commercial and dual-use products, and software and technology. These controls are authorized by the Export Administration Act of 1979, as amended and extended, and implemented by the EAR. The EAR applies to exports of commodities, software and technical data from the U.S. to foreign countries, and to re-exports from one foreign country to another. In addition, the EAR applies to shipments from one foreign country to another of foreign-made products that incorporate more than a de minimis amount of U.S.-controlled parts, components, or materials, as well as foreign-made products that are direct products of certain controlled U.S. software or technology.

United Nations

The UN can take action to maintain or restore international peace and security under Chapter VII of the UN Charter. It does this by way of resolutions passed by the UN Security Council. UN Security Council sanctions have taken a number of different forms and have measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions.

European Union

The EU has over 40 different sanctions regimes in place. EU sanctions apply to individuals and entities nationalized or incorporated within the EU; located on board an aircraft or vessel subject to EU jurisdiction; while in the territory or airspace of the EU, and with respect to business done in the EU. Regulation (EU) No 2021/821 controls the export of EU dual-use goods. In particular, Regulation 2021/821 controls the export of controlled dual-use products and technology from the EU to a non-EU country; the provision of technical assistance relating to controlled items; and the brokering of transactions involving the transfer of controlled goods, restricted products and certain non-controlled products. Unlike U.S. export controls, EU export controls typically do not apply to re-exports or transfers outside of the EU.

United Kingdom

The UK now operates its own sanctions regime. UK sanctions apply: (a) within the territory and territorial waters of the UK and to all UK Persons, wherever they are in the world; (b) to all individuals and legal entities who are within or undertake activities within the UK’s territory; and/or (c) to all UK nationals and UK legal entities established under UK law, including their non-UK branches (but not separately incorporated non-UK subsidiaries), irrespective of where their activities take place.

OFSI, which is part of HM Treasury, maintains two lists of those subject to financial sanctions: (a) the “consolidated list” includes all designated persons subject to financial sanctions under EU and UK legislation, as well as those subject to UN sanctions which are implemented through EU regulations; and (b) a separate list of entities subject to specific capital market restrictions. OFSI also has the power to impose financial penalties on a party which breaches financial sanctions.

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Australia

Australia has a dual sanctions regime consisting of sanctions measures imposed by the UN, together with Australian autonomous sanctions imposed by the Australian Government as a matter of its foreign policy. The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to: (i) any person in Australia; (ii) any Australian anywhere in the world; (iii) activities in Australia; (iv) companies incorporated overseas that are owned or controlled by Australians or persons in Australia; and/or (v) any person using an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions.

Canada

Canada maintains a dual sanctions regime consisting of UN sanctions which are enacted into domestic regulations via Canada’s United Nations Act, and autonomous sanctions. Canadian autonomous sanctions prohibit persons located in Canada and Canadians outside of the country from various activities involving a designated foreign state, including the acquisition of goods from the designated foreign state; the provision of data to the foreign state; and the exportation, sale, supply or shipment of goods to the foreign state. Other Canadian autonomous sanctions target persons who may have been involved in a particular event or circumstance related to human rights abuses and corruption. Persons in Canada and Canadians outside of Canada are prohibited from dealing in the property of the entities and individuals designated under Canadian autonomous sanctions.

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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. Our Company was established on September 24, 2015, and subsequently, acquired the relevant inventory and machinery equipment from Taotao Group in 2016. Mr. Cao, our founder, the chairman of the Board, executive Director and general manager, has led us in providing outdoor leisure and electrified mobility solutions. For details of the background of Mr. Cao, see “Directors and Senior Management — Directors”.

In March 2023, our A Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301345). For details, see “— Major Shareholding Changes of the Company — Listing on the ChiNext Board of the Shenzhen Stock Exchange”.

KEY MILESTONES IN THE COMPANY AND BUSINESS DEVELOPMENT

The following table shows the key milestones in business development we have achieved since our establishment.

Year	Events
2015	We established in Jinyun County, Lishui City, Zhejiang Province, mainly engaged in the production and sale of ATVs and motorcycles;
2017	We started to produce a series of electric two-wheelers, including electric scooters and electric balance bikes; We created our own brand, GOTRAX;
2022	We started to produce LSEVs and ATVs; We created our own brand, DENAGO; We established presence in chain supermarkets such as Walmart, Target, Academy, and Best Buy;
2023	We were successfully listed on the ChiNext Board of the Shenzhen Stock Exchange;
2024	Our factory in Quang Ninh Province, Vietnam, has achieved core process manufacturing capacity coverage, with production capacity for LSEV, ATVs, etc.; We completed the construction of our own production base in Texas, USA;
2025	We launched a new brand, TEK0, to further improve its marketing network for LSEV in North America.

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MAJOR SUBSIDIARIES

The place of registration, date of registration and commencement of business, and principal business activities of each of our major subsidiaries are as follows:

Company name	The equity attributable to the Group	Principal business activities	Date of establishment and jurisdiction
Yongkang Taotao Technology Co., Ltd.* (永康市濤濤科技有限公司)	100%	Manufacturing and sales of motors and batteries	December 2, 2020, China
Shenzhen Baike New Energy Co., Ltd.* (深圳百客新能源有限公司)	100%	Sales of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories	November 19, 2019, China
Baike Vehicle Vietnam Company Limited	100%	Manufacturing and sales of powersports, LSEVs, and accessories	January 16, 2024, Vietnam
Tao Holding LLC	100%	Investment holding	April 6, 2022, USA
Golabs, Inc.	100%	Sales of intelligent electric vehicles and related products, non-powered cycling products, and associated accessories	May 1, 2017, USA
Denago EV Corporation.	100%	Manufacturing and sales of LSEV products and accessories	June 20, 2023, USA
Denago Ebikes Corporation	100%	Sales of electric bicycle products and accessories in the U.S. market	June 20, 2023, USA
Tao Motor Inc.	100%	Sales of ATVs, motorcycles and related accessories	January 6, 2016, USA
Baike, Inc.	100%	Sales of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories	December 9, 2019, USA
Veloz Powersports Inc.	100%	Sales of off-road vehicles, ATVs, motorcycles and other products and related accessories	May 11, 2015, USA
ThunderTrek Inc	100%	Undertaking the wholesale business of Champion gasoline-powered vehicles and electric golf carts.	February 18, 2025, USA
Teko Inc.	100%	Engaging in the wholesale sales of Teko brand golf carts.	October 7, 2024, USA

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Company name	The equity attributable to the Group	Principal business activities	Date of establishment and jurisdiction
No Speed Limited Inc. . . .	100%	Import of electric golf carts	February 25, 2025, USA
Trailblazer Motors Inc. . . .	100%	Investment holding	August 11, 2025, USA
Champion Motorsports Group, LLC.	100%	Distributing entry-level power sports equipment through major retail chains	January 11, 2023, USA

For further details on changes in share capital of our major subsidiaries, see “Appendix IV — Statutory and General Information — 3. Changes in the Share Capital of Our Subsidiaries”.

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Early Development of the Company

On September 24, 2015, our Company was established as a joint stock limited company under the laws of the PRC. The initial registered capital of our Company was RMB30.00 million, which was fully contributed by Mr. Cao and his family.

Upon completing multiple rounds of share transfers and capital injections between June 2017 to November 2019, the registered capital of our Company reached RMB82.00 million. The shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares Held	Shareholding Percentage (%)
Zhongtao Investment.	45,000,000	54.88
Mr. Cao	28,500,000	34.75
Zhongjiu Investment	3,850,000	4.70
Ms. Cao	1,500,000	1.83
Zhongbang Investment	750,000	0.91
Mr. Sun Yong (“ Mr. Sun ”) ⁽¹⁾	400,000	0.49
Other Shareholders ⁽²⁾	2,000,000	2.44
Total	82,000,000	100.00

Notes:

(1) Mr. Sun is our executive Director, chief financial officer, secretary of the Board and joint company secretary.

(2) Other Shareholders, including two institutional investors and four individual Shareholders, who are Independent Third Parties, represent Shareholders holding no more than 1% of our issued share capital upon the completion of such share transfers and capital injections between June 2017 to November 2019. As at the Latest Practicable Date, save for two institutional Shareholders, no other Shareholders holds any A Shares of the Company.

Establishment of Employee Shareholding Platforms

In order to further improve the Company’s long-term incentive mechanism, attract and retain outstanding talent, and enhance employees’ initiative, since 2018, our Company established Zhongjiu Investment and Zhongbang Investment as our employee shareholding platforms, with a view to providing equity incentives for the eligible employees to align their interests with our Group.

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Zhongjiu Investment

Zhongjiu Investment was incorporated as a limited partnership under the laws of the PRC on October 16, 2018. As of the Latest Practicable Date, Ms. Cao held approximately 90.89% partnership interests and serves as the sole general partner. The remaining interests of Zhongjiu Investment are held by Mr. Yao Guangqing, our executive Director and deputy general manager (as to approximately 0.78%), Mr. Lou Guidong, our deputy general manager (as to approximately 0.78%), Mr. Chai Aiwu, our deputy general manager (as to approximately 0.62%), Ms. Zhu Hongxia, our deputy general manager (as to approximately 0.52%) and 14 other employees of our Group when the stock incentive arrangements were implemented, who are not Directors or senior management members (as to approximately 6.47% in aggregate).

Zhongbang Investment

Zhongbang Investment was incorporated as a limited partnership under the laws of the PRC on October 16, 2018. As of the Latest Practicable Date, Ms. Cao is the sole general partner and holds approximately 58.00% partnership interests in Zhongbang Investment, with the remaining interests held by 28 other employees of our Group when the stock incentive arrangements were implemented, who are not Directors, or senior management members (as to approximately 42.00% in aggregate).

Upon the establishment of Zhongjiu Investment and Zhongbang Investment, the shareholding structure of our Company was as follows:

Shareholder Name	Number of Shares Held	Shareholding Percentage (%)
Zhongtao Investment.	45,000,000	56.25
Mr. Cao	28,500,000	35.62
Ms. Cao	1,500,000	1.88
Zhongjiu Investment	3,850,000	4.81
Zhongbang Investment	750,000	0.94
Mr. Sun	400,000	0.50
Total	80,000,000	100.00

Listing on the ChiNext Board of the Shenzhen Stock Exchange

On March 21, 2023, we completed the listing of our A Shares on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301345). For the purpose of the A Shares listing, we issued an aggregate of 27,333,600 A Shares, accounting for 25% of our Company’s then share capital immediately upon completion of the A Shares Listing. As part of the A Shares Listing, we conducted a strategic placing through which, among others, 7.45% of the total offered A Shares (representing 1.86% of our total share capital upon completion of the A Shares Listing) were allocated to a collective asset management scheme managed and controlled by an asset manager (“**Collective Asset Management Scheme**”), which subscribed for such A Shares for the economic benefits of our certain senior management members and core employees. The asset manager of the Collective Asset Management

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Scheme is Donghai Securities Co., Ltd. (東海證券股份有限公司), a professional asset manager and an Independent Third Party. Pursuant to the asset management agreement, the asset manager is entitled to, among others, manage and operate the underlying assets and make investment decisions independently as well as exercise relevant shareholder’s rights in its own name, thus is the actual controller of the Collective Asset Management Scheme. The shareholding structure of our Company immediately following the completion of our A Share listing and the strategic placing was as follows:

Name of Shareholders	Number of Shares Held	Shareholding Percentage (%)
Zhongtao Investment	45,000,000	41.16
Mr. Cao	28,500,000	26.07
Zhongjiu Investment	3,850,000	3.52
Ms. Cao	1,500,000	1.37
Zhongbang Investment	750,000	0.69
Mr. Sun	400,000	0.37
Collective Asset Management Plan	2,037,440	1.86
Other Shareholders ⁽¹⁾	27,296,160	24.97
Total	109,333,600	100.00

Notes:

- (1) Other Shareholders include (i) other public A Shareholders and (ii) two institutional investors and four individual investors, who are Independent Third Parties and ceased to be the Shareholders of our Company as of the Latest Practicable Date, represent Shareholders holding no more than 1% of our issued share capital upon the completion of A Shares Listing and the strategic placing.

As at the Latest Practicable Date, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares Held	Shareholding Percentage (%)
Zhongtao Investment	45,000,000	41.27
Mr. Cao	28,500,000	26.14
Zhongjiu Investment	3,850,000	3.53
Ms. Cao	1,500,000	1.38
Zhongbang Investment	750,000	0.69
Collective Asset Management Scheme	82,016	0.08
Other A Shareholders	29,367,055	26.93
Total	109,049,071	100.00

2023 Restricted Share Incentive Plan

The Company adopted the 2023 Restricted Share Incentive Plan on August 2, 2023. The purpose of the 2023 Restricted Share Incentive Plan is to improve the incentive mechanism of the Group, attract and retain talents to achieve the Group’s sustainable and stable development, thereby achieving the Group’s long-term objectives. For details, see “Appendix IV — Statutory and General Information — 6. Employee Incentive Scheme — 2023 Restricted Share Incentive Plan”.

PUBLIC FLOAT

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of

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listing, must (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Our A Shares are listed on the ChiNext Board. The total number of the H Shares to be [REDACTED] pursuant to the [REDACTED] represents approximately [REDACTED] of the total issued share capital of the Company (before any exercise of the [REDACTED]). Immediately following the completion of the [REDACTED] (before any exercise of the [REDACTED]), the total number of the H Shares expected to be held by the public represents approximately [REDACTED] of the total issued share capital of the Company, which meets the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 19A.13A(2) of the Listing Rules at the time of the [REDACTED].

FREE FLOAT

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Based on an [REDACTED] of [REDACTED] per H Share, being the low-end of an indicative [REDACTED], the Company’s market value of Shares is expected to be [REDACTED] at the time of [REDACTED], which will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of Champion Holdings

On December 16, 2025, Trailblazer Motors Inc., an indirect wholly-owned subsidiary of our Company, entered into a share transfer agreement with Champion Motorsports Group Investor, LLC. (“**Champion Investor**”), pursuant to which Trailblazer Motors Inc., agreed to acquire, and Champion Investor agreed to sell, the entire issued share capital of Champion Motorsports Group Holdings, LLC. (“**Champion Holdings**”), at a total consideration of US\$15 million, which was determined following arm’s length negotiations between the parties with reference to a valuation report (the “**Acquisition**”). Following the completion of the Acquisition, Champion Holdings has become an indirect wholly-owned subsidiary of our Company and its financial results have been consolidated with our Group in December 2025.

Champion Holdings was incorporated on September 14, 2022 in Delaware, the United States as a limited liability company, and is primarily engaged in the sales of ATVs, off-road motorcycles and LSEVs through its wholly owned subsidiary, Champion Motorsports Group, LLC., our top five customer for the years ended December 31, 2023, 2024 and 2025. Prior to the Acquisition, Champion Holdings was wholly-owned by Champion Investor, an Independent Third Party. Our rationale for the transaction was to gain access to the sales network, customer resources, and brands of Champion Holdings, including its owned brand “Racka” and the licensed brands “COLEMAN” and “MADDOG GEAR”, thereby expanding our sales scale and enriching the portfolio of our own brands. This integration enables our Company to gain direct access to established customer relationships and

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after-sales service infrastructure across key U.S. retail channels, including specialty retailers and mass merchandisers. This eliminates the intermediary procurement and distribution layer, reducing costs and streamlining the Group’s end-to-end supply chain.

The Acquisition was completed by the end of 2025, upon which Champion Holdings became an indirect wholly-owned subsidiary of our Company. The Acquisition has been properly and legally completed and settled, and no approvals from the relevant authorities are required for the Acquisition.

As none of percentage ratios exceeded 25%, no additional disclosure of pre-acquisition financial information will be necessary pursuant to Rule 4.05A of the Listing Rules.

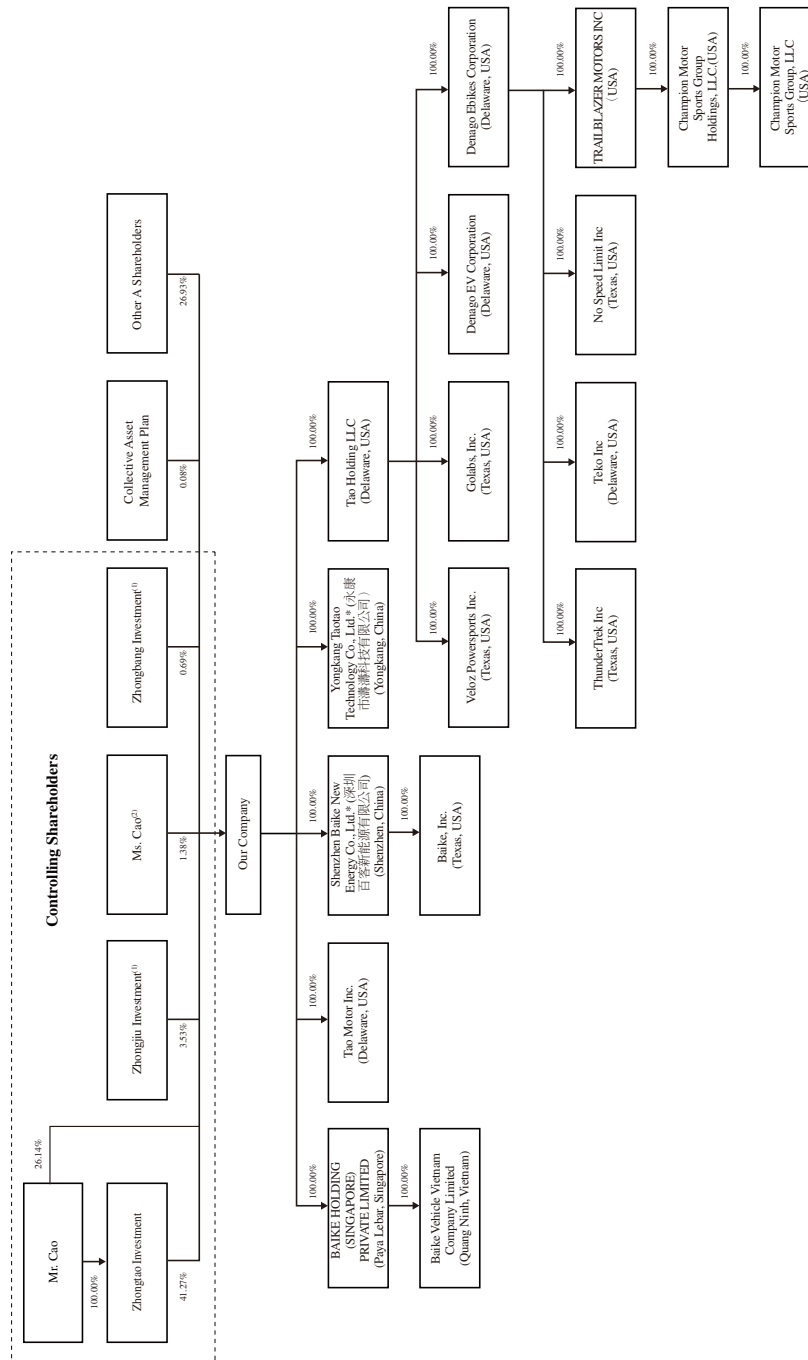
Save as disclosed in “Material Acquisitions, Disposals and Mergers” in this section, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the date of the document.

OUR LISTING ON THE CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE AND THE REASONS FOR OUR [REDACTED] ON THE STOCK EXCHANGE

Since March 2023, the A Shares of our Company have been listed on ChiNext Board of the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non compliance with the rules of ChiNext Board of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on ChiNext Board of the Shenzhen Stock Exchange. Our Directors confirmed and our PRC Legal Advisors advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A Share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would cause them to cast doubt on our Directors’ confirmation with regard to the compliance records of our Company on ChiNext Board of the Shenzhen Stock Exchange.

The Company seeks to [REDACTED] on the Hong Kong Stock Exchange to provide more funds for our business development and expansion, to provide an additional financing platform for the Company when necessary, to further strengthen our corporate image and market position in the industry and to better attract overseas [REDACTED] and talents. For details, see “Business — Growth Strategies” and “Future Plans and Use of [REDACTED]”.

The following chart sets forth our simplified shareholding structure and major subsidiaries immediately before the [REDACTED]:



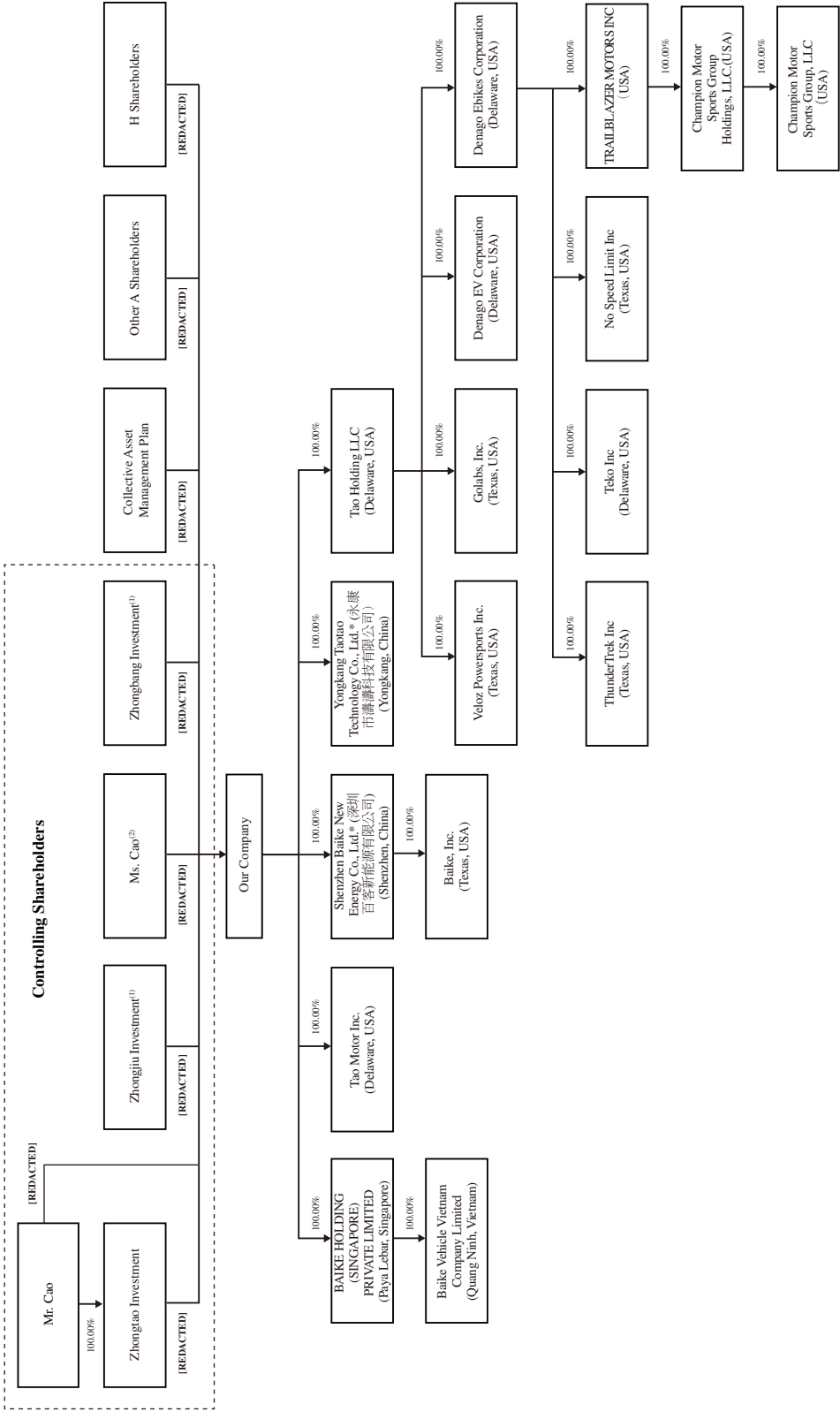
(1) See “— Major Shareholding Changes of the Company — Establishment of Employee shareholding platforms”.

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HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our simplified shareholding structure and major subsidiaries immediately following the completion of the the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes (1) to (3): Please refer to the details contained in the preceding pages.

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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

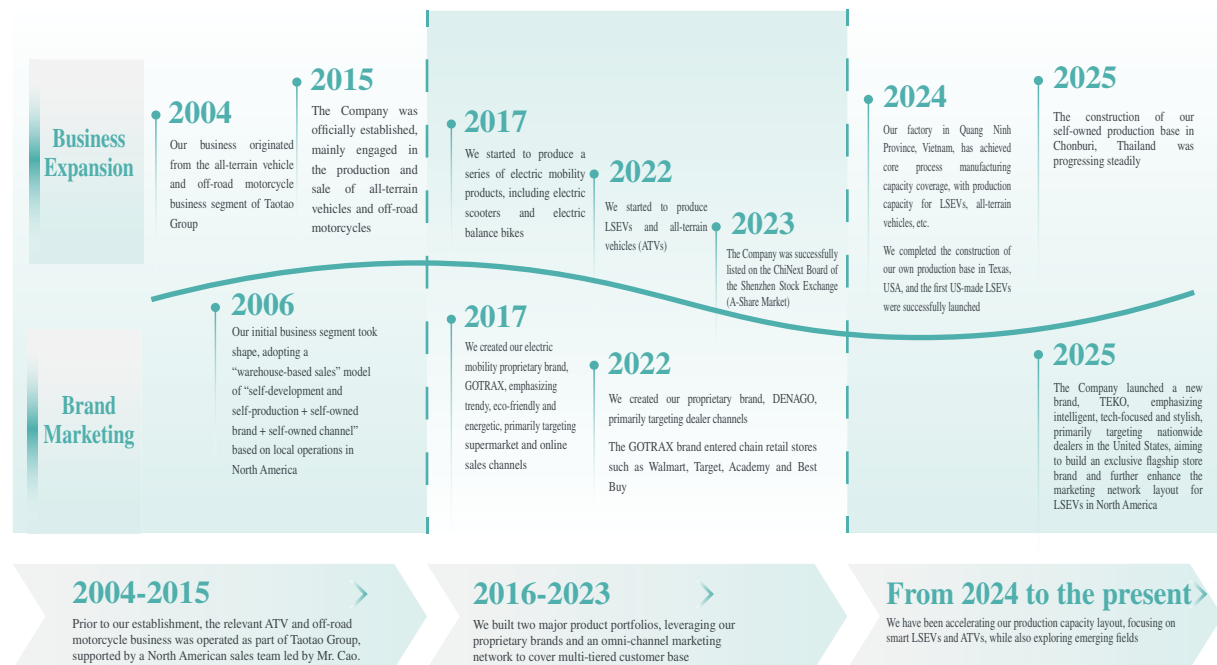
Our Key Development Milestones

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, 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. 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.

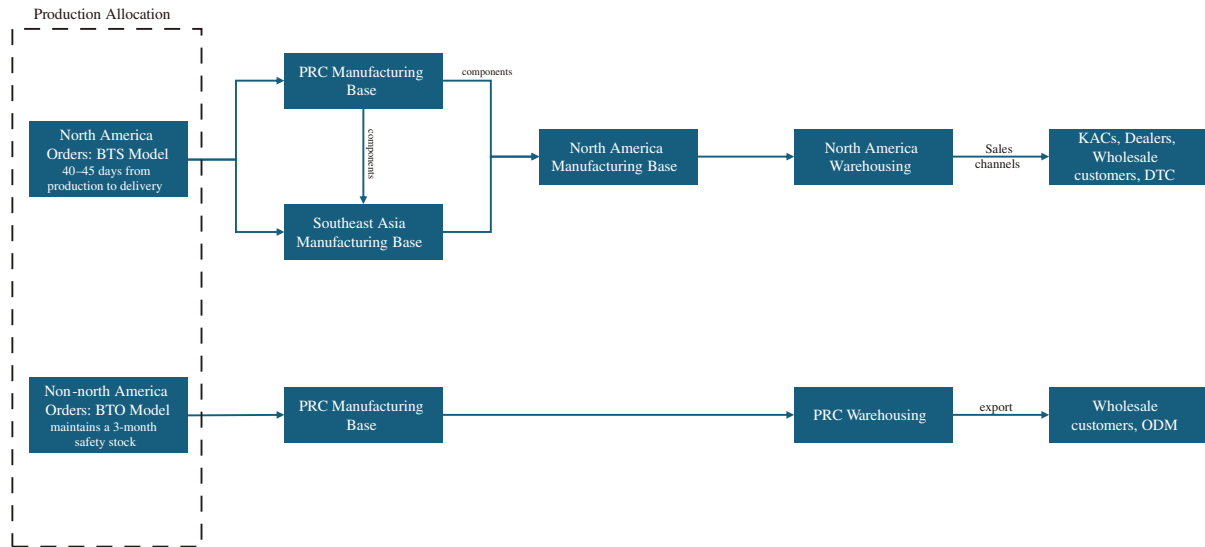
For our ATV products, our key technologies mainly focus on suspension and rear swing-arm design. Our single-arm front suspension system for youth ATVs is intended to improve steering precision, cornering stability and riding safety by reducing rollover risk and mitigating vibration and impact during 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

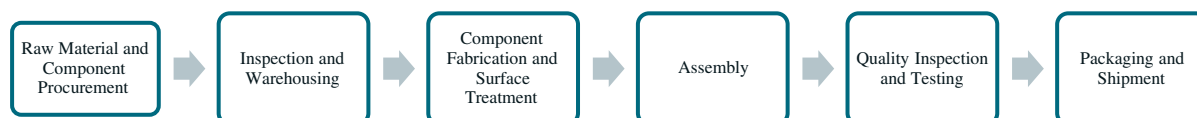
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manufacturing base, while for North America orders, CKD component sets and selected components sourced from China and Vietnam are generally shipped to our U.S. facility for local assembly and delivery. The following charts illustrate the principal 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 Total Related Party Transactions
		2023	2024	2025		
		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

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Cao was interested in approximately 67.41% of our total issued share capital, comprising (i) approximately 41.27% by Zhongtao Investment wholly-owned by him and (ii) approximately 26.14% of our total issued share capital directly held by him. Ms. Cao, the sister of Mr. Cao, was interested in approximately 5.6% of our total issued share capital, comprising (i) approximately 3.53% of our total issued share capital controlled by Ms. Cao in her capacity as the sole general partner of our employee shareholding platform Zhongjiu Investment, (ii) approximately 1.38% of our total issued share capital directly held by her, and (iii) approximately 0.69% of our total issued share capital controlled by Ms. Cao in her capacity as the sole general partner of our employee shareholding platform Zhongbang Investment. Accordingly, Mr. Cao, Zhongtao Investment, Ms. Cao, Zhongjiu Investment and Zhongbang Investment constitute a group of Controlling Shareholders before the [REDACTED]. For details of the relationship among the group of our Controlling Shareholders and their shareholding in our Company, see the sections headed “History, Development and Corporate Structure” and “Substantial Shareholders.”

Immediately following the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) no new Shares are issued under our 2023 Restricted Share Incentive Plan and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), Mr. Cao and Ms. Cao will continue to control, directly and indirectly (through Zhongtao Investment, Zhongjiu Investment and Zhongbang Investment), the exercise of approximately [REDACTED] voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Cao, Zhongtao Investment, Ms. Cao, Zhongjiu Investment and Zhongbang Investment will remain as a group of Controlling Shareholders of our Company upon [REDACTED].

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER COMPETING BUSINESSES

Our Controlling Shareholders and Directors confirmed that, the Controlling Shareholders did not have any interest in other business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Company’s Directors are of the view that the Company will be capable of carrying on its business independently from the Controlling Shareholders and their respective close associates upon completion of the [REDACTED]. The independence of the Company is set out below in three aspects of management independence, operational independence and financial independence:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of nine Directors comprising three executive Directors, two non-executive Directors and four independent non-executive Directors. For further details, please refer to “Directors and Senior Management”.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Although Mr. Cao is an executive Director and chairman of the Board, we consider that the Board and senior management will function independently from the Controlling Shareholders for the following reasons:

- each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the best interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- our management and operational decisions are made by the Board and senior management, all of whom have substantial experience in the industry in which we operate and in their respective areas of expertise. We have established sound internal control and decision-making mechanisms, whereby the senior management is accountable to the Board and is supervised by experienced independent non-executive Directors.
- four out of our nine Directors are independent non-executive Directors who have extensive experience in various professional fields. They have been appointed in accordance with the requirements of the Listing Rules to ensure that the decision of our Board shall be made only after due consideration of independent and impartial opinions. We believe that the independent non-executive Directors will bring independent judgement to the Board’s decision-making process;
- a Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates is materially interested, and shall not be counted in the quorum present at the particular Board meeting; and
- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. Please refer to “— Corporate Governance Measures” below.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or our company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate our business independently from our Controlling Shareholders and their close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

We have established an independent financial management and internal control system, enabling us to make financial decisions independently in accordance with our own business needs. We maintain an independent finance department responsible for daily financial management, fund operations and accounting, and have implemented a comprehensive internal audit system to ensure financial transparency and compliance. As we anticipate that our working capital will be derived from, among other things, operating activities, bank loans and the cash flows generated from the [REDACTED], we do not expect to rely on the Controlling Shareholders and their close associates for financing following the [REDACTED].

In addition, we are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As of the Latest Practicable Date, there was no outstanding loan or guarantee provided by, or granted to, our Controlling Shareholders or their respective associates.

Based on the above, our Directors believe that we have the ability to operate our business independently from our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director is connected to the company or individual involved;
- we have established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if we enter into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors and believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in “Directors and Senior Management — Board of Directors — Independent Non-executive Directors”;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group and our Controlling Shareholders and/or our Directors, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and the independent non-executive Directors shall review compliance with the non-competition undertakings, and our Company shall disclose the resolutions of the independent non-executive Directors either through interim and annual reports or by way of announcements; and
- we have appointed South China Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, the Directors of the Company are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders and to protect minority Shareholders’ interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the [REDACTED], the Board of Directors will consist of nine Directors, including three executive Directors, two non-executive Directors and four independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company.

Our senior management consists of six members who are responsible for the day-to-day operations of our Company. All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

Directors and Senior Management

The following table sets forth certain information regarding the Directors and members of senior management:

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. CAO Matao (曹馬濤)	42	Chairman of the Board, executive Director and general manager	September 24, 2015	September 24, 2015	Responsible for formulating and implementing the Company’s strategic planning, and overseeing its daily operations and management	Son of Mr. Cao Yuejin
Mr. SUN Yong (孫永)	53	Executive Director, chief financial officer, secretary of the Board and joint company secretary	March 28, 2017	April 14, 2017	Responsible for finance and operations management and external communications	N/A
Mr. YAO Guangqing (姚廣慶)	50	Executive Director and deputy general manager	September 24, 2015	September 24, 2015	Responsible for assisting in production and operations management to ensure progress and formulating strategies for the Company’s long-term development	N/A
<i>Non-executive Directors</i>						
Mr. CAO Yuejin (曹躍進)	67	Non-executive Director	September 24, 2015	September 24, 2015	Responsible for supervising and providing technical advice to our Board	Father of Mr. Cao Matao
Mr. ZHAO Longman (趙龍曼)	37	Non-executive Director, employee representative Director	January 15, 2018	October 9, 2025	Responsible for E-mobility business sector in the United States	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
<i>Independent non-executive Directors</i>						
Mr. CHEN Junze (陳軍澤)	53	Independent non-executive Director	October 21, 2024	October 21, 2024	Responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders	N/A
Mr. CHEN Dongpo (陳東坡)	55	Independent non-executive Director	October 21, 2024	October 21, 2024	Responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders	N/A
Mr. ZHANG Jianxin (張建新)	61	Independent Non-executive Director	October 21, 2024	October 21, 2024	Responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders	N/A
Ms. ZANG Cuicui (臧翠翠) ⁽¹⁾	42	Independent non-executive Director	October 9, 2025 (effective upon November 10, 2025)	October 9, 2025 (effective upon November 10, 2025)	Responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders	N/A

Note:

- (1) Ms. ZANG Cuicui (臧翠翠) was appointed as an independent non-executive Director in October 2025 with effect upon November 10, 2025.

BOARD OF DIRECTORS

Executive Directors

Mr. CAO Matao (曹馬濤), aged 42, has been the chairman of the Board and a Director of the Company since September 2015, and as a general manager of the Company since April 2017. Mr. Cao was re-designated as an executive Director in October 2025. Mr. Cao is primarily responsible for formulating and implementing the Company’s strategic planning and overseeing its daily operations and management. Mr. Cao is also a director of Tao Motor Canada Inc., an indirect wholly-owned subsidiary of our Company, since March 2016.

Mr. Cao previously held various positions within our Group. From January 2016 to July 2017, he served as a director and the chief executive officer of Tao Motor Inc., a wholly-owned subsidiary of our Company. Mr. Cao also previously served as an executive director and general manager of Zhongtao Investment, one of our Controlling Shareholders, from April 2017 to March 2020. Prior to founding our

DIRECTORS AND SENIOR MANAGEMENT

Group, Mr. Cao served as a chairman of the board of Hangzhou Zhizhou Investment Management Co., Ltd. (杭州智周投資管理有限公司) from October 2010 to October 2019. He also served as a director at Taotao USA Inc., a wholly-owned subsidiary of Taotao Group, from February 2007 to December 2014 and as the president from February 2007 to November 2017.

Mr. Cao obtained his diploma in business administration, through online learning, from Southwest University (西南大學) in China in July 2016. was accredited as an intermediate engineer from Lishui Municipal Human Resources and Social Security Bureau (麗水市人力資源和社會保障局) in December 2013.

Mr. SUN Yong (孫永), aged 53, has been secretary of the Board and chief financial officer of the Company since March 2017 and a Director of the Company since April 14, 2017. Mr. Sun was re-designated as an executive Director and appointed as one of the joint company secretaries in October 2025. Mr. Sun is primarily responsible for finance and operations management and external communications.

Prior to joining the Group, Mr. Sun served as a director at Yongkang Hardware Accounting Firm Co., Ltd. (永康五金會計師事務所有限公司) from October 2011 to December 2016, as a director at Yongkang Longtian United Accounting Firm (General Partnership) (永康龍天聯合會計師事務所(普通合夥)) from December 2009 to September 2011, successively as a senior project manager and assistant manager at Tianjian Accounting Firm (Special General Partnership) (天健會計師事務所(特殊普通合夥)) from February 2003 to February 2006, and successively as an assistant accountant, department manager and deputy director at Yongkang Tianzheng Accounting Firm Co., Ltd. (永康天正會計師事務所有限公司) from September 1996 to January 2003 and from March 2006 to November 2011.

Mr. Sun obtained his bachelor’s degree in finance from Shanxi University of Finance and Economics (山西財經大學) in China in July 1996. He was accredited as a senior accountant in April 2007 by Zhejiang Provincial Human Resources and Social Security Department (浙江省人力資源和社會保障廳), and as a PRC certified public accountant by Zhejiang Institute of Certified Public Accountants (浙江省註冊會計師協會) in October 2000.

Mr. YAO Guangqing (姚廣慶), aged 50, has been a Director and deputy general manager of our Company since September 2015 and April 2019, respectively. Mr. Yao was re-designated as an executive Director in October 2025. Mr. Yao is primarily responsible for assisting in production and operations management to ensure progress and formulating strategies for the Company’s long-term development.

Mr. Yao held various positions in our Group previously, including as a deputy general manager of the purchasing center of the Company from July 2016 to April 2019. Mr. Yao has been serving as an executive director and general manager of Zhejiang Taotao Power Technology Co., Ltd. (浙江濤濤動力科技有限公司), a wholly-owned subsidiary of our Company, since April 2017. He also previously served as a managing partner of Zhongjiu Investment, one of our Controlling Shareholders, from October 2018 to December 2019. Prior to joining our Group, Mr. Yao served as a purchasing manager of Jinyun County Xiangyuan Industrial Co., Ltd. (縉雲縣翔遠實業有限公司) from July 2002 to July 2004, and as a purchasing officer of Yongkang City Taotao Casting Co., Ltd. (永康市濤濤鑄造有限公司) from March 2000 to July 2002.

Mr. Yao obtained his diploma in mechatronics technology, from Lishui College (麗水學院) by way of correspondence education in China in July 2015. Mr. Yao was accredited as an intermediate engineer (mechanical) in November 2018 by Lishui Municipal Human Resources and Social Security Bureau (麗水市人力資源和社會保障局).

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. CAO Yuejin (曹躍進), aged 67, has been a Director of the Company from September 2015 to April 2017 and reappointed as a Director of the Company since October 2024. He was re-designated as a non-executive Director in October 2025. Mr. Cao is primarily responsible for supervising and providing technical advice to our Board.

Mr. Cao has also been serving as an executive director and general manager of Hubei Jinghua Investment Co., Ltd. (湖北京華投資有限公司) since December 2009 and November 2005, respectively.

Mr. Cao previously served as the executive director and general manager of Yongkang Taotao Casting Co., Ltd. (永康市濤濤鑄造有限公司) from November 1995 to September 2014, and the general manager of Yongkang Houwu Machinery Factory (永康市後吳機械廠) from March 2000 to July 2004.

Mr. Cao Yuejin was the general manager/director of the following companies which were deregistered during his tenure:

Company name	Position	Status	Place of incorporation	Principal business prior to deregistration	Reason of deregistration	Date of deregistration
Nanchang Qingshan Lake District Taotao Electric Vehicle Sales Department (南昌市青山湖區濤濤電動車銷售部) . .	General manager	Cancelled	PRC	No business operation	Voluntary deregistration	January 25, 2017
Yongkang Taotao Vehicle Co., Ltd. (永康市濤濤車業有限公司)	Executive director	Cancelled	PRC	No business operation	Voluntary deregistration	February 4, 2021

Mr. Cao Yuejin confirmed that the above companies (i) did not have any business relationship with our Group prior to its respective deregistration; (ii) was solvent and not loss-making at the time of its deregistration; and (iii) was not subject to any claim or litigations at the time of its deregistration. Mr. Cao Yuejin further confirmed that there was no wrongful act on his part leading to the deregistration of above company and he is not aware of any actual or potential claim that has been or will be initiated against him as a result of the aforementioned deregistration, and that his involvements in above company was part and parcel to his services and that no misconduct or misfeasance had been involved in the deregistration.

Mr. Cao Yuejin was accredited as an intermediate engineer (中級工程師) in December 2013 by Lishui Municipal Human Resources and Social Security Bureau (麗水市人力資源和社會保障局).

Mr. ZHAO Longman (趙龍曼), aged 37, was appointed as a non-executive Director and employee representative Director of the Company since October 9, 2025. He is primarily responsible for supervising E-mobility products business sector in the United States.

Mr. Zhao currently serves as the general manager of Golabs Inc., where he joined since January 2025. Mr. Zhao previously also worked in Tao Motor Inc. as a financial director from January 2018 to December 2024.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining the Group, Mr. Zhao previously serves as an audit assistant manager at KPMG Huazhen (Special General Partnership) Shanghai Branch (畢馬威華振會計師事務所(特殊普通合伙)上海分所) from October 2010 to November 2014, as an assistant to the internal audit director at Dearborn Holding Company from May 2017 to January 2018.

Mr. Zhao holds a bachelor’s degree in Insurance from Shanghai University of Finance and Economics in China and a master’s degree in Business Administration from DePaul University, the United States in July 2010 and June 2017 respectively.

Independent Non-executive Directors

Mr. ZHANG Jianxin (張建新), aged 61, has been serving as an independent Director since October 2024 and was re-designated as an independent non-executive Director in October 2025. He is primarily responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all Shareholders.

Mr. Zhang has also been serving as a deputy manager of the management division of National Motorcycle Quality Supervision and Inspection Center (Tianjin) (國家摩托車質量監督檢驗中心(天津)) since October 2018.

Prior to joining the Group, he served as the deputy dean at Guangdong Guangtian Electromechanical Industrial Research Institute (廣東廣天機電工業研究院), as the head of the technical department at National Motorcycle Quality Supervision and Inspection Center (Tianjin) (國家摩托車質量監督檢驗中心(天津)).

Mr. Zhang obtained his bachelor’s degree in internal combustion engineering from Tianjin University (天津大學) in China in July 1988. He also was accredited as professorate senior engineer (高級工程師(正高級)) in December 2013 and as a senior engineer in December 2000, both by Tianjin Municipal Human Resources and Social Security Bureau (天津市人力資源和社會保障局).

Mr. CHEN Junze (陳軍澤), aged 53, has been serving as an independent Director since October 2024 and was re-designated as an independent non-executive Director in October 2025. He is primarily responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders.

Prior to joining the Group, he served as the vice president at Zhejiang Equity Service Group Co., Ltd. (浙江股權服務集團有限公司) since July 2024, as a president assistant at Xiangcai Securities Co., Ltd. (湘財證券股份有限公司) from November 2020 to March 2024, as an independent director of Huangshan Jinma Co., Ltd. (黃山金馬股份有限公司) from January 2005 to January 2011.

Mr. Chen obtained his bachelor of economics in statistics from Lanzhou University (蘭州大學) in China in June 1994, master of economics in statistics from Zhejiang Gongshang University (浙江工商大學) in China in April 1997, and doctor of management in agricultural economics and management from Zhejiang University (浙江大學) in China in June 2000.

Mr. CHEN Dongpo (陳東坡), aged 55, has been serving as an independent Director since October 2024 and was re-designated as an independent non-executive Director in October 2025. He is primarily responsible for assessing the Company’s operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen has also been serving as an independent director of Sanwei Holdings Group Co., Ltd. (三維控股集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603033) since June 2023, and as an independent director of Zhejiang Yueling Co., Ltd. (浙江躍嶺股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002725) since May 2022.

Prior to joining the Group, Mr. Chen served as a secretary of the board from July 2022 to October 2024 and financial director from July 2022 to March 2024 at Zhejiang Qianjin Heating Technology Co., Ltd. (浙江前進暖通科技股份有限公司). He served as a financial director and secretary of the board at Zhejiang Tiancao Biotechnology Co., Ltd. (浙江天草生物科技股份有限公司), successively as the director, financial director, and secretary of the board at Anhui Renhe Environmental Technology Co., Ltd. (安徽人和環境科技股份有限公司) from August 2015 to September 2016, and a director at Wanbangde Pharmaceutical Group Co., Ltd. (萬邦德製藥集團股份有限公司) from February 2011 to August 2014.

Mr. Chen obtained his college diploma in planned statistics from Ma'an Shan Commercial College (馬鞍山商業專科學校) (which subsequently incorporated into Anhui University of Technology (安徽工業大學)) in China in July 1991, and a bachelor's degree in financial management, through online learning, from Dongbei University of Finance and Economics (東北財經大學) in China in January 2010.

Mr. Chen was accredited as a senior accountant in December 2017 by Zhejiang Provincial Department of Finance (浙江省財政廳) and as a registered account in July 2017 by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Ms. ZANG Cuicui (臧翠翠), aged 42, was appointed as an independent non-executive Director in October 2025 (effective from November 10, 2025). She is primarily responsible for assessing the Company's operations, reviewing Board meeting proposals and safeguarding the interests of the Company and all Shareholders.

Ms. Zang is currently a director, a deputy director and senior specialist at Sotheby Hong Kong office since March 2022. Previously, she served as a senior specialist at Bonhams Hong Kong, as a representative at the Singapore office of Holly's International (HK) Auctions Co., Ltd. (華藝國際(香港)拍賣有限公司) from February 2020 to March 2021.

Ms. Zang obtained her bachelor's degree in art history and master's degree in arts from Tsinghua University in China in July 2007 and July 2009, respectively.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Senior Management

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a member of senior management	Responsibility	Relationship with other Directors and senior management
Mr. CAO Matao (曹馬濤)	42	Chairman of the Board, executive Director and general manager	September 24, 2015	September 24, 2015	Responsible for formulating and implementing the Company's strategic planning, and overseeing its daily operations and management	Son of Mr. Cao Yuejin
Mr. SUN Yong (孫永)	53	Executive Director, Chief Financial Officer, secretary of the Board and joint company secretary	March 28, 2017	April 14, 2017	Responsible for finance and operations management and external communications	N/A
Mr. YAO Guangqing (姚廣慶)	50	Executive Director and deputy general manager	September 24, 2015	April 13, 2019	Responsible for assisting in production and operations management to ensure progress and formulating strategies for the Company's long-term development	N/A
Mr. LOU Guidong (樓貴東)	56	Deputy general manager	September 24, 2015	April 13, 2019	Responsible for company management and supervision, and decision support	N/A
Mr. CHAI Aiwu (柴愛武)	52	Deputy general manager	September 24, 2015	April 13, 2019	Responsible for the production, quality, procurement and other related management of the automobile division	N/A
Ms. ZHU Hongxia (朱紅霞)	53	Deputy general manager	September 24, 2015	April 13, 2019	Responsible for administration, human resources, safety and environmental protection	N/A

Mr. CAO Matao (曹馬濤), aged 42, is the chairman of the Board, Director and general manager of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. SUN Yong (孫永), aged 53, is the executive Director, deputy general manager, secretary of the Board and one of the joint company secretaries of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. YAO Guangqing (姚廣慶), aged 50, is the executive Director and deputy general manager of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. LOU Guidong (樓貴東), aged 56, has been serving as a deputy general manager of our Company since April 13, 2019. He is primarily responsible for company management and supervision, and decision support.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lou previously served as a general manager of the R&D Center at the Company from March 2016 to April 2019. He also served as a general manager of the R&D Center at Taotao Group from June 2002 to December 2015.

Prior to joining the Group, Mr. Lou served as a supervisor of Jinyun County Yuanda Metal Products Co., Ltd. (縉雲縣遠大金屬製品有限公司) from May 2014 to April 2019, as the general manager of the R&D center at Jinyun County Xiangyuan Industrial Co., Ltd. (縉雲縣翔遠實業有限公司) from June 2002 to December 2015, and as a division manager at Houwu Machinery Factory in Yongkang City (永康市後吳機械廠) from March 2000 to May 2002.

Mr. Lou obtained his college diploma in mechatronics technology from Lishui College (麗水學院) by way of correspondence education in China in July 2015.

Mr. CHAI Aiwu (柴愛武), aged 52, has been serving as a deputy general manager of our Company since April 13, 2019. He is primarily responsible for the production, quality, procurement and other related management of the powersports division.

Mr. Chai successively served as a general manager of the business department and director from December 2015 to April 2019. He was also a general manager of the business department of Taotao Group from March 2010 to September 2015.

Prior to joining the Group, Mr. Chai served as a general manager and executive director of Hangzhou Hengtai Industrial Co., Ltd. (杭州恒濤實業有限公司), from November 2013 to October 2019, as a deputy general manager of Zhejiang Taiping Industry & Trade Co., Ltd. (浙江太平工貿有限公司) from June 2007 to March 2010.

Mr. Chai obtained his college degree in Industrial Electronic Technology (專科文憑) from Nanjing Mechanical Higher Vocational school (南京機械高等專科學校) in China in June 1995, and a bachelor's degree in mechanical design, manufacturing and automation by way of correspondence education from Lishui College (麗水學院) in China in June 2022. Mr. Chai was accredited as an intermediate engineer (mechanical) in November 2018 by Lishui Municipal Human Resources and Social Security Bureau (麗水市人力資源和社會保障局).

Ms. ZHU Hongxia (朱紅霞), aged 53, has been serving as a deputy general manager of our Company since April 2019. She is primarily responsible for administration, human resources, safety and environmental protection.

Ms. Zhu previously served as a deputy general manager of the operation center from January 2017 to April 2019.

Prior to joining the Group, Ms. Zhu served as a deputy general manager of Jinyun County Hengtai Microfinance Co., Ltd. (縉雲縣恒濤小額貸款股份有限公司), a controlled subsidiary of Taotao Group, from December 2012 to December 2016, successively as an office manager and administrative deputy general manager of Taotao Group from October 2002 to September 2013.

Ms. Zhu obtained her bachelor's degree in mechanical design, manufacturing and automation from Lishui College (麗水學院) by way of correspondence education in China in July 2015. She was accredited as a senior engineer in December 2022 by Zhejiang Machinery Industry Federation (浙江省機械工業聯合會).

DIRECTORS AND SENIOR MANAGEMENT

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in October 2025, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

OTHER INFORMATION

Save as disclosed in this section and in “Statutory and general information — C. Further information about our Directors and senior management and substantial shareholders” in Appendix IV:

- (1) each of our Directors and members of senior management does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;
- (2) each of our Directors and members of senior management has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date;
- (3) Mr. Cao, our founder, executive Director, chairman of the Board and general manager is the son of Mr. Cao Yuejin (曹躍進), our non-executive Director. Save as disclosed in “Directors and Senior management”, none of our Directors and members of the senior management is related to other Directors and members of the senior management;
- (4) each of our Directors did not have any interest in our Shares within the meaning of Part XV of the SFO; and
- (5) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. SUN Yong (孫永), aged 53, was appointed as our joint company secretary in September 2025. For details of his biography, see “— Board of Directors — Executive Directors”.

Ms. CHAN Pui Ching (陳佩貞) was appointed as our joint company secretary in September 2025. Ms. Chan has over 17 years of experience in company secretary and corporate governance field. She is a senior manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. She is responsible for providing professional corporate services to Hong Kong listed companies. Ms. Chan obtained her bachelor’s degree in social sciences in December 2003 from The University of Hong Kong. She is a Chartered Secretary, a Corporate Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations, the Corporate Governance Code and the Listing Rules, the Company has established four committees under the Board of Directors, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and ESG Committee.

Audit Committee

We established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Audit Committee consists of three Directors, namely CHEN Dongpo, CHEN Junze and CAO Yuejin with CHEN Dongpo currently serving as the chairman. Each has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and have with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

We established a Remuneration and Evaluation Committee in compliance with Rule 3.25 of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely ZHANG Jianxin, CHEN Dongpo and SUN Yong, with ZHANG Jianxin currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and have with terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Nomination Committee

We established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Nomination Committee consists of four Directors, namely CHEN Junze, CAO Matao and ZHANG Jianxin and ZANG Cuicui, with CHEN Junze currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors

DIRECTORS AND SENIOR MANAGEMENT

qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and have with terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Strategy and ESG Committee

We have established the Strategy and ESG Committee with written terms of reference, which consists of CAO Matao, CHEN Junze and YAO Guangqing, with CAO Matao being the chairman of the Strategy and ESG Committee according to the relevant laws and regulations of the PRC. The main duties of the Strategy and ESG Committee are to research and recommend development strategy and capital operation of our Company.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and material science. They obtained degrees in diversified majors including material physics and chemistry, mechanical manufacturing and automation, computer applied technology, French literature, law, political theory, finance and management.

In addition, our Board of Directors has a wide range of age, ranging from 36 years old to 66 years old. One of our Directors is also female. Our Board is of the view that our Board of Directors satisfies the Board Diversity Policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to [REDACTED] expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of our Board. After the [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED], except for Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual.

DIRECTORS AND SENIOR MANAGEMENT

We do not have a separate chairperson and general manager, and Mr. Cao, our Chairman of the Board, executive Director and general manager, currently performs these two roles. Our Board considers that vesting the roles of chairman and general manager in the same person is beneficial to the management of our Group. With extensive experience in the industry and having served in our Company since its establishment, Mr. Cao is the Director best suited to steer the overall management, business, sales, strategic development and research and development of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises three executive Directors (including Mr. Cao), two non-executive Directors, and four independent non-executive Directors, and therefore has a strong independence element in its composition.

The Board will continue to review and consider splitting the roles of chairperson and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the [REDACTED].

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders’ meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders’ meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Company and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration paid to the Directors for the three years ended December 31, 2023, 2024 and 2025 were RMB3.1 million, RMB4.1 million and RMB3.9 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to the five highest paid individuals for the three years ended December 31, 2023, 2024 and 2025, were RMB9.5 million, RMB8.7 million and RMB8.3 million, respectively.

It is estimated that remuneration equivalent to approximately RMB3.73 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2026, based on the arrangements in force as of the date of the document.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

DIRECTORS AND SENIOR MANAGEMENT

For more details on remuneration paid to our Directors and senior management and, on an aggregate basis, the five highest paid individuals of our Group during the Track Record Period, see note 9 to the Accountants’ Report as set out in Appendix I; and for details regarding the Share Incentives granted to our Directors and senior management, see “Appendix IV — Statutory and General Information — 6. Employee Incentive Scheme 2023 Restricted Share Incentive Plan — 2023 Restricted Share Incentive Plan.”

COMPLIANCE ADVISOR

Our Company appointed South China Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances pursuant to Rule 3A.22 of the Listing Rules:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- (iv) responding to inquiries made by the Exchange to the Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	As of the Latest Practicable Date			Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company ⁽²⁾	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our A Shares ⁽³⁾	Approximate percentage of shareholding in our Company ⁽³⁾
Mr. Cao ⁽⁴⁾	Interest in controlled corporation	A Shares	45,000,000	41.27%	45,000,000	[REDACTED]	[REDACTED]
	Beneficial owner	A Shares	28,500,000	26.14%	28,500,000	[REDACTED]	[REDACTED]
Zhongtao Investment ⁽⁴⁾	Beneficial owner	A Shares	45,000,000	41.27%	45,000,000	[REDACTED]	[REDACTED]
Ms. Cao ⁽⁵⁾	Interest in controlled corporation	A Shares	4,600,000	4.22%	4,600,000	[REDACTED]	[REDACTED]
	Beneficial owner	A Shares	1,500,000	1.38%	1,500,000	[REDACTED]	[REDACTED]

Notes:

- All interests stated are long positions in the Shares.
- The calculation is based on the total number of 109,049,071 A Shares in issue as of the Latest Practicable Date.
- The calculation is based on the total number of 109,049,071 A Shares and [REDACTED] H Shares in [REDACTED] immediately after completion of the [REDACTED] since [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED], assuming that the [REDACTED] is not exercised.
- As of the Latest Practicable Date, Zhongtao Investment was wholly owned by Mr. Cao. Accordingly, Mr. Cao is deemed to be interested in the A Shares held by Zhongtao Investment under the SFO.
- As of the Latest Practicable Date, Ms. Cao was the sole general partner of Zhongjiu Investment and Zhongbang investment, our employee shareholding platforms, which were interested in 3,850,000 A Shares and 750,000 A Shares, respectively. Accordingly, Ms. Cao is deemed to be interested in the Shares held by Zhongjiu Investment and Zhongbang Investment, respectively, under the SFO.

Save as disclosed above and in the section headed “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders” in Appendix IV, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB109,049,071.00, comprising 109,049,071 A Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED], assuming (i) the [REDACTED] is not exercised; (ii) no new A Shares are issued under our 2023 Restricted Share Incentive Plan and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	109,049,071	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

Immediately following completion of the [REDACTED], assuming (i) the [REDACTED] is fully exercised, (ii) no new A Shares are issued under our 2023 Restricted Share Incentive Plan and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	109,049,071	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

OUR SHARES

Our H Shares in [REDACTED] upon completion of the [REDACTED] (including H Shares [REDACTED] pursuant to the exercise of the [REDACTED]) and our A Shares are ordinary shares in the share capital of our Company and are considered as one class of Shares. However, apart from [REDACTED] and persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approval of any competent authority, or (if our H Shares are eligible securities for that purpose) through Shenzhen-Hong Kong Stock Connect pursuant to relevant PRC laws and regulations, our H Shares may not be [REDACTED] by or [REDACTED] between legal or natural persons of the PRC. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by PRC investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in RMB. As our A Shares are eligible securities under the Northbound Trading Link, they can also be [REDACTED] for and [REDACTED] by Hong Kong and other overseas [REDACTED] pursuant to

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the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [REDACTED] and [REDACTED] by PRC [REDACTED] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the [REDACTED] of our A Shares and H Shares may be different after the [REDACTED]. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請“全流通”業務指引) announced by the CSRC are not applicable to companies dual [REDACTED] in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders to [REDACTED] H Shares and seek the [REDACTED] of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the general meeting of our Company held on October 9, 2025 and is subject to the following conditions:

(i) Size of the [REDACTED]

The proposed number of H Shares to be [REDACTED] initially shall not exceed [REDACTED] of the total issued share capital as enlarged by the H Shares to be [REDACTED] pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be [REDACTED] pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED] of the total number of H Shares to be [REDACTED] initially under the [REDACTED].

(ii) Method of [REDACTED]

The method of [REDACTED] shall be by way of a [REDACTED] for [REDACTED] in Hong Kong and an [REDACTED] to institutional and professional [REDACTED].

(iii) Target [REDACTED]

The H Shares shall be [REDACTED] to Hong Kong [REDACTED], other [REDACTED] who meet the relevant requirements, [REDACTED] eligible to [REDACTED] in overseas securities according to the laws and regulations of the PRC and other [REDACTED] who comply with the relevant regulatory requirements.

(iv) Price Determination Basis

The [REDACTED] of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of [REDACTED] and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

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(v) Valid Period

The [REDACTED] of H Shares and [REDACTED] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders’ meeting was held on October 9, 2025.

There is no other approved [REDACTED] plan for any other Shares except for the [REDACTED].

SHAREHOLDERS’ GENERAL MEETING

See “Appendix III — Summary of Articles of Association of the Company” for details of circumstances under which our general Shareholders’ meeting is required.

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*You should read the following discussion and analysis with our audited consolidated financial information as of and for the Track Record Period, including the notes thereto, included in the Accountant’s Report in Appendix I (“**Historical Financial Information**”). The consolidated financial information has been prepared in accordance with IFRS.*

Potential [REDACTED] should read the whole Historical Financial Information and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Past performance is no guarantee of future results. In evaluating our business, you should carefully consider the information provided in this document, including, but not limited to, the sections headed “Risk Factors” and “Business.”

OVERVIEW

We are a global company dedicated to providing outdoor leisure and electrified mobility solutions with a leading position in the low-speed electric vehicle (“LSEV”) segment. 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 innovative solutions that are both enjoyable and practical. Our business spans two major product lines: (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 in community short-distance commuting, recreational sports, intelligent mobility and specialized operations scenarios.

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 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.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are certain key factors which have historically affected our results of operations and may continue to impact our results in the future:

Global Market Demand for LSEV

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 growth. According to Frost & Sullivan, the global market size for LSEV increased from US\$1.1 billion in 2023 to US\$2.5 billion in 2025, and expected to reach US\$6.7 billion in 2030, representing a CAGR of 28.2%. LSEV is well aligned with consumer preferences and are increasingly popular among a diverse user base including middle-class families, retirees and community residents. Benefiting from such market trend, our LSEV products have quickly gained traction, contributing to the significant increase

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of our revenue from E-mobility products. We expect that further market penetration globally and particularly in the U.S., which is our largest export destination, supported by favorable consumer trends will continue to drive our revenue growth going forward.

Brand Recognition and Price Power

Our brand strength and pricing power have a direct impact on our average selling prices and profit margins. During the Track Record Period, we pursued a multi-brand strategy and marketing initiatives to raise our brand profile. 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. See “Business — Brands and Marketing.” We have transitioned from primarily ODM sales to emphasizing our proprietary brands, which carry significantly higher gross profit margins than ODM business. This optimization of our sales mix in favor of self-branded products has driven an improvement in overall profitability. During the Track Record Period, our revenue from proprietary brand amounted to RMB1,349.6 million, RMB1,848.0 million and RMB2,878.0 million, representing 62.9%, 62.1% and 73.0% of our total revenue, respectively. Brand recognition is critical to the market acceptance and commercial performance of our products. During the Track Record Period, we continued to invest in brand building and marketing activities, with selling and marketing expenses amounting to RMB314.9 million, RMB313.4 million and RMB352.0 million in 2023, 2024 and 2025, respectively. Such efforts included promotional activities conducted through various channels, including social media platforms, where certain professional athletes and sports influencers shared their experiences with our products. We believe these initiatives have enhanced brand visibility and strengthened customer recognition of our products, thereby supporting our sales performance and the pricing of our higher-end offerings. We continued to expand our high-end LSEV product offering, in particular, our DENAGO series LSEVs have received high market reception as a result our average selling price of LSEV increased from approximately RMB33.2 thousand per unit in 2023 to approximately RMB44.0 thousand per unit in 2025. Higher brand equity allows us to sell more units at favorable prices or maintain pricing even in competitive situations, which supports our gross profit margin. In 2025, our E-mobility products and powersports had gross profit margin of 45.9% and 31.9%, respectively.

Sales and Distribution Network

We have established an extensive sales and distribution network across key markets and channels, which has been a crucial driver of our revenue growth and profitability during the Track Record Period. Geographically, we derive the majority of our revenue from the United States, reflecting our extensive access to this key market. The U.S. contributed 82.8% of our revenue in 2025. Supported by local distribution infrastructure, we have expanded our customer reach and order fulfillment capabilities in our largest market. Our multi-channel sales network comprises KAC, dealers, wholesale customers, ODM and DTC websites. See “Business — Our Sales Network and Customers.” In 2023, 2024 and 2025, our revenue from distributors, including KACs and dealers, amounted to RMB1,010.5 million, RMB1,548.6 million and RMB2,500.0 million, respectively. The expansion of our dealer network and key account partnerships has thus materially boosted our sales volume, as these channels enable us to reach a wider customer base than would be possible through direct sales alone.

As of December 31, 2025, we had built a network of over 776 independent dealers across the United States and Mexico, supplemented by partnerships with GMSs and third party e-commerce platforms. This extensive channel coverage has greatly increased our market penetration and brand visibility in North America. In particular, the rollout of new dealer outlets and placements of our products in big-box retailers during 2023 and 2024 drove a significant surge in U.S. sales. The broad geographic footprint of our dealers and our collaboration with national retail chains allow our products to be accessible to a diverse customer demographic. Moreover, by leveraging third-party online

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marketplaces alongside brick-and-mortar channels, we have captured both traditional retail consumers and e-commerce shoppers. This omni-channel presence improved our order fulfillment efficiency and customer convenience, as customers can either purchase through local dealerships or order online for quick delivery from nearby warehouses.

We operate six regional sales and warehousing centers in North America that stock our popular models in proximity to end markets. By staging inventory locally, we shorten delivery distances and times, enabling faster order fulfillment to KACs, dealers, wholesale customers and DTC customers. This reduces reliance on third-party logistics and minimizes delays, ensuring that orders are fulfilled efficiently and reliably. It also allows flexible inventory allocation across regions in response to demand, helping us prevent stock-outs or over-supply in any given area.

Our choice of sales channels has a direct influence on our cost structure and gross margins. In general, sales of our proprietary-brand products through distribution channels carry higher gross profit margins than ODM sales, which are OEM manufacturing for third parties. During the Track Record Period, gross profit margin from our proprietary brands amounted to 41.4%, 37.4% and 45.8% in 2023, 2024 and 2025, respectively, while gross profit margin from our ODM amounted to 29.7%, 30.1% and 28.9% in 2023, 2024 and 2025, respectively.

Manufacturing Efficiency and Cost Management

Our manufacturing efficiency and cost management are fundamental to our ability to sustain gross profit margins and support profitable growth. During the Track Record Period, we implemented a series of internal initiatives to enhance production efficiency, reduce unit costs, and mitigate input cost pressures. These initiatives centered on scaling up production volumes, achieving vertical integration, and optimizing our multi-regional manufacturing footprint. We pursued vertical integration of our production processes. As of December 31, 2025, the self-manufacturing rate for core components was over 80%. By self-producing key components and sub-assemblies, we not only gain better control over quality and supply stability, but also capture the supplier’s margin for ourselves. As a result, we have reduced our dependence on external suppliers for high-value parts and improved our bargaining position for any materials we do source externally.

A key aspect of our cost strategy is our global production layout, which spans multiple regions and is designed to optimize cost efficiency. We maintain manufacturing bases in China, Southeast Asia, and North America, each contributing to the overall cost management in distinct ways. This multi-regional production footprint allows us to produce closer to end-markets, which in turn helps reduce logistics and tariff costs. For instance, by assembling certain products in the U.S., we can shorten trans-ocean shipping distances, avoid import tariffs on finished vehicles, and respond faster to domestic demand, all of which contribute to cost savings and agility. Our coordinated manufacturing footprint also provides flexibility to shift production allocation based on cost considerations and currency or trade developments, thereby mitigating cost risks and ensuring a stable supply of products to each market.

Efficient cost management is key to our financial performance. In 2023, and 2024 and 2025, our raw material and consumables used amounted to RMB984.5 million, RMB1,354.9 million and RMB1,562.3 million, representing 73.2%, 69.7% and 67.5% of our total cost of sales. We take a data-driven approach to cost management, closely monitoring each component of our cost of sales and implementing efficiency measures. Our cost of sales primarily consisted of raw materials and consumables used, employee benefit expenses, and clearance and shipping costs. Raw materials and consumables used are by far the largest cost element during the Track Record Period, which primarily consisted of sheet metal, frames, magnetic steel, batteries, engines, and hubs. Our ability to source a

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steady supply of raw materials at reasonable prices to support our production is crucial to our operations. If we are unable to continue improving manufacturing efficiency or if input prices rise significantly, our gross profit margin could be adversely affected.

Foreign Exchange Rate Fluctuations

Fluctuations in foreign currency exchange rates have a meaningful impact on our reported revenue and profitability, given that a substantial portion of our sales are denominated in foreign currencies, particularly U.S. dollars, while our financial statements are presented in RMB. During the Track Record Period, the Renminbi exchange rate against the U.S. dollar and other currencies has varied, leading to translation gains or losses on our foreign-currency transactions and balances. These exchange rate movements can cause volatility in our gross profit and net profit independent of underlying operating performance. We recorded net foreign exchange gains of RMB17.8 million and RMB33.6 million in 2023 and 2024, and net foreign exchange loss of RMB36.7 million in 2025, respectively.

We do not currently employ complex hedging strategies, so our financial results are exposed to foreign exchange risk. During the Track Record Period, we had derivative financial assets of RMB0.2 million as of December 31, 2024. We manage our foreign exchange exposure through internal treasury and credit management measures. In particular, we (i) closely monitor exchange rate movements and regularly review our foreign-currency cash positions and receivables, with ongoing training to enhance risk awareness and execution capability; (ii) adjust the timing of foreign-currency conversion based on market conditions and our Renminbi funding needs to mitigate adverse exchange rate movements; (iii) on a prudent and as-needed basis, use simple bank products such as forward foreign exchange contracts to lock in settlement rates for expected receipts, and we do not adopt complex hedging strategies or engage in speculative foreign exchange trading; and (iv) continue to enhance product quality and brand influence to strengthen pricing power and improve our ability to absorb exchange rate volatility. For detail, please see note 3 to the Accountants’ Report in Appendix I to this document.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”).

Our Directors believe that we have adequate resources to continue operations and meet our abilities when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period, by taking into account: (a) our expected cash inflows from operating activities; and (b) the bank facilities obtained subsequent to the reporting date. Therefore, our Directors are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared under the historical cost convention except for equity investments designated at fair value through other comprehensive income and certain financial instruments which have been measured at fair value at the end of each of the Track Record Periods.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions and complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operating results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future

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events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

When reviewing our consolidated financial statements, you should consider, amongst other things: (i) information about our material accounting policy; (ii) the judgments and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. Information about our material accounting policy, estimates and judgments, which are important for an understanding of our financial condition and results of operations, including any changes in accounting policy and disclosures, are set forth in detail in notes 2 and 44 to the Accountants’ Report in Appendix I.

DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0
Cost of sales	(1,344,740)	(62.7)	(1,944,650)	(65.3)	(2,315,223)	(58.7)
Gross profit	799,506	37.3	1,031,979	34.7	1,626,207	41.3
General and administrative expenses	(109,041)	(5.1)	(152,873)	(5.1)	(179,804)	(4.6)
Selling and marketing expenses	(314,924)	(14.6)	(313,398)	(10.6)	(351,981)	(8.9)
Research and development expenses	(87,654)	(4.1)	(125,467)	(4.2)	(123,371)	(3.1)
Net impairment losses on financial assets	(16,786)	(0.8)	(4,766)	(0.2)	(24,952)	(0.6)
Other income	19,026	0.9	23,888	0.8	26,971	0.7
Other gains, net	13,626	0.6	32,786	1.1	(39,361)	(1.0)
Operating profit	303,753	14.2	492,149	16.5	933,709	23.7
Finance income	42,959	2.0	44,147	1.5	40,893	1.0
Finance costs	(12,263)	(0.6)	(23,070)	(0.8)	(27,347)	(0.7)
Finance (costs)/ income, net	30,696	1.4	21,077	0.7	13,546	0.3
Profit before income tax	334,449	15.6	513,226	17.2	947,255	24.0
Income tax expense	(53,971)	(2.5)	(81,964)	(2.7)	(130,932)	(3.3)
Profit for the year	280,478	13.1	431,262	14.5	816,323	20.7
Attributable to:						
— Owners of the Company	280,478	13.1	431,263	14.5	816,323	20.7
— Non-controlling interests	—	—	(1)	(0.0)	—	—
Other comprehensive income/(expenses)						
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>						
Currency translation differences of foreign operations	(386)	(0.0)	10,836	0.4	(26,178)	(0.7)
Total comprehensive income for the year	280,092	13.1	442,098	14.9	790,145	20.0

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Revenue

During the Track Record Period, we generated our revenue from (i) E-mobility products, (ii) powersports, and (iii) others. Our revenue amounted to RMB2,144.2 million, RMB2,976.6 million and RMB3,941.4 million in 2023, 2024 and 2025, respectively.

Revenue by Product

The following table sets forth our revenue by products 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

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

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical markets for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
United States	1,529,253	71.2	2,291,890	76.9	3,260,222	82.8
Europe	267,739	12.5	227,761	7.7	147,041	3.7
Canada	108,641	5.1	94,747	3.2	84,098	2.1
America (excluding the United States and Canada) ⁽¹⁾	153,705	7.2	259,525	8.7	216,141	5.5
Asia (excluding China) ⁽²⁾	53,077	2.5	67,331	2.3	128,068	3.2
China	24,307	1.1	29,074	1.0	95,769	2.4
Others	7,524	0.4	6,301	0.2	10,091	0.3
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0

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Notes:

- (1) Americas (excluding the United States and Canada) mainly included Mexico and some South American countries.
- (2) Asia mainly included Thailand and Malaysia.

Revenue by Sale Channel

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 and (ii) third-party e-commerce platforms.
- (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 a one-off basis, and we have not entered into any distribution agreements with them.
- (4) DTC websites refer to our self-operated online stores.

Cost of Sales

Our cost of sales primarily consisted of (i) raw materials and consumables used, (ii) employee benefit expenses, (iii) production expenses, (iv) clearance and shipping costs, (v) impairment losses on inventories, and (vi) others. In 2023, 2024 and 2025, our cost of sales amounted to RMB1,344.7 million, RMB1,944.7 million and RMB2,315.2 million, respectively. The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Raw materials and consumables						
used	984,544	73.2	1,354,928	69.7	1,562,252	67.5
Employee benefit expenses	69,351	5.2	130,620	6.7	166,825	7.2
Production expenses	50,507	3.8	74,979	3.9	123,738	5.3
Clearance and shipping costs	140,433	10.4	248,171	12.8	309,842	13.4
Impairment losses on inventories	6,746	0.5	9,341	0.5	8,598	0.4
Others ⁽¹⁾	93,159	6.9	126,611	6.4	143,968	6.2
Total	1,344,740	100.0	1,944,650	100.0	2,315,223	100.0

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Notes:

(1) Others mainly included freight costs.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit amounted to RMB799.5 million, RMB1,032.0 million and RMB1,626.2 million, and our gross profit margin amounted to 37.3%, 34.7% and 41.3%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
E-mobility products ⁽¹⁾	503,454	39.4	676,015	35.8	1,278,418	45.9
Powersports ⁽²⁾	253,626	34.1	303,815	32.9	300,567	31.9
Others ⁽³⁾	42,426	34.6	52,149	31.8	47,222	22.3
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3

Notes:

- (1) Our E-mobility products primarily comprise LSEVs, electric scooters, electric balance bikes and electric bicycles, whose gross profit margins ranged from approximately 30% to 50%, 30% to 40%, 25% to 35% and 35% to 45%, respectively, during the Track Record Period.
- (2) Our powersports primarily comprise ATVs and off-road motorcycles, whose gross profit margins ranged from approximately 30% to 35% and 35% to 40%, respectively, during the Track Record Period.
- (3) Others mainly included sales of accessories, helmets, and scrap materials and lease income

During the Track Record Period, our gross profit margin increased from 37.3% in 2023 to 41.3% in 2025, despite a decrease to 34.7% in 2024. Such increase was primarily driven by the continued improvement in the gross profit margin of our LSEVs, mainly attributable to the increasing market recognition of our LSEV products, our continued optimization of product mix and the increase in ASPs of our LSEVs. The gross profit margins of electric scooters, electric balance bikes and electric bicycles generally showed a downward trend during the Track Record Period, primarily due to changes in product and channel mix and pricing of the relevant products. The gross profit margins of ATVs and off-road motorcycles remained relatively stable during the Track Record Period.

The following table sets forth a breakdown of our gross profit and gross profit margin by proprietary brands and ODM in gross profit and gross profit margin for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Proprietary brands	558,057	41.4	690,588	37.4	1,317,656	45.8
ODM	232,532	29.7	332,205	30.1	298,805	28.9
Others	8,917	70.8	9,186	38.3	9,746	32.0
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3

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

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The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel in gross profit and gross profit for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Distribution Network:						
Key Account Customers	283,946	38.0	268,879	32.1	233,669	35.8
Dealers	97,360	37.1	282,609	39.7	917,792	49.7
Wholesale customers	9,363	31.3	25,742	34.2	32,372	28.2
Direct Sales:						
ODM	232,532	29.7	332,205	30.1	298,805	28.9
DTC Websites	176,305	54.8	122,544	49.4	143,569	48.9
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3

General and administrative expenses

Our general and administrative expenses primarily consisted of (i) employee benefit expenses, (ii) office expenses, (iii) depreciation and amortization, (iv) raw materials and consumables used, (v) professional services and other consulting fees, (vi) service fees, (vii) taxes and surcharges, (viii) travelling and entertainment expenses, (ix) repair and maintenance expenses, (x) [REDACTED], and (xi) other expenses. In 2023, 2024 and 2025, our general and administrative expenses amounted to RMB109.0 million, RMB152.9 million and RMB179.8 million, respectively. The following table sets forth a breakdown of our general and administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefit expenses	34,406	31.6	51,294	33.6	55,270	30.7
Office expenses	20,621	18.9	25,924	17.0	27,863	15.5
Depreciation and amortization	10,670	9.8	14,388	9.4	15,480	8.6
Raw materials and consumables used	4,962	4.6	2,184	1.4	662	0.4
Professional services and other consulting fees	6,494	6.0	16,028	10.5	26,638	14.8
Service fees	7,165	6.6	9,729	6.4	7,906	4.4
Taxes and surcharges	8,468	7.8	13,002	8.5	12,976	7.2
Travelling and entertainment expenses	5,762	5.3	6,856	4.5	7,024	3.9
Repair and maintenance expenses . .	2,188	2.0	3,086	2.0	7,723	4.3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others expenses ⁽¹⁾	8,305	7.4	10,382	6.7	17,627	9.8
Total	109,041	100.0	152,873	100.0	179,804	100.0

Notes:

(1) Other expenses mainly included communication expenses, landscaping costs.

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Selling and marketing expenses

Our selling and marketing expenses mainly consisted of (i) employee benefit expenses, (ii) advertising and business promotion expenses, (iii) rental expenses, (iv) warehouse expenses, (v) professional services and other consulting fees, and (vi) other expenses, during the Track Record Period. Our selling and marketing expenses amounted to RMB314.9 million, RMB313.4 million and RMB352.0 million, respectively. The following table sets forth a breakdown of our selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefit expenses	68,696	21.8	78,705	25.1	86,523	24.6
Advertising and business promotion expenses	178,538	56.7	152,013	48.5	144,604	41.1
Rental expenses	31,642	10.0	35,205	11.2	57,277	16.3
Warehouse expenses	11,619	3.7	22,834	7.3	42,736	12.1
Professional services and other consulting fees	10,989	3.5	2,623	0.8	2,295	0.7
Other expenses ⁽¹⁾	13,440	4.3	22,018	7.1	18,546	5.2
Total	314,924	100.0	313,398	100.0	351,981	100.0

Notes:

(1) Other expenses mainly included insurance expenses, travel expenses for sales personnel, and entertainment expenses.

Our advertising and business promotion expenses amounted to RMB178.5 million, RMB152.0 million and RMB144.6 million in 2023, 2024 and 2025, representing 56.7%, 48.5% and 41.1% of our total selling and marketing expenses. Our advertising and business promotion expenses primarily represent brand and demand-generation activities for our consumer-facing products, including (i) online advertising and traffic acquisition on major e-commerce platforms and social media, and (ii) offline branding activities such as participation in and sponsorship of industry exhibitions and events (e.g. PGA Show, AIMExpo, MotoGP and Electrify Expo). For details, see “Business — Our Brands and Products.” During the Track Record Period, we did not offer or pay any rebates to dealers. Instead, we may provide performance-based purchase price discounts to dealers that achieve the agreed sales targets, as part of our sales incentive arrangements.

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Research and Development Expenses

Our research and development expenses mainly consisted of (i) raw materials and consumables used, (ii) employee benefit expenses, (iii) professional services and other consulting fees, (iv) depreciation and amortization, and (v) other expenses, during the Track Record Period. Our research and development expenses amounted to RMB87.7 million, RMB125.5 million and RMB123.4 million, respectively. The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Raw materials and consumables used	33,500	38.2	59,290	47.3	59,329	48.1
Employee benefit expenses	41,500	47.3	52,236	41.6	51,070	41.4
Professional services and other consulting fees	9,107	10.4	8,295	6.6	6,435	5.2
Depreciation and amortization	1,162	1.3	1,639	1.3	1,870	1.5
Other expenses ⁽¹⁾	2,385	2.8	4,007	3.2	4,667	3.8
Total	87,654	100.0	125,467	100.0	123,371	100.0

Notes:

(1) Other expenses mainly included intellectual property expenses, patent fees, certification fees, and other related expenses.

Net Impairment Losses on Financial Assets

Our net impairment loss on financial assets mainly consisted of impairment loss on trade receivables and other receivables during the Track Record Period. In 2023, 2024 and 2025, our net impairment losses amounted to RMB16.8 million, RMB4.8 million and RMB25.0 million, respectively.

Other Income

Our other income mainly consisted of (i) release of assets-related government subsidies, (ii) income-related government grants, representing one-off government grants, (iii) interest income, and (iv) others, during the Track Record Period. In 2023, 2024 and 2025, our other income amounted to RMB19.0 million, RMB23.9 million and RMB27.0 million, respectively. The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Release of assets-related government subsidies	820	4.3	985	4.1	1,499	5.6
Income-related government grants	13,853	72.8	13,142	55.0	14,608	54.2
Interest income ⁽¹⁾	4,320	22.7	9,600	40.2	10,524	39.0
Others ⁽²⁾	33	0.2	161	0.7	340	1.2
Total	19,026	100.0	23,888	100.0	26,971	100.0

Notes:

(1) The amount mainly comprises interest income on the Group's term deposits classified as financial assets at amortized cost calculated using the effective interest method. Interest income from cash and cash equivalent is included in “Finance costs, net”.

(2) Others mainly included compensation received from suppliers for contractual breaches.

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Other Gains, Net

Our other gains mainly consisted of (i) net foreign exchange gains, (ii) net gains/(losses) on disposal of derivative financial instruments, (iii) fair value changes on derivative financial instruments, (iv) donations, primarily comprising of contributions to certain hospitals and charitable organizations, (v) net losses on disposal of non-current assets, and (vi) others, during the Track Record Period. In 2023, 2024 and 2025, our other gains amounted to RMB13.6 million, RMB32.8 million, and other loss of RMB39.4 million, respectively. The following table sets forth a breakdown of our other gains for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Net foreign exchange gains	17,825	130.8	33,570	102.4	(36,661)	93.1
Net (losses)/gains on disposal of derivative financial instruments . .	490	3.6	777	2.4	4,898	(12.4)
Fair value changes on derivative financial instruments	—	—	228	0.7	(3,519)	8.9
Donations	(1,483)	(10.9)	(924)	(2.8)	(3,050)	7.7
Net (losses)/gains on disposal of non-current assets	(1,792)	(13.2)	(17)	(0.1)	253	(0.6)
Others	(1,414)	(10.3)	(848)	(2.6)	(1,282)	3.3
Total	13,626	100.0	32,786	100.0	(39,361)	100.0

Note:

- (1) Others mainly included penalties, gains or losses from disposal, and losses on uncollectible amounts recorded under non-operating expenses.

Finance Income

Our finance income mainly consisted of interest income from financial assets held for cash management purposes, during the Track Record Period. In 2023, 2024 and 2025, our finance income amounted to RMB43.0 million, RMB44.1 million and RMB40.9 million, respectively.

Finance Costs

Our finance costs mainly consisted of (i) interest expenses on lease liabilities, (ii) interest expenses on bank borrowings, and (iii) net exchange (losses)/gains on foreign currency borrowings, during the Track Record Period. In 2023, 2024 and 2025, our finance costs amounted to RMB12.3 million, RMB23.1 million and RMB27.3 million, respectively. The table below sets forth a breakdown of our finance costs by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest expenses on lease liabilities .	2,190	17.9	3,605	15.6	6,339	23.2
Interest expenses on bank borrowings	10,154	82.8	17,994	78.0	25,471	93.1
Net exchange (losses)/gains on foreign currency borrowings . . .	(81)	(0.7)	1,471	6.4	(4,463)	(16.3)
Total	12,263	100.0	23,070	100.0	27,347	100.0

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Income Tax Expense

In 2023, 2024 and 2025, our income tax expenses amounted to RMB54.0 million, RMB82.0 million and RMB130.9 million, respectively.

PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the “**EIT Law**”) of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Track Record Period, our Company and one of our subsidiaries have obtained High and New Technology Enterprises certification (“**HNTE**”) and hence they were entitled to a preferential income tax rate of 15% for the Track Record Period.

This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pursuant to Caishui [2023] No. 12 “Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses” (關於小微企業和個體工商戶所得稅優惠政策的公告), certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction for research and development**”).

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises hiring disabled employees are entitled to claim 200% of their disabled employees expenses incurred as tax deductible expenses when determining their assessable profits for that year.

US Corporate Profits Tax

The applicable income tax rate of United States where our subsidiaries having significant operations during the Track Record Period is 5.87% to 8.84% and 21%, which is a blended state and federal rate, respectively.

Vietnam Profits Tax

Vietnam profits tax had been provided for at the rate of 20% on the estimated assessable profits during the Track Record Period. Enterprise income tax is tax-free for the first four years after registration in Vietnam and halved for the next nine years.

Profit for the Year

In 2023, 2024 and 2025, our profit amounted to RMB280.5 million, RMB431.3 million and RMB816.3 million, respectively.

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YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 32.4% from RMB2,976.6 million in 2024 to RMB3,941.4 million in 2025, primarily due to an increase in sales of our E-mobility products. The increase was mainly driven by the growth of our LSEV business, with LSEV revenue increasing from RMB812.3 million in 2024 to RMB1,957.5 million in 2025, while revenue from products other than LSEVs remained relatively stable at RMB2,164.3 million and RMB1,984.0 million in 2024 and 2025, respectively.

By Product

Our revenue from E-mobility products increased by 47.6% from RMB1,887.8 million in 2024 to RMB2,787.3 million in 2025, respectively, primarily due to (i) the increase in sales of our LSEV, resulting from expansion of our LSEV dealer network which comprised above 260 dealers as of December 31, 2025 and covered substantially all U.S. states except three states, thereby broadening our market coverage in the U.S. and supporting the increase in LSEV sales volume from 20.7 thousand units in 2024 to 44.5 thousand units in 2025, (ii) the increase in ASP of RMB4.8 thousand in our LSEVs, resulting from replacement of all LSEV models from lead-acid battery models to new lithium-ion battery models and (iii) the continued expansion of LSEV product lineup, including launch of new 6-seater, 4+2-seater and camping series LSEV models, such as Denago EV Rover XL6 and Denago EV City, in 2025 with higher selling price than 4-seater LSEV model. Average selling price of LSEVs continued to increase from 2023 to 2025, primarily due to our ongoing introduction of new series products.

Our revenue from powersports remained relatively stable at RMB924.6 million in 2024 to RMB942.6 million in 2025, respectively.

By Geographical region

During the Track Record Period, our revenue mainly contributed from United States and Europe, representing 76.9% and 7.7% in 2024, and 82.8% and 3.7% in 2025, respectively.

Our revenue from the United States increased by 42.3% from RMB2,291.9 million in 2024 to RMB3,260.2 million in 2025, primarily due to (i) a significant increase in sales volume of LSEVs and (ii) the launch of new series of LSEVs, including new 6-seater, 4+2-seater, and camping series.

Our revenue from Europe decreased by 35.4% from RMB227.8 million in 2024 to RMB147.0 million in 2025, primarily due to (i) a decrease in sales from a customer in Swiss, resulting from the deterioration in its operating performance and (ii) a decrease in sales from a customer in Moldova, resulting from a decline in customer demand for the TGA300F-01 model.

Cost of Sales

Our cost of sales increased by 19.1% from RMB1,944.7 million in 2024 to RMB2,315.2 million in 2025, primarily due to (i) an increase in raw materials and consumables used of RMB207.3 million, and (ii) an increase in clearance and shipping costs of RMB61.7 million, which was in line with the growth of our revenue.

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Gross Profit and Gross Profit Margin

Our gross profit increased by 57.6% from RMB1,032.0 million in 2024 to RMB1,626.2 million in 2025. Our gross profit margin increased from 34.7% to 41.3%.

By Product

Our gross profit from E-mobility products increased by from RMB676.0 million in 2024 to RMB1,278.4 million in 2025. Our gross profit margin from E-mobility products increased from 35.8% to 45.9% over the same period. This was primarily due to (i) higher average selling prices achieved through an optimized product mix of high-end LSEVs models, including new multi-passenger and specialty camping designs, with the ASP of LSEV increasing from RMB39,240 per unit in 2024 to RMB44,027 per unit in 2025; (ii) the increase in revenue contribution from LSEVs from 27.3% of our total revenue in 2024 to 49.8% in 2025; (iii) the increased contribution from proprietary-brand products, whose revenue contribution increased from 62.1% in 2024 to 73.0% in 2025 and whose gross profit margin increased from 37.4% to 45.8% during the same years; and (iv) enhanced brand positioning, such as deeper participation in and sponsorship of industry exhibitions and events; and (v) improved operational efficiency and cost control through our Southeast Asia Base which collectively boosted our margins and economies of scale; partially offset by the ASPs of certain E-mobility products decreased in 2025, including electric bicycles from RMB3,562 per unit to RMB3,219 per unit, electric scooters from RMB1,533 per unit to RMB1,264 per unit and electric balance bikes from RMB568 per unit to RMB510 per unit.

Our gross profit from powersports remained relatively stable at RMB303.8 million in 2024 to RMB300.6 million in 2025. Our gross profit margin remained relatively stable at 32.9% and 31.9% during the same year.

General and Administrative Expenses

Our general and administrative expenses increased by 17.6% from RMB152.9 million in 2024 to RMB179.8 million in 2025, primarily due to (i) an increase in professional services and other consulting fees of RMB10.6 million, and (ii) an increase in employee benefit expenses of RMB4.0 million, resulting from the increase in employee headcount.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 12.3% from RMB313.4 million in 2024 to RMB352.0 million in 2025, primarily due to (i) an increase in rental expenses of RMB22.1 million, resulting from the expansion of leased premises and (ii) an increase in warehouse expenses of RMB19.9 million, which was in line with our business expansion; partially offset by a decrease in advertising and business promotion expenses of RMB7.4 million, resulting from optimization of marketing spending.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB125.5 million in 2024 and RMB123.4 million in 2025, respectively.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly from RMB4.8 million in 2024 to RMB25.0 million in 2025, primarily due to (i) the increase in the balance of trade receivables, resulting from our continuous sales growth, and (ii) the acquisition of Champion Holdings.

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Other Income

Our other income increased by 12.9% from RMB23.9 million in 2024 to RMB27.0 million in 2025, primarily due to an increase in income-related government grants of RMB1.5 million.

Other Gains, Net

Our other gains, net, changed from net gains of RMB32.8 million in 2024 to net losses of RMB39.4 million in 2025, primarily due to the decrease from net foreign exchange gains of RMB33.6 million in 2024 to net foreign exchange losses of RMB36.7 million in 2025, resulting from the depreciation of the U.S. dollar against the Renminbi, partially offset by an increase from net gains on disposal of derivative financial instruments of RMB4.1 million, resulting from exchange rate fluctuations between the U.S. dollar and Renminbi under currency swap arrangements.

Finance Income

Our finance income decreased by 7.4% from RMB44.1 million in 2024 to RMB40.9 million in 2025, primarily due to a decrease in the amount of net proceeds from our A Share listing in 2023 available for cash management following the utilization of the proceeds.

Finance Costs

Our finance costs increased by 18.5% from RMB23.1 million in 2024 to RMB27.3 million in 2025, primarily due to (i) a decrease from net exchange losses on foreign currency borrowings of RMB1.5 million to net exchange gains of RMB4.5 million, resulting from the depreciation of the U.S. dollar against the Renminbi and (ii) an increase in interest expenses on bank borrowings of RMB7.5 million, which was in line with the increase in balance of our borrowings.

Income Tax Expense

Our income tax expense increased by 59.7% from RMB82.0 million in 2024 to RMB130.9 million in 2025, which was in line with the growth of our profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB431.3 million in 2024 to RMB816.3 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 38.8% from RMB2,144.2 million in 2023 to RMB2,976.6 million in 2024, primarily due to higher sales of our E-mobility products. The increase was mainly driven by LSEV revenue, which increased from RMB78.5 million in 2023 to RMB812.3 million in 2024, while revenue from products other than LSEVs increased modestly from RMB2,065.7 million in 2023 to RMB2,164.3 million in 2024.

By Product

Our revenue from E-mobility products increased by 47.6% from RMB1,278.6 million in 2023 to RMB1,887.8 million in 2024, primarily due to the increase in sales of our LSEV, resulting from (i) the expansion of LSEV product lineup, including new 4-seater LSEV model with higher selling price than

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LSEV models in 2023, (ii) the rapid build-out of our dealership network across the United States, which was combined with heightened brand recognition and led to a surge in LSEV demand and sales with a significant increase in sales volume of LSEVs from 2.4 thousand units in 2023 to 20.7 thousand units in 2024, and (iii) an increase in average selling price of all LSEV models, primarily attributable to improved product competitiveness as a result of replacing lead-acid batteries with lithium-ion batteries.

Our revenue from powersports increased by 24.4% from RMB743.0 million in 2023 to RMB924.6 million in 2024, primarily due to (i) the increase in our ODM sales of RMB322.5 million in 2024, reflecting the increased market recognition of our powersports among customers in Mexico and Asia and (ii) the increase in purchase amount from one of our top five customers of RMB182.0 million in 2024.

By Geographical region

During the Track Record Period, our revenue mainly contributed from the United States and Europe, representing 71.2% and 12.5% of our total revenue in 2023, and 76.9% and 7.7% of our total revenue in 2024, respectively.

Our revenue from the United States increased by 49.9% from RMB1,529.3 million in 2023 to RMB2,291.9 million in 2024, primarily due to (i) a significant increase in sales volume of LSEVs, (ii) the launch of new series of LSEVs, including new 4-seater and 2+2-seater series.

Our revenue from Europe decreased by 14.9% from RMB267.7 million in 2023 to RMB227.8 million in 2024, primarily due to a decrease in sales to Swiss and French customers, resulting from the reduced market demand.

Cost of Sales

Our cost of sales increased by 44.6% from RMB1,344.7 million in 2023 to RMB1,944.7 million in 2024, primarily due to (i) an increase in raw materials consumables used of RMB370.4 million, which was in line with our revenue growth and (ii) an increase in clearance and shipping cost of RMB107.7 million, resulting from the growth of revenue in the United States.

Gross Profit and Gross Profit Margin

Our gross profit increased by 29.1% from RMB799.5 million in 2023 to RMB1,032.0 million in 2024. This increase was driven by the substantial rise in sales, although our gross profit margin decreased from 37.3% in 2023 to 34.7% in 2024, primarily due to increase in shipping costs, resulting from global shipping storgte in 2024.

By product

Our gross profit from E-mobility products increased by 34.3% from RMB503.4 million in 2023 to RMB676.0 million in 2024, which was in line with the growth our revenue from E-mobility products. Our gross profit margin from E-mobility products decreased from 39.4% in 2023 to 35.8% in 2024, primarily due to (i) a decrease in the average selling price of electric bicycles from RMB4,665 per unit in 2023 to RMB3,562 per unit in 2024, mainly attributable to a change in product mix, as the electric bicycles sold in 2023 primarily comprised higher-end Denago-branded models (with an indicative retail price range of approximately US\$1,199–US\$1,799), whereas in 2024 we recorded a substantial increase in sales of lower-priced models through KACs (such as Nano and Shift S2, with indicative retail prices of approximately US\$299 and US\$399, respectively), as reflected by the increase in electric bicycle sales volume from 35,331 units in 2023 to 64,864 units in 2024; (ii) a decline in sales volume of electric scooters and electric balance bikes from 450,990 units and 492,880 units in 2023 to 293,084

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units and 350,137 units in 2024, respectively, which resulted in less effective absorption of fixed manufacturing costs, resulting to increasing unit cost of sales; partially offset by (iii) an increase in sales of LSEVs with relatively higher selling prices, with sales volume increasing from 2,367 units in 2023 to 20,701 units in 2024 and average selling price increasing from RMB33,164 per unit in 2023 to RMB39,240 per unit in 2024.

Our gross profit from powersports increased by 19.8% from RMB253.6 million in 2023 to RMB303.8 million in 2024, which was in line with the growth of revenue. Our gross profit margin from powersports remained relatively stable at 34.1% in 2023 and 32.9% in 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 40.3% from RMB109.0 million in 2023 to RMB152.9 million in 2024, primarily due to (i) an increase in employee benefit expenses of RMB16.9 million, resulting from the increase in headcount of administrative personnel, (ii) an increase in professional services and other consulting fee of RMB9.8 million, resulting from a legal service, and (iii) an increase in office expenses of RMB5.3 million relating to our Vietnam subsidiary.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB314.9 million in 2023 and RMB313.4 million in 2024.

Research and Development Expenses

Our research and development expenses increased by 43.1% from RMB87.7 million in 2023 to RMB125.5 million in 2024, primarily due to (i) an increase in our raw materials and consumables used of RMB25.8 million, resulting from the development of our LSEV and powersports and (ii) an increase in employee benefit expenses of RMB10.7 million, resulting from an increase in headcount of R&D staff.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to RMB16.8 million in 2023 and RMB4.8 million in 2024, which was consistent with the change in the balance of trade receivables.

Other Income

Our other income increased by 25.8% from RMB19.0 million in 2023 to RMB23.9 million in 2024, which was in line with the daily balance of term deposits.

Other Gains, Net

Our other gains increased significantly from RMB13.6 million in 2023 to RMB32.8 million in 2024, primarily due to an increase in net foreign exchange gains of RMB15.8 million, resulting from the appreciation of the U.S. dollar against the Renminbi.

Finance Income

Our finance income increased by 2.6% from RMB43.0 million in 2023 to RMB44.1 million in 2024, primarily due to an increase in the daily balance of our cash and cash equivalents.

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Finance Costs

Our finance costs increased by 87.8% from RMB12.3 million in 2023 to RMB23.1 million in 2024, primarily due to an increase in interest expenses on bank borrowings of RMB7.8 million, which was in line with the balance of our borrowings.

Income Tax Expenses

Our income tax expense increased by 51.9% from RMB54.0 million in 2023 to RMB82.0 million in 2024, which was in line with the growth of our profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 53.8% from RMB280.5 million in 2023 to RMB431.3 million in 2024.

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DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	321,545	832,234	948,451
Right-of-use assets	93,223	112,962	251,320
Deferred tax assets	14,578	17,338	48,564
Intangible assets	15,901	15,102	479,611
Other financial assets at fair value through profit or loss	—	—	15,000
Term deposits and restricted cash	150,688	402,448	261,924
Other non-current assets	9,260	1,339	8,161
Total non-current assets	605,195	1,381,423	2,013,031
Current assets			
Inventories	714,805	1,206,097	1,705,804
Prepayments and other receivables	44,649	49,340	52,871
Trade receivables	588,103	698,196	939,198
Derivative financial instruments	—	228	—
Cash and cash equivalents	1,649,015	840,755	962,206
Term deposits and restricted cash	137,804	286,872	151,328
Other current assets	47,913	75,678	81,799
Total current assets	3,182,289	3,157,166	3,893,206
Total assets	3,787,484	4,538,589	5,906,237
Non-current liabilities			
Borrowings	14,526	—	—
Lease liabilities	33,044	40,313	98,577
Deferred tax liabilities	3,507	459	27,279
Deferred income	13,347	17,954	19,455
Total non-current liabilities	64,424	58,726	145,311
Current liabilities			
Borrowings	224,578	429,441	857,881
Trade and notes payables	408,991	680,374	913,272
Contract liabilities	25,991	27,520	56,973
Lease liabilities	27,004	29,062	77,508
Current income tax liabilities	18,043	28,663	105,259
Derivative financial instruments	—	—	1,485
Accruals and other payables	40,708	123,420	88,494
Refund liabilities	35,881	34,669	39,162
Other current liabilities	32	204	314
Total current liabilities	781,228	1,353,353	2,140,348
Total liabilities	845,652	1,412,079	2,285,659

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Property, Plant and Equipment

Our property, plant and equipment mainly consisted of (i) buildings, (ii) freehold land, primarily comprising of our land in the United States for production of LSEV, (iii) machinery and equipment, (iv) motor vehicles, (v) office equipment, (vi) construction in progress, and (vii) leasehold improvement during the Track Record Period. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Buildings	219,248	434,671	576,857
Freehold land	—	174,754	170,874
Machinery and equipment	83,977	111,401	130,421
Motor vehicles	5,431	12,420	10,009
Office equipment	7,927	10,349	12,030
Construction in progress	4,248	88,639	45,907
Leasehold improvement	714	—	2,353
Total	321,545	832,234	948,451

Our property, plant and equipment increased significantly from RMB321.5 million as of December 31, 2023 to RMB832.2 million as of December 31, 2024, primarily due to (i) an increase in buildings of RMB215.4 million and construction in progress of RMB84.4 million, resulting from the additional construction projects in Zhejiang, China, for an annual production of 40,000 high-displacement special-purpose vehicles, and (ii) an increase in freehold land of RMB174.8 million, resulting from the purchase of land in the United States. It further increased 14.0% to RMB948.5 million as of December 31, 2025, primarily due to an increase in buildings of RMB142.2 million, resulting from (a) the acquisition of Champion Holdings and (b) the completion of the construction projects described above and the transfer of the related assets from construction in progress.

Right-of-use Assets

Our right-of-use assets comprised (i) land use right, (ii) buildings, and (iii) motor vehicles, primarily comprising of forklifts during the production processes. The following table sets forth a breakdown of the net book value of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Land use right	33,538	45,929	85,107
Buildings	58,815	66,390	165,818
Motor vehicles	870	643	395
Total	93,223	112,962	251,320

Our right-of-use assets increased by 21.2% from RMB93.2 million as of December 31, 2023 to RMB113.0 million as of December 31, 2024, primarily due to (i) an increase in land use right of RMB12.4 million, resulting from the land acquired for the construction project for industrial use purpose in Zhejiang, China, and (ii) an increase in buildings of RMB7.6 million, primarily resulting from leases entered into by a subsidiary in Vietnam. Our right-of-use assets increased significantly from RMB113.0 million as of December 31, 2024 to RMB251.3 million as of December 31, 2025, primarily due to (i) an increase in land use right of RMB39.2 million, resulting from the newly-acquired land use

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right in Zhejiang, China by one of our subsidiary, and (ii) an increase in buildings leases of RMB99.4 million, resulting from newly signed leases for certain warehouses in the United States and acquisition of Champion Holdings.

Intangible Assets

Our intangible assets mainly consisted of (i) software, (ii) domain names, (iii) trademark rights and customer relationship, and (iv) goodwill during the Track Record Period. The following table sets forth a breakdown of the net book value of our intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Software	737	866	4,498
Domain name	15,164	14,236	12,791
Trademark rights and customer relationship	—	—	285,300
Goodwill	—	—	177,022
Total	15,901	15,102	479,611

Our intangible assets remained relatively stable at RMB15.9 million as of December 31, 2023 and RMB15.1 million as of December 31, 2024. Our intangible assets further increased by significantly to RMB479.6 million as of December 31, 2025, primarily due to the acquisition of Champion Holdings.

Impairment Tests for Goodwill

As of December 31, 2025, we recorded goodwill of RMB177.0 million, which arose from our acquisition of Champion Holdings in 2025. For the purpose of goodwill impairment assessment, Champion Holdings was regarded as a separate cash-generating unit. The recoverable amount of the Champion Holdings CGU was determined based on value-in-use calculations using cash flow projections over a five-year forecast period. The key assumptions included revenue annual growth rates of 2.71% to 5.00%, operating profit margin of 2.42% to 5.55%, a perpetual annual growth rate of 0.00% and a pre-tax discount rate of 10.46%. Based on the assessment, the recoverable amount of the Champion Holdings CGU exceeded its carrying amount, including goodwill, by approximately RMB46.1 million as of December 31, 2025, and accordingly no impairment loss was recognized. For details note 18 of the Accountants’ Report in Appendix I.

Other Financial Assets at Fair Value Through Profit or Loss

Our financial assets at FVPL amounted to nil, nil and RMB15.0 million as of December 31, 2023, 2024 and 2025, primarily due to an equity investment in a leading intelligent robot company in 2025. The investment was completed on July 25, 2025, after which we held approximately 1.22% equity interest, for a total consideration of RMB15.0 million. The collaboration is intended to explore supply chain coordination, localized assembly and U.S. market development.

We have put in place internal control measures to approve our investments and monitor them on a continuous basis. These investments would include, among other things, unlisted equity investment. Subject to the size of the investment itself and aggregated size of the total investment in a financial year, different levels of approval, including approval from our senior management and/or approval from the Board, are required before we make such investment. In addition, we also assign dedicated personnel from our senior management to track each business transaction during the transaction period. Our Directors and senior management team will regularly formulate and review our Group’s investment strategies.

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Inventories

Our inventories mainly consisted of (i) raw material, mainly comprising of steel, aluminum, engine components and chassis parts, (ii) finished goods, mainly comprising of our products, (iii) work in progress, (iv) outsourced processing material, and (v) goods in transit, with taking into consideration in provision for impairment, during the Track Record Period. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	73,442	52,544	97,164
Finished goods	559,376	1,068,334	1,327,499
Work in progress	76,547	76,609	109,340
Outsourced processing materials	8,185	7,608	14,072
Goods in transit	10,212	14,452	21,874
Consignment inventories	—	—	150,129
Less: provision for impairment	(12,957)	(13,450)	(14,274)
Total	714,805	1,206,097	1,705,804

Our inventories increased by 68.7% from RMB714.8 million as of December 31, 2023 to RMB1,206.1 million as of December 31, 2024, further increased by 41.4% to RMB1,705.8 million, primarily due to an increase in finished goods of RMB508.9 million, in 2024 and RMB259.2 million in 2025, resulting from preparing stocks in the United States under BTS model.

The following table sets forth an aging analysis of inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	634,465	1,125,582	1,599,156
Over one year	80,340	80,515	106,648
Total	714,805	1,206,097	1,705,804

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The following table sets forth an aging analysis of finished goods by products as of the dates indicated:

	As of December 31,					
	2023		2024		2025	
	Within one year	Over one year	Within one year	Over one year	Within one year	Over one year
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
E-mobility products:						
LSEVs	400	—	433,745	117	445,588	16,710
Electric scooters	174,595	11,587	192,659	8,715	162,176	26,260
Electric balance bikes	47,811	12,350	28,134	3,274	41,078	1,070
Electric bicycles	101,266	14,995	136,331	35,375	56,673	57,796
Other E-mobility	24,063	37	8,385	—	15,978	11
Powersports:						
ATV	64,792	22,467	100,201	4,427	128,526	4,850
Off-road motorcycles	25,228	9,425	39,953	2,438	69,289	4,951
Others	43,923	6,436	73,628	954	300,940	12,196
Total	482,078	77,297	1,013,036	55,298	1,220,249	107,250

In assessing the recoverability of our inventories, our Directors considered, among others, (i) the aging profile of our inventories by major product categories, including inventories aged over one year; (ii) the nature and condition of the relevant inventories and whether they showed any indicators of impairment, such as prolonged aging, obsolescence, damage, sustained declines in selling prices or changes in our sales or operating plans; (iii) the subsequent sales or utilization of inventories after the year end; (iv) the net realizable value of inventories, determined with reference to observable subsequent sales prices or contracted selling prices, where applicable, less estimated costs to complete and sell; (v) in respect of raw materials, work in progress and outsourced processing materials, their expected use in our ordinary production process, manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices; and (vi) in respect of inventories returned by customers and held for resale, historical discounting, expected refurbishment or repair costs and related selling expenses.

Our Directors believe that (i) low subsequent utilization rate of inventory did not indicate any material recoverability issue for the remaining inventories, primarily because the period from January to March generally represents a seasonally slower sales period for our Company, particularly for LSEVs. See “Business — Seasonality” for detail; and (ii) our inventories were maintained in the ordinary course of business to support our BTS model in North America, under which we maintain appropriate levels of finished goods and spare parts inventories in local warehouses to support timely delivery and after-sales service, and that we regularly monitor inventory balance and aging by product category and location and adjust production pacing and stock deployment with reference to sell-through trends, seasonality and changes in consumer demand and product cycles.

Based on the foregoing, our Directors are of the view that the carrying amounts of our inventories as of December 31, 2025 were recoverable and that sufficient and appropriate provision for impairment of inventories had been made, taking into account the provision for impairment of inventories of RMB13.0 million, RMB13.5 million and RMB14.3 million as of December 31, 2023, 2024 and 2025, respectively.

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The following table sets forth the turnover days of our inventories for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(in days)	
Inventory turnover days	199	183	232

Notes:

1. Inventory turnover days are equal to the average balance of inventory at the beginning and the end of the relevant year divided by cost of sales for such year and multiplied by 365 for the year ended December 31, 2023, 2024 and 2025.

Our inventory turnover days were 199 days, 183 days and 232 days in 2023, 2024 and 2025, respectively. The relative long inventory turnover primarily due to (i) our longer production chain and increased self-manufactured materials, and (ii) our BTS model in North America, resulting from a higher stocking level to support timely cross-border fulfilment. Our inventory turnover days increased from 183 days in 2024 to 232 days in 2025, primarily due to the increase in our inventory balance as of December 31, 2025, reflecting our advance procurement of raw materials and build-up of finished goods to support our expected production and delivery requirements in 2026.

As of March 31, 2026, RMB619.8 million or 36.3% of the inventories as of December 31, 2025 had been subsequently utilized or sold.

Prepayments and Other Receivables

Our prepayments and other receivables mainly consisted of (i) prepayments for raw materials, (ii) prepayments for operating expenses, (iii) export tax refund receivables, (iv) deposits and warranties, and (v) others, with taking into consideration in provision for impairment, during the Track Record Period. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments:			
Prepayments for raw materials	12,183	8,415	18,229
Prepayments for operating expenses	14,823	10,242	11,746
Other receivables:			
Export tax refund receivables	8,134	24,785	10,119
Deposits and warranties	11,720	6,892	13,772
Others ⁽¹⁾	2,148	1,663	1,799
Less: provision for impairment	(4,359)	(2,657)	(2,794)
Total	44,649	49,340	52,871

Notes:

- (1) Others mainly included housing loans granted to our employees.

Our prepayments and other receivables increased by 10.5% from RMB44.6 million as of December 31, 2023 to RMB49.3 million as of December 31, 2024, primarily due to (i) an increase in export tax refund receivables of RMB16.7 million. Our prepayments and other receivables further increased by 7.2% to RMB52.9 million as of December 31, 2025, primarily due to (i) an increase in prepayments for raw material of RMB9.8 million, primarily relating to R&D projects; (ii) an increase in

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deposits and warranties of RMB6.8 million, resulting from the deposits for plants in Vietnam; partially offset by a decrease in export tax refund receivables of RMB14.7 million, resulting from the collection of export tax refund in 2025.

As of March 31, 2026, RMB30.7 million or 58.0% of the prepayments and other receivables as of December 31, 2025 had been subsequently settled.

Trade receivables

Our trade receivables increased by 18.7% from RMB588.1 million as of December 31, 2023 to RMB698.2 million as of December 31, 2024, then increased by 34.5% to RMB939.2 million as of December 31, 2025, which was in line with the growth of our revenue. Our trade receivables were subject to ECL allowance during the Track Record Period.

The following table sets forth an aging analysis of trade receivables, based on invoice dates as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	616,855	734,283	969,483
1 to 2 years	1,735	329	13,600
2 to 3 years	1,059	662	2,870
Over 3 years	293	323	963
Subtotal	619,942	735,597	986,916
Less: credit loss allowance	(31,839)	(37,401)	(47,718)
Total	588,103	698,196	939,198

The following table sets forth the turnover days of our trade receivables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		<i>(in days)</i>	
Trade receivables turnover days	79	83	80

Notes:

- Trade receivables turnover days are equal to the average balance of trade receivables at the beginning and the end of the relevant year divided by revenue for such year and multiplied by 365 days for the year ended December 31, 2023, 2024 and 2025.

Our trade receivables turnover days remained relatively stable at 79 days, 83 days and 80 days in 2023, 2024 and 2025, respectively.

We have assessed the recoverability of our outstanding trade receivables balances, and our Directors are of the view that there is no material recoverability issue and that sufficient ECL allowance has been made for the following reasons: (i) our trade receivables are primarily due from established customers, including major general merchandise stores, third-party e-commerce platforms and dealers with whom we have maintained stable business relationships, and such customers have generally demonstrated satisfactory settlement records; (ii) we maintain ongoing business relationships with our customers and closely monitor their credit profiles and repayment status; (iii) we have implemented internal control measures to manage risks associated with trade receivables, including customer credit

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assessment, ageing analysis and ongoing collection follow-up procedures; and (iv) our trade receivables primarily arise in the ordinary course of business and are generally settled in accordance with our customers’ normal procurement, inventory management and funding cycles, and we determine ECL allowance with reference to, among others, the aging profile of the receivables, historical settlement patterns and forward-looking factors.

As of March 31, 2026, RMB899.2 million or 95.7% of the trade receivables as of December 31, 2025 had been subsequently settled.

Term Deposits and Restricted Cash

Our term deposits and restricted cash increased significantly from RMB288.5 million as of December 31, 2023 to RMB689.3 million as of December 31, 2024, primarily due to (i) proceeds from A Share listing, and (ii) an increase in restricted cash relating to the amount of discounted notes, which was in line with our business expansion. Our term deposits and restricted cash decreased by 40.0% from RMB689.3 million as of December 31, 2024 to RMB413.3 million as of December 31, 2025, primarily due to a decrease in margin deposits placed with banks as security for bank acceptance bills.

Other Current Assets

Our current assets mainly consisted of (i) deductible input VAT, (ii) prepaid corporate income tax, and (iii) others, primarily comprising of costs of returned goods receivables, during the Track Record Period. Our other current assets increased by 58.0% from RMB47.9 million as of December 31, 2023 to RMB75.7 million as of December 31, 2024, primarily due to an increase in prepaid corporate income tax of RMB24.7 million, resulting from strong profitability achieved by our U.S. subsidiaries. Our other current assets remained relatively stable at RMB81.8 million as of December 31, 2025.

Deferred Income

Our deferred income mainly consisted of government grants during the Track Record Period. Our deferred income increased by 35.3% from RMB13.3 million as of December 31, 2023 to RMB18.0 million as of December 31, 2024, primarily due to the government grants received in 2024 of RMB5.6 million. Our deferred income further increased by 8.3% to RMB19.5 million as of December 31, 2025, primarily due to the government grants received in 2025 of RMB3.0 million.

Trade and Notes Payables

Our trade and notes payables mainly consisted of (i) trade payables, primarily comprising of payables for goods, accrued expenses, and payables for long-term assets, and (ii) notes payables, primarily comprising of payables for procurement, during the Track Record Period. The following table sets forth a breakdown of our trade and notes payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	368,035	554,109	772,689
Notes payables	40,956	126,265	140,583
Total	408,991	680,374	913,272

Our trade and notes payables increased by 66.4% from RMB409.0 million as of December 31, 2023 to RMB680.4 million as of December 31, 2024, further increased by 34.2% to RMB913.3 million as of December 31, 2025, which was in line with the growth of our purchases.

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The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	364,091	551,248	765,714
1 to 2 years	2,805	1,095	5,073
2 to 3 years	640	935	806
Over 3 years	499	831	1,096
Total	368,035	554,109	772,689

The following table sets forth the turnover days of our trade and notes payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(in days)	
Trade and notes payables turnover days	95	102	126

Notes:

1. Trade and notes payables turnover days are equal to the average balance of trade and notes payables turnover days at the beginning and the end of the relevant year divided by cost of sales for such year and multiplied by 365 days for the year ended December 31, 2023, 2024 and 2025.

Our trade and notes payables turnover days amounted to 95 days, 102 days and 126 days in 2023, 2024 and 2025, respectively. The increase in 2025 was primarily attributable to increased procurement in the fourth quarter of 2025 to meet strong market demand for our LSEV products, which resulted in a higher average balance of trade and notes payables.

As of March 31, 2026, RMB569.0 million or 62.3% of the trade and notes payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly consisted of advances from our customers. Our contract liabilities increased by 5.8% from RMB26.0 million as of December 31, 2023 to RMB27.5 million as of December 31, 2024, which was in line with the growth of revenue, further increased significantly to RMB57.0 million as of December 31, 2025, primarily due to a large number of orders received that were still in production and had not yet been delivered.

As of March 31, 2026, RMB33.8 million or 59.3% of the contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

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Accruals and Other Payables

Our accruals and other payables mainly consisted of (i) salaries, wages and benefits, (ii) taxes other than income tax payables, (iii) accruals and other payables, (iv) dividend payables, and (v) others, during the Track Record Period. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and benefits	23,908	25,908	34,786
Taxes other than income tax payables	8,338	21,966	40,384
Accruals and other payables	7,817	20,519	12,690
Dividend payables	—	54,316	—
Others	645	711	634
Total	40,708	123,420	88,494

Our accruals and other payables increased significantly from RMB40.7 million as of December 31, 2023 to RMB123.4 million as of December 31, 2024, further decreased by 28.3% to RMB88.5 million as of December 31, 2025, primarily due to the dividend payables of RMB54.3 million recognized as of December 31, 2024.

As of March 31, 2026, RMB61.3 million or 69.3% of the accruals and other payables as of December 31, 2025 had been subsequently settled.

Refund liabilities

Our refund liabilities remained relatively stable at RMB35.9 million as of December 31, 2023 and RMB34.7 million as of December 31, 2024. Our refund liabilities increased by 13.0% to RMB39.2 million as of December 31, 2025, primarily due to an increase in sales from third-party e-commerce platforms.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been, and is expected to continue to be, cash generated from operating activities together with available credit facilities and bank borrowings. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. We had cash and cash equivalents of RMB1,649.0 million, RMB840.8 million and RMB962.2 million in 2023, 2024 and 2025, respectively.

Sufficiency of Working Capital

Taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources presently available to us, including our cash and cash equivalents on hand, cash flows from operating activities, our Directors are of the opinion that we have sufficient funds to meet our working capital requirements for at least the next 12 months from the date of this document. Our Directors confirm that there were no material default in the payment of trade and non-trade payables, and/or breaches of financial covenants during the Track Record Period and up to the date of this document.

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Net Current Assets

As of December 31, 2023, 2024 and 2025 and March 31, 2026, we recorded net current assets of RMB2,401.1 million, RMB1,803.8 million, RMB1,752.9 million and RMB1,891.0 million, respectively.

	As of December 31,			As of
	2023	2024	2025	March 31,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000 (unaudited)
Current assets				
Inventories	714,805	1,206,097	1,705,804	1,831,860
Prepayments and other receivables	44,649	49,340	52,871	62,770
Trade receivables	588,103	698,196	939,198	906,917
Derivative financial instruments	—	228	—	—
Other financial assets at fair value through profit or loss	—	—	—	30,000
Cash and cash equivalents	1,649,015	840,755	962,206	990,289
Term deposits and restricted cash	137,804	286,872	151,328	109,672
Other current assets	47,913	75,678	81,799	72,504
Total current assets	3,182,289	3,157,166	3,893,206	4,004,012
Current liabilities				
Borrowings	224,578	429,441	857,881	745,726
Trade and notes payables	408,991	680,374	913,272	990,679
Contract liabilities	25,991	27,520	56,973	67,241
Lease liabilities	27,004	29,062	77,508	76,152
Current income tax liabilities	18,043	28,663	105,259	147,328
Derivative financial instruments	—	—	1,485	1,867
Accruals and other payables	40,708	123,420	88,494	65,992
Refund liabilities	35,881	34,669	39,162	17,501
Other current liabilities	32	204	314	574
Total current liabilities	781,228	1,353,353	2,140,348	2,113,060
Net Current Assets	2,401,061	1,803,813	1,752,858	1,890,952

Our net current assets decreased by 24.9% from RMB2,401.1 million as of December 31, 2023 to RMB1,803.8 million as of December 31, 2024, primarily due to (i) the decrease in cash and cash equivalents of RMB808.3 million, and (ii) the increase in trade and notes payables of RMB271.4 million; partially offset by (i) the increase in inventories of RMB491.3 million, and (ii) the increase in current borrowings of RMB204.9 million.

Our net current assets remained relatively stable at RMB1,803.8 million as of December 31, 2024 and RMB1,752.9 million as of December 31, 2025, primarily due to (i) the increase in borrowings of RMB428.4 million, (ii) the increase in trade and notes payables of RMB232.9 million, and (iii) the increase in cash and cash equivalent of RMB121.5 million; partially offset by (i) the increase in inventories of RMB499.7 million, (ii) the increase in trade receivables of RMB241.0 million, and (iii) the decrease in term deposits and restricted cash of RMB135.5 million.

Our net current assets remained relatively stable at RMB1,752.9 million as of December 31, 2025 and RMB1,891.0 million as of March 31, 2026, primarily due to (i) the increase in inventories of RMB126.1 million, (ii) the decrease in borrowings of RMB112.2 million, (iii) the increase in cash and

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cash equivalents of RMB28.1 million, and (iv) the increase in other financial assets at fair value through profit or loss of RMB30.0 million; partially offset by (i) the increase in trade and notes payables of RMB77.4 million, and (ii) the decrease in trade receivables of RMB32.3 million.

Cash Flows Analysis

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash generated from operating activities .	173,694	206,907	750,822
Net cash used in investing activities	(219,369)	(768,817)	(174,079)
Net cash generated from/(used in) financing activities	1,543,629	(264,492)	(454,612)
Net increase in cash and cash equivalents . .	1,497,954	(826,402)	122,131
Cash and cash equivalents at beginning of the year	142,706	1,649,015	840,755
Effects of exchange rate changes on cash and cash equivalents	8,355	18,142	(680)
Cash and cash equivalents at the end of the year	1,649,015	840,755	962,206

Net Cash Flows from Operating Activities

In 2025, we had net cash generated from operating activities of RMB750.8 million, which primarily represents profit before income tax of RMB947.3 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of RMB99.8 million, (b) net foreign exchange losses of RMB36.7 million, (c) finance costs of RMB27.3 million, (d) net impairment losses on financial assets of RMB25.0 million and (e) share-based compensation expenses of RMB21.2 million, partially offset by interest income of RMB51.4 million; and (ii) changes in working capital, which primarily consisted of an increase in payables of RMB183.4 million, partially offset by (a) an increase in inventories of RMB498.3 million and (b) an increase in receivables of RMB30.5 million.

In 2024, we had net cash generated from operating activities of RMB206.9 million, which primarily represents profit before income tax of RMB513.2 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of RMB74.9 million, (b) finance costs of RMB23.1 million, and (c) share-based compensation expenses of RMB14.1 million, partially offset by (a) interest income of RMB53.7 million, and (b) net foreign exchange gains of RMB33.6 million; and (ii) changes in working capital, which primarily consisted of an increase in payables of RMB296.9 million, partially offset by (a) an increase in inventories of RMB500.6 million, mainly due to a strategic inventory build-up to mitigate external uncertainties and (b) an increase in receivables of RMB94.6 million, which was in line with sales growth.

In 2023, we had net cash generated from operating activities of RMB173.7 million, which primarily represents profit before income tax of RMB334.4 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of RMB55.0 million, (b) finance costs of RMB12.3 million, and (c) net impairment losses on financial assets of RMB16.8 million, partially offset by (a) interest income of RMB47.3 million, and (b) net foreign

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exchange gains of RMB17.8 million; and (ii) changes in working capital, which primarily consisted of an increase in receivables of RMB335.8 million, partially offset by (a) an increase in payables of RMB137.9 million, which was in line with sales growth and (b) a decrease in inventories of RMB1.2 million.

Net Cash Flows used in Investing Activities

In 2025, we had net cash used in investing activities of RMB174.1 million, primarily due to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB212.1 million, (ii) payments for purchase of investments in subsidiaries of RMB94.0 million in connection with the acquisition of Champion Holdings, and (iii) payments for purchase of investments of RMB15.0 million; partially offset by a decrease in term deposits of RMB140.5 million.

In 2024, we had net cash used in investing activities of RMB768.8 million, primarily due to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB524.7 million; partially offset by (i) government grants received in relation to assets of RMB5.6 million, and (ii) proceeds from disposal of property, plant and equipment and other non-current assets of RMB1.3 million.

In 2023, we had net cash used in investing activities of RMB219.4 million, primarily due to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB71.9 million; partially offset by government grants received in relation to assets of RMB3.0 million.

Net Cash Flows from/(used in) Financing Activities

In 2025, we had net cash used in financing activities of RMB454.6 million, primarily due to (i) repayments of bank borrowings of RMB1,211.5 million, (ii) dividends paid of RMB380.8 million, (iii) principal elements of lease payments of RMB55.0 million, and (iv) interest paid of RMB23.8 million; partially offset by (a) proceeds from bank borrowings of RMB1,085.8 million, and (b) movements of restricted cash of RMB137.2 million, primarily due to a decrease in margin deposits placed with banks as security for bank acceptance bills.

In 2024, we had net cash used in financing activities of RMB264.5 million, primarily due to (i) repayments of bank borrowings of RMB705.7 million, (ii) dividends paid of RMB163.3 million, and (iii) movements of restricted cash of RMB147.2 million; partially offset by proceeds from bank borrowings of RMB862.4 million.

In 2023, we had net cash generated from financing activities of RMB1,543.6 million, primarily due to (i) proceeds from issue of shares of RMB1,907.3 million; and (ii) proceeds from bank borrowings of RMB544.7 million; partially offset by (i) repayments of bank borrowings of RMB579.0 million, (ii) dividends paid of RMB164.0 million, and (iii) movements of restricted cash of RMB87.4 million.

Cash Conversion Cycle Analysis

Our cash conversion cycle, which measures the number of days it takes us to convert our investments in inventories and other working capital resources into cash flows from sales, was 182 days, 164 days and 186 days in 2023, 2024 and 2025, respectively. It is calculated as inventory turnover days plus trade receivables turnover days, less trade payables turnover days.

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Our cash conversion cycle remained relatively long during the Track Record Period primarily because our business model requires us to maintain certain levels of inventories to support our BTS model, warehouse-based sales network in North America, timely delivery and after-sales service, while certain customers were granted credit terms in the ordinary course of business. The increase in our cash conversion cycle from 2024 to 2025 was mainly attributable to the increase in our inventory turnover days, reflecting the increase in our inventory balance as of December 31, 2025, as we procured raw materials and built up finished goods to support our expected production and delivery requirements.

We have implemented, and plan to continue to implement, the following measures and strategies to manage and improve our cash conversion cycle: (i) in respect of trade receivables, we have established internal collection procedures, including monthly tracking of outstanding balances and collection progress, and will continue to primarily adopt stage payment or bullet payment arrangements within relatively short credit periods where commercially practicable, while conducting prudent assessments before granting longer credit terms or monthly installment arrangements; and (ii) in respect of inventories and supplier payment arrangements, we have adopted inventory management policies to monitor inventory levels, inventory aging and slow-moving materials, coordinate procurement and production plans with customer demand, seasonality and delivery schedules, and negotiate supplier payment terms where appropriate with reference to our customer collection cycle and inventory procurement needs.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current				
Borrowings	224,578	429,441	857,881	745,726
Lease liabilities	27,004	29,062	77,508	76,152
Non-current				
Borrowings	14,526	—	—	—
Lease liabilities	33,044	40,313	98,577	78,092

Borrowings

As of December 31, 2023, 2024, and 2025 and March 31, 2026, we had bank and other borrowings of RMB239.1 million, RMB429.4 million, RMB857.9 million and RMB745.7 million, respectively, which were bank loans primarily to finance our working capital and capital expenditure. Current portion of borrowings mainly consisted of floor plan financing agreements. The closing balance of financed amount through floor plan financing was RMB32.6 million as of December 31, 2024 and RMB234.0 million as of December 31, 2025, respectively. See “Business — Floor Plan Financing Arrangement.” Our borrowings are denominated in Renminbi and U.S. dollar. The annual interest rate on our bank loans ranged from 1.05% to 6.00% during the Track Record Period. See note 26 of the Accountants’ Report in Appendix I. As of March 31, 2026, our unutilized banking facilities amounted to RMB2,135.2 million.

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As of the Latest Practicable Date, we were not subject to any material covenants or undertakings in respect of our outstanding debts, guarantees, pledges over key assets, or other contingent obligations. During the Track Record Period and up to the Latest Practicable Date, we had not defaulted in payment of our liabilities or breached any covenants or undertakings.

Lease liabilities

Our lease liabilities mainly consisted of leases for business operations and storage, during the Track Record Period. Our lease liabilities amounted to RMB60.0 million, RMB69.4 million, RMB176.1 million and RMB154.2 million, as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively, primarily due to (i) the increase in leased properties, including factories, warehouses and offices across the United States, Canada, Vietnam, China, which was in line with our continuous business expansion and (ii) acquisition of Champion Holdings in 2025, partially offset by the lease payments in each year.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since December 31, 2025 and up to the Latest Practicable Date.

Indebtedness Statement

Except as disclosed above, as of March 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since March 31, 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not enter into any outstanding off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES

Our capital expenditures for the years ended December 31, 2023, 2024 and 2025, respectively, were RMB71.9 million, RMB524.7 million and RMB212.1 million attributable to purchase of property, plant and equipment, intangible assets and other non-current assets. We have funded and expect to continue to fund our capital commitments with our cash flow generated from operating activities and bank borrowings.

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CAPITAL COMMITMENTS

Our capital commitments during the Track Record Period primarily related to property, plant and equipment and intangible assets commitments. As of December 31, 2023, 2024 and 2025, the total amount of our outstanding capital commitments was RMB2.3 million, RMB114.2 million and RMB62.4 million, respectively. The following table sets forth a summary of our capital commitments as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment and intangible assets commitments:			
— Contracted, but not provided for	2,266	114,009	62,243
Investment			
— Contracted, but not provided for	—	200	200
Total	2,266	114,209	62,443

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See note 42 to the Accountants’ Report in Appendix I. Our Directors believe that these transactions were conducted in the ordinary and usual course of business and did not distort our results of operations or make our historical results unreflective of our future performance.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Rates of return			
Return on assets	10.2%	10.4%	15.6%
Return on equity	14.4%	14.2%	24.2%
Liquidity ratios			
Current ratio	4.07	2.33	1.82
Quick ratio	3.16	1.44	1.02
Gearing ratio	10.2%	16.0%	28.6%

Notes:

1. Return on assets ratio is calculated using net profit divided by the average of total assets at the beginning and at the end of the year, multiplied by 100%.
2. Return on equity ratio is calculated using net profit divided by the average of total equity at the beginning and at the end of the year, multiplied by 100%.
3. Current ratio is calculated using total current assets divided by total current liabilities.
4. Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
5. Gearing ratio is calculated by dividing total debt (which include current and non-current bank loans, lease liabilities and other borrowings) by total equity.

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FINANCIAL RISK MANAGEMENT

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Our overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our financial performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of our risk management is to identify and analyze the various risks faced by us, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. See note 3 to the Accountants’ Report included in Appendix I to this document for details.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II for details of our unaudited [REDACTED] adjusted consolidated net tangible assets.

DIVIDEND

Pursuant to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. We did not have pre-determined dividend payout ratio during the Track Record Period and up to the Latest Practicable Date. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions and shall be considered and resolved at our general meeting. Our Board shall take into account the general industry conditions, stage of development, business model, profitability and whether we have any major capital expenditure arrangements. Pursuant to our Articles of Association, where cash dividends are distributed, the proportion of cash dividends in the relevant profit distribution shall generally be not less than 80% if we are at a mature stage of development with no major capital expenditure arrangement, not less than 40% if we are at a mature stage of development with major capital expenditure arrangements, and not less than 20% if we are at a growth stage with major capital expenditure arrangements. In 2023, 2024 and 2025, we declared dividends of RMB164.0 million, RMB217.7 million and RMB326.5 million to our Shareholders. In April 2026, we declared dividends of RMB163.6 million, which were fully paid in May 2026.

Future profit distributions may be conducted in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders’ interests and any other conditions that our Board may deem relevant. As advised by our PRC Legal Advisor, under applicable PRC laws and our Articles of Association, any future net profit shall first be applied to make up for accumulated losses, if any, after which we are required to allocate 10% of our after-tax profit to our statutory reserve fund until such fund has reached 50% or more of our registered capital. Accordingly, we will only be able to declare dividends after our accumulated losses, if any, have been made up for and the required allocation to our statutory reserve fund has been made. There is no assurance that dividends of any amount will be declared or distributed in any year.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had retained earnings of RMB1,577.0 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

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[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), [REDACTED] to be borne by us are estimated to be approximately [REDACTED] ([REDACTED]), comprising: (i) [REDACTED] fees of [REDACTED] ([REDACTED]); and (ii) [REDACTED] expenses of [REDACTED] ([REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of [REDACTED] ([REDACTED]); and (b) other fees and expenses of [REDACTED] ([REDACTED]), approximately [REDACTED] ([REDACTED]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately [REDACTED] ([REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] of [REDACTED] ([REDACTED]), among which [REDACTED] ([REDACTED]) was recognized in our consolidated statement of profit or loss, and [REDACTED] ([REDACTED]) was attributable to the [REDACTED] of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED] of the [REDACTED] of the [REDACTED], assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, and there is no event since December 31, 2025 which would materially and adversely affect the information in the Accountants’ Report as set out in Appendix I.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further disclosure of our business objectives and strategies, see “Business — Growth Strategies.”

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the mid-point of the indicative range of the [REDACTED] of [REDACTED] to [REDACTED] per H Share), without the exercise of the [REDACTED].

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

	Approximate % of the total	Total	For the year ended December 31,				
			2026	2027	2028	2029	2030
		(HK\$ million)					
Expanding our PRC and overseas production facilities and enhance the automation, efficiency and localized production support of our manufacturing infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enriching and expanding our product and service portfolio and apply product-related intelligent technologies to our products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding our global sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repaying a portion of our bank loans	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and other general corporate purposes.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total.	[100]%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to expand our PRC and overseas production facilities and enhance the automation, efficiency and localized production support of our manufacturing infrastructure. To meet the growing market demand for our products, we plan to steadily and efficiently increase our production capabilities. We expect sales of our E-mobility products and powersports will increase rapidly from 2026 to 2030, driven by sustained growth in short-distance trip, outdoor leisure, off-road sports and nature exploration use cases. According to Frost & Sullivan, the global LSEVs market, electric two-wheelers market, and ATVs markets are expected to reach US\$4.3 billion, US\$10.2 billion and US\$35.3 billion by 2030, with a CAGR of 25.3%, 4.9% and 5.0% from 2024 to 2029. More specifically:
 - approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used for digital and intelligent upgrade of our PRC manufacturing facilities and the construction of new production facilities in Yongkang, Zhejiang Province. Our PRC facilities will continue to serve as our principal manufacturing, component supply and technical support base for

FUTURE PLANS AND USE OF [REDACTED]

our global operations, rather than solely for finished products exported to the U.S. Our existing Yongkang production operations commenced in 2021 and have historically been conducted mainly through leased premises. The new Yongkang facilities will be constructed on self-owned land and are expected to have a designed annual production capacity of approximately 10,000 LSEVs, 20,000 sets of complete LSEV kits and 500,000 sets of key components. The new facilities will also allow us to consolidate and upgrade our existing leased production operations and leverage proximity to our existing Yongkang operations, local procurement convenience and economies of scale. This includes the construction of digital machining and assembly workshops for LSEV body processing, component assembly and in-process quality inspection and the intelligent automation of key processes such as body processing, component assembly, and in-process quality inspection. By building an efficient and replicable standardized production system, our PRC facilities will not only support global supply chain needs but also export mature technology and management experience to our overseas bases; and

- approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used for construction of one additional overseas production base in Thailand, and related upgrades to our overseas manufacturing capabilities. The Thailand production base is planned to have an annual production capacity of approximately 40,000 LSEVs and 30,000 ATVs. This involves constructing factories and infrastructure, procuring automated production lines and quality inspection equipment, including equipment for automated processes such as robotic welding, automatic blanking/cutting, automatic pipe bending and automated spraying for frame manufacturing at our Vietnam facility, and recruiting approximately 225 additional employees. We believe these initiatives will broaden our manufacturing footprint in Southeast Asia and help reduce production and logistics costs.
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to enrich and expand our product and service portfolio and apply product-related intelligent technologies to our products. We will expand our R&D teams in key locations, primarily China and the United States, by offering competitive compensation to attract and retain top talent. Our R&D initiatives are intended to improve the performance, reliability, user experience and cost efficiency of our existing products. To implement the foregoing plan, we plan to recruit approximately 200 additional R&D personnel. In terms of qualifications, we will primarily recruit (i) engineers with demonstrable successful project delivery experience who can be deployed to key technology development promptly, (ii) junior engineers and fresh graduates to build a sustainable talent pipeline, and (iii) domain experts with relevant automotive development experience to strengthen our R&D system and technical leadership. The additional R&D personnel will mainly cover (a) intelligent technologies, (b) vehicle development, (c) three-electric systems, and (d) testing and validation. For expected remuneration, the average annual cash compensation for R&D hires is expected to be approximately RMB350 thousand in the PRC and US\$150 thousand per person. The key R&D projects currently contemplated include (i) R&D project for LSEVs, focusing on chassis, three-electric systems and intelligent features, (ii) electrification project for powersports products, including electric off-road motorcycles, ATVs and UTVs, with a focus on developing a reusable three-electric platform, and (iii) R&D project for smart electronic products under our GoLabs business, including smart wearable devices, camera products and consumer robotics products, with iterative upgrades after initial product launch. More specifically:
- approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used for upgrades of our existing LSEV and ATV product lines. For LSEVs, we plan to expand our product matrix by developing four-seat, 4+2-seat and six-seat models, as well as higher value-added products such as panoramic camping carts and utility carts for venues. We will also improve key functions such as motor performance, drivetrain efficiency, battery range and charging efficiency. These initiatives are expected to broaden our customer coverage,

FUTURE PLANS AND USE OF [REDACTED]

address more usage scenarios and support higher-value LSEV models. For ATVs, we plan to improve product performance, reliability and design by optimizing frame structures, steering and braking systems, suspension systems, intake and exhaust matching, electronic fuel injection systems, which electronically controlled fuel delivery to improve combustion efficiency and throttle response. These initiatives are expected to improve off-road performance, fuel efficiency, durability and safety, and help us compete in higher-value powersports segments.

- approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to explore emerging technologies, focusing on the secondary development and technical adaptation of robotics. While maintaining growth in our core business, we are strategically positioning ourselves in emerging fields to facilitate the integration of robotics into our outdoor leisure and electrified mobility ecosystem. This allows R&D advancements and application-level innovations in these new areas to enhance our core products and drive the intelligent upgrade of our entire portfolio.
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to expand our global sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities. We plan to establish three marketing service centres in Dallas, Texas, the United States, covering LSEVs, E-mobility two-wheelers and powersports, respectively, and recruit approximately 21 additional local sales and service employees. These centres will support dealer training, product demonstration, technical support, after-sales coordination, spare parts support and market feedback collection. Dallas was selected primarily because our North American headquarters and local management team are based in the Dallas area, which allows us to leverage our existing operating resources and support our U.S. dealer, logistics and service network more efficiently.
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], will be used to repay a portion of our bank loans. This is intended to optimize our debt structure, reduce financial costs, increase our operational funding flexibility and create balance sheet headroom for potential future strategic investments and acquisitions, thereby providing a more solid financial foundation for our continued business growth.
- Approximately [REDACTED] of the net [REDACTED], or [REDACTED], for working capital and other general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the mid-point of the indicative [REDACTED]. If the [REDACTED] is set at [REDACTED] per H Share, which is the high end of our indicative [REDACTED], the net [REDACTED] from the [REDACTED] will increase by approximately [REDACTED]. If the [REDACTED] is set at [REDACTED] per H Share, which is the low end of our indicative [REDACTED], the net [REDACTED] from the [REDACTED] will decrease by approximately [REDACTED]. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we will receive additional net [REDACTED] of [REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED] and assuming an [REDACTED] of [REDACTED] per H Share, being the mid-point of our indicative [REDACTED]).

To the extent that the net [REDACTED] are not immediately applied to the above purposes, we intend to deposit the net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/ or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages [I-1 to I-[•]], received from the Company’s reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sponsor pursuant to the requirements of HKSIR 200, Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG TAOTAO VEHICLES CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhejiang Taotao Vehicles Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[•] to I-[•], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [document date] (the “Document”) in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ Responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants’ Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on Matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[Confucius International CPA Limited]

Certified Public Accountants

Hong Kong

[Date]

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I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and were audited by Confucius International CPA Limited in accordance with Hong Kong Standards on Auditing issued by HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (the “RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Consolidated statements of profit or loss

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	5	2,144,246	2,976,629	3,941,430
Cost of sales	8	(1,344,740)	(1,944,650)	(2,315,223)
Gross profit		799,506	1,031,979	1,626,207
General and administrative expenses	8	(109,041)	(152,873)	(179,804)
Selling and marketing expenses	8	(314,924)	(313,398)	(351,981)
Research and development expenses	8	(87,654)	(125,467)	(123,371)
Net impairment losses on financial assets	3.2	(16,786)	(4,766)	(24,952)
Other income	6	19,026	23,888	26,971
Other gains, net	7	13,626	32,786	(39,361)
Operating profit		303,753	492,149	933,709
Finance income	10	42,959	44,147	40,893
Finance costs	10	(12,263)	(23,070)	(27,347)
Finance income, net		30,696	21,077	13,546
Profit before income tax		334,449	513,226	947,255
Income tax expense	11	(53,971)	(81,964)	(130,932)
Profit for the year		280,478	431,262	816,323
Attributable to:				
— Owners of the Company		280,478	431,263	816,323
— Non-controlling interests		—	(1)	—
		280,478	431,262	816,323
Earnings per share attributable to owners of the Company (in RMB per share)				
— Basic	13	2.71	3.96	7.50
— Diluted	13	2.71	3.94	7.49

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Consolidated statements of comprehensive income

	<i>Notes</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year		280,478	431,262	816,323
Other comprehensive income/(expenses)				
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>				
— Currency translation differences of foreign operations	36	(386)	10,836	(26,178)
Other comprehensive income/(expenses) for the year, net of tax		(386)	10,836	(26,178)
Total comprehensive income for the year		280,092	442,098	790,145
Attributable to:				
— Owners of the Company		280,092	442,099	790,145
— Non-controlling interests		—	(1)	—
		280,092	442,098	790,145

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Consolidated statements of financial position

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	16	321,545	832,234	948,451
Right-of-use assets	17	93,223	112,962	251,320
Deferred tax assets	20	14,578	17,338	48,564
Intangible assets	18	15,901	15,102	479,611
Other financial assets at fair value through profit or loss	14	—	—	15,000
Term deposits and restricted cash	25	150,688	402,448	261,924
Other non-current assets	23	9,260	1,339	8,161
Total non-current assets		605,195	1,381,423	2,013,031
Current assets				
Inventories	24	714,805	1,206,097	1,705,804
Prepayments and other receivables	22	44,649	49,340	52,871
Trade receivables	21	588,103	698,196	939,198
Derivative financial instruments	3.5	—	228	—
Term deposits and restricted cash	25	137,804	286,872	151,328
Cash and cash equivalents	25	1,649,015	840,755	962,206
Other current assets	23	47,913	75,678	81,799
Total current assets		3,182,289	3,157,166	3,893,206
Total assets		3,787,484	4,538,589	5,906,237

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		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
LIABILITIES				
Non-current liabilities				
Borrowings	26	14,526	—	—
Lease liabilities	17	33,044	40,313	98,577
Deferred tax liabilities	20	3,507	459	27,279
Deferred income	31	13,347	17,954	19,455
Total non-current liabilities.		64,424	58,726	145,311
Current liabilities				
Borrowings	26	224,578	429,441	857,881
Trade and notes payables	27	408,991	680,374	913,272
Contract liabilities	5	25,991	27,520	56,973
Lease liabilities	17	27,004	29,062	77,508
Current income tax liabilities		18,043	28,663	105,259
Derivative financial instruments	3.5	—	—	1,485
Accruals and other payables	28	40,708	123,420	88,494
Provisions	30	35,881	34,669	39,162
Other current liabilities	29	32	204	314
Total current liabilities		781,228	1,353,353	2,140,348
Net current assets		2,401,061	1,803,813	1,752,858
Total liabilities		845,652	1,412,079	2,285,659
EQUITY				
— Share capital	32	109,333	109,745	109,049
— Treasury shares	33	—	(63,844)	—
— Other reserves	36	1,958,730	1,993,365	1,934,484
— Retained earnings.	35	873,769	1,087,175	1,576,976
Equity attributable to owner of the				
Company		2,941,832	3,126,441	3,620,509
Non-controlling interests		—	69	69
TOTAL EQUITY.		2,941,832	3,126,510	3,620,578
TOTAL LIABILITIES AND EQUITY		3,787,484	4,538,589	5,906,237

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ACCOUNTANTS’ REPORT

Company’s statements of financial position

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	16	302,897	396,401	469,056
Right-of-use assets	17	33,538	45,929	44,897
Deferred tax assets	20	15,144	20,129	33,667
Intangible assets	18	737	866	701
Investments in subsidiaries	15	104,538	607,150	746,153
Other financial assets at fair value through profit or loss	14	—	—	15,000
Term deposits and restricted cash	25	150,688	402,448	—
Other non-current assets	26	8,263	1,339	1,606
Total non-current assets		615,805	1,474,262	1,311,080
Current assets				
Inventories	24	234,455	209,009	310,494
Prepayments and other receivables	22	49,217	71,419	115,511
Trade receivables	21	1,123,013	2,008,658	2,293,536
Derivative financial instruments	3.5	—	228	—
Term deposits and restricted cash	25	124,549	204,528	345,973
Cash and cash equivalents	25	1,541,260	309,071	145,154
Other current assets	23	16,939	21,664	27,493
Total current assets		3,089,433	2,824,577	3,238,161
Total assets		3,705,238	4,298,839	4,549,241
LIABILITIES				
Non-current liabilities				
Borrowings	26	14,526	—	—
Deferred tax liabilities	20	2,826	—	—
Deferred income	31	13,347	17,954	19,455
Total non-current liabilities		30,699	17,954	19,455
Current liabilities				
Borrowings	26	120,578	206,405	369,598
Trade and notes payables	27	457,777	709,678	869,585
Contract liabilities	5	24,992	24,176	48,523
Current income tax liabilities		14,342	27,946	5,726
Derivative financial instruments	3.5	—	—	1,485
Accruals and other payables	28	24,328	80,943	89,413
Other current liabilities	29	31	124	313
Total current liabilities		642,048	1,049,272	1,384,643
Total liabilities		672,747	1,067,226	1,404,098
EQUITY				
— Share capital	32	109,334	109,745	109,049
— Treasury shares	33	—	(63,844)	—
— Other reserves	36	1,953,402	1,977,201	1,943,140
— Retained earnings	35	969,755	1,208,511	1,092,954
TOTAL EQUITY		3,032,491	3,231,613	3,145,143
TOTAL LIABILITIES AND EQUITY		3,705,238	4,298,839	4,549,241

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ACCOUNTANTS’ REPORT

Consolidated statements of changes in equity

	Attributable to owners of the Company			
	Share capital	Other reserves	Retained earnings	Total equity
	<i>RMB'000</i> <i>(Note 32)</i>	<i>RMB'000</i> <i>(Note 36)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i>
Balance at January 1, 2023	82,000	100,714	770,958	953,672
Profit for the year	—	—	280,478	280,478
Other comprehensive expenses	—	(386)	—	(386)
Total comprehensive				
Income/(expenses) for the year	—	(386)	280,478	280,092
Issue of ordinary shares	27,333	1,837,886	—	1,865,219
Appropriations to statutory reserves	—	13,667	(13,667)	—
Share-based payment				
— Share-based compensation expenses	—	6,849	—	6,849
Dividends	—	—	(164,000)	(164,000)
Balance at December 31, 2023	109,333	1,958,730	873,769	2,941,832

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total		
	<i>RMB'000</i> <i>(Note 32)</i>	<i>RMB'000</i> <i>(Note 33)</i>	<i>RMB'000</i> <i>(Note 36)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2024	109,333	—	1,958,730	873,769	2,941,832	—	2,941,832
Profit/(losses) for the year	—	—	—	431,263	431,263	(1)	431,262
Other comprehensive income	—	—	10,836	—	10,836	—	10,836
Total comprehensive income/(expenses) for the year	—	—	10,836	431,263	442,099	(1)	442,098
Capital contributions from the non-controlling interests						70	70
Appropriations to statutory reserves	—	—	206	(206)	—	—	—
Share-based payment							
— Share-based compensation expenses	—	—	14,065	—	14,065	—	14,065
— Exercise of share option	412	—	9,528	—	9,940	—	9,940
— Repurchase of shares under share schemes	—	(63,844)	—	—	(63,844)	—	(63,844)
Dividends	—	—	—	(217,651)	(217,651)	—	(217,651)
Balance at December 31, 2024	109,745	(63,844)	1,993,365	1,087,175	3,126,441	69	3,126,510

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	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total		
	<i>RMB'000</i> <i>(Note 32)</i>	<i>RMB'000</i> <i>(Note 33)</i>	<i>RMB'000</i> <i>(Note 36)</i>	<i>RMB'000</i> <i>(Note 35)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2025	109,745	(63,844)	1,993,365	1,087,175	3,126,441	69	3,126,510
Profit/(losses) for the year.	—	—	—	816,323	816,323	—	816,323
Other comprehensive expenses	—	—	(26,178)	—	(26,178)	—	(26,178)
Total comprehensive income/(expenses) for the year.	—	—	(26,178)	816,323	790,145	—	790,145
Cancellation of ordinary shares.	(1,113)	63,844	(62,731)	—	—	—	—
Share-based payment							
— Share-based compensation expenses	—	—	7,502	—	7,502	—	7,502
— Exercise of share option	417	—	8,835	—	9,252	—	9,252
— Others	—	—	13,691	—	13,691	—	13,691
Dividends	—	—	—	(326,522)	(326,522)	—	(326,522)
Balance at December 31, 2025	109,049	—	1,934,484	1,576,976	3,620,509	69	3,620,578

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Consolidated statements of cash flows

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Cash generated from operations	37(a)	171,388	252,003	765,855
Interest received		45,150	51,855	49,759
Income tax paid		(42,844)	(96,951)	(64,792)
Net cash generated from operating activities		173,694	206,907	750,822
Cash flows from investing activities				
Proceeds from investment income		—	777	3,093
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		241	1,307	447
Government grant received in relation to assets		3,000	5,592	3,000
Net cash outflow on acquisitions of subsidiaries		—	—	(94,034)
Payments for purchase of investments		—	—	(15,000)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(71,922)	(524,732)	(212,110)
Movements of term deposits		(150,688)	(251,761)	140,525
Net cash used in investing activities		(219,369)	(768,817)	(174,079)
Cash flows from financing activities				
Proceeds from issue of shares		1,907,277	—	—
Capital contributions from the non-controlling interests		—	70	—
Proceeds from share schemes		—	9,940	9,252
Proceeds from bank borrowings		544,717	862,433	1,085,798
Repayments of bank borrowings		(579,011)	(705,694)	(1,211,518)
Principal elements of lease payments		(28,852)	(39,861)	(55,052)
Interests paid		(10,092)	(17,025)	(23,831)
Dividends paid to the Company’s shareholders		(164,000)	(163,335)	(380,838)
Payments for repurchase of shares for the share-based schemes		—	(63,844)	—
Payments for [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Movements of restricted cash		(87,404)	(147,176)	137,200
Net cash generated from/(used in) financing activities		1,543,629	(264,492)	(454,612)
Net increase/(decrease) in cash and cash equivalents		1,497,954	(826,402)	122,131
Cash and cash equivalents at beginning of the year		142,706	1,649,015	840,755
Effects of exchange rate changes on cash and cash equivalents		8,355	18,142	(680)
Cash and cash equivalents at the end of the year		1,649,015	840,755	962,206

APPENDIX I

ACCOUNTANTS’ REPORT

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Zhejiang Taotao Vehicles Co., Ltd.(浙江濤濤車業股份有限公司) (hereinafter referred to as the “**Company**”), is a joint stock company with limited liability incorporated in the People’s Republic of China (the “**PRC**”) on September 24, 2015. The Company was listed on the Shenzhen Stock Exchange ChiNext (stock code: 301345) on March 21, 2023. The registered office and principal place of the Company is located at No.10, Xinyuan Avenue, Xinbi Town, Jinyun County, Lishui City, Zhejiang Province PRC. The ultimate controlling shareholder of the Company is Mr. Cao Ma Tao.

The Company and its subsidiaries (hereinafter collectively referred to as “**the Group**”) are primarily engaged in the research and development (“**R&D**”), design, manufacturing and sales of electric mobility products and outdoor specialty vehicles.

The Company’s subsidiaries during the Track Record Period are set out in Note 15.

The Historical Financial Information are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RMB’000) except when otherwise indicated.

The statutory consolidated financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 prepared in accordance with the relevant accounting principles in the PRC were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合伙)) which was the certified public accountants registered in the PRC.

2. BASIS OF PREPARATION

The Historical Financial Information of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by IASB. The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss (“**FVPL**”).

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively.

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 44 to this Historical Financial Information.

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2.1 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined
Amendments to IFRS 9 and IFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ . .	January 1, 2026
Amendments to IFRS 9 and IFRS 7 ‘Contracts Referencing Nature-dependent Electricity’	January 1, 2026
Annual Improvements — Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
Amendments to IFRS 21 Translation to a Hyper inflationary Presentation Currency	January 1, 2027

Except for the impact of IFRS 18 mentioned below, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group’s consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group’s financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on the Group’s finance performance and maximizes the interests of shareholders and other equity investors. Based on this risk

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management objective, the basic strategy of the Group’s risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

3.1 Market Risk

(a) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Company. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures and tries to minimize these exposures through buying and selling foreign currencies at market rate, wherever possible.

As at December 31, 2023, 2024 and 2025, the Group’s major financial assets/liabilities exposed to foreign exchange risk, representing those financial assets/liabilities denominated in United States Dollar (the “USD”), Canadian Dollar (“CAD”), Japanese Yen (“JPY”), Euro (“EUR”), Pound Sterling (“GBP”), Australian Dollar (“AUD”), Vietnamese Đồng (“VND”), Hong Kong Dollar (“HKD”) and Thai Baht (“THB”):

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets denominated in:			
USD	756,878	1,428,059	1,593,792
— trade receivables	588,531	701,522	847,404
— cash and cash equivalents	163,890	724,064	740,816
— other receivables	4,457	2,473	5,572
CAD	14,288	17,879	69,381
— trade receivables	4,348	7,713	61,240
— cash and cash equivalents	8,531	9,438	6,446
— other receivables	1,409	728	1,695
JPY	1,115	1,390	1,832
— trade receivables	516	467	433
— cash and cash equivalents	599	923	1,399
EUR	189	—	38
— trade receivables	—	—	38
— cash and cash equivalents	189	—	—
GBP	249	—	—
— trade receivables	—	—	—
— cash and cash equivalents	249	—	—
AUD	561	26	35
— trade receivables	71	—	—
— cash and cash equivalents	440	26	35
— other receivables	50	—	—
VND	—	3,585	11,973
— trade receivables	—	—	4,197
— cash and cash equivalents	—	625	1,027
— other receivables	—	2,960	6,749
HKD	—	30	10
— cash and cash equivalents	—	2	10
— other receivables	—	28	—
THB	—	—	164
— cash and cash equivalents	—	—	164

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities denominated in:			
USD	115,264	198,730	1,414,765
— short-term borrowings	84,976	124,051	480,265
— trade payables	22,576	61,799	923,340
— accruals and other payables	7,712	12,880	11,160
CAD	1,103	1,069	1,315
— trade payables	968	943	1,162
— accruals and other payables	135	126	153
JPY	88	46	63
— trade payables	88	46	63
— accruals and other payables	—	—	—
EUR	—	2	—
— trade payables	—	2	—
AUD	1	—	—
— trade payables	1	—	—
VND	—	3,306	36,160
— trade payables	—	3,234	36,099
— accruals and other payables	—	72	61
THB	—	—	155
— accruals and other payables	—	—	155

As shown in the table above, the Group is primarily exposed to changes in USD, CAD, JPY, EUR, GBP, AUD, VND, HKD and THB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises from USD, CAD, JPY, EUR, GBP, AUD, VND, HKD and THB denominated financial instruments are as below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD exchange rate —			
Increase 5%	32,081	61,466	8,951
Decrease 5%	(32,081)	(61,466)	(8,951)
CAD exchange rate —			
Increase 5%	659	841	3,403
Decrease 5%	(659)	(841)	(3,403)
JPY exchange rate —			
Increase 5%	51	67	88
Decrease 5%	(51)	(67)	(88)
EUR exchange rate —			
Increase 5%	9	(0)	2
Decrease 5%	(9)	0	(2)
GBP exchange rate —			
Increase 5%	12	—	—
Decrease 5%	(12)	—	—
AUD exchange rate —			
Increase 5%	28	1	2
Decrease 5%	(28)	(1)	(2)
VND exchange rate —			
Increase 5%	—	14	(1,209)
Decrease 5%	—	(14)	1,209
HKD exchange rate —			
Increase 5%	—	2	1
Decrease 5%	—	(2)	(1)
THB exchange rate —			
Increase 5%	—	—	0
Decrease 5%	—	—	(0)

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(b) Interest Rate Risk

The Group’s interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment and maintains an appropriate combination of financial instruments through regular review and monitoring.

As at December 31, 2023, 2024 and 2025, total borrowings of the Group which were bearing at floating rates amounted to approximately Nil, RMB32,629,000 and RMB233,705,000 respectively.

If interest rate had been 50 basis points higher or lower with all other variables held constant, the profit before tax would decrease/increase approximately Nil, RMB163,000 and RMB1,169,000 for the years ended December 31, 2023, 2024 and 2025 respectively.

Considering the repricing or maturity date, the fair value interest rate risk arises from borrowings and bank balances carried at fixed rates is not significant for the Group.

3.2 Credit Risk

Credit risk arises from cash and cash equivalents, term deposits and restricted cash, as well as trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of financial assets.

(a) Risk Management

To manage this risk, cash and cash equivalents as well as term deposits and restricted cash are mainly placed with reputable financial institutions which are all high-credit-quality financial institutions.

To manage risk from trade receivables as well as other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

(b) Impairment of Financial Assets

The Group has three types of financial assets that are subject to the expected credit loss (the “ECL”) model:

- Cash and cash equivalents, term deposits and restricted cash;
- Trade receivables;
- Other receivables.

Credit risk of cash and cash equivalents, term deposits and restricted cash

Cash and cash equivalents, term deposits and restricted cash are mainly placed with reputable financial institutions. There has been no recent history of default in relation to these financial institutions. The ECL was immaterial as at December 31, 2023, 2024 and 2025.

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Credit risk of trade and other receivables

(i) Trade Receivables

The Group applies the IFRS 9 simplified approach to measure the ECLs which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and aging.

The historical loss rates are calculated based on the historical payment profiles of sales and the corresponding historical incurred credit losses. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (the “GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and other indicators of severe financial difficulties.

On that basis, the loss allowance as at December 31, 2023, 2024 and 2025, were determined as follows for trade receivables:

As at December 31, 2023, the loss allowance of grouped impaired trade receivables is determined as follows:

Assessed based on grouping:

Year ended December 31, 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	5	616,855	30,842
1 to 2 years	10	1,735	174
2 to 3 years	50	1,059	530
Over 3 years	100	293	293
		619,942	31,839

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As at December 31, 2024, the loss allowance of grouped impaired trade receivables is determined as follows:

Assessed based on grouping:

Year ended December 31, 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	5	734,283	36,714
1 to 2 years	10	329	33
2 to 3 years	50	662	331
Over 3 years	100	323	323
		735,597	37,401

As at December 31, 2025, the loss allowance of grouped impaired trade receivables is determined as follows:

Assessed based on grouping:

Year ended December 31, 2025			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	5	971,187	44,813
1 to 2 years	10	13,601	1,360
2 to 3 years	50	1,165	582
Over 3 years	100	963	963
		986,916	47,718

The management of the Group determined the expected loss rates for portfolio of trade receivables with reference to past-due status of such balances by estimating their default rates taking into account historical information and forward-looking information.

As at the end of each Track Record Period, the Group assessed the historical observed default rates and the forward-looking estimates, respectively. The management of the Group reviewed the portfolio of customers contributing the trade receivables balances for the respective past-due time band throughout the Track Record Period and noted that the majority of the balances of the respective past-due time band were due from a similar portfolio of customers. Furthermore, The Group assessed these customers’ financial condition, past settlement history, business relationship with the Group and other factors such as current market conditions and industry information, and considered that the credit risk for the same portfolio of customers remains approximately the same throughout the Track Record Period. Accordingly, the same expected loss rates were adopted for the same past-due time band throughout the Track Record Period.

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The loss allowances for trade receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening loss allowance.	15,459	31,839	37,401
Loss allowance recognized, net	15,982	6,515	24,889
Loss allowance write-off.	—	(1,459)	(2,819)
Acquisition of subsidiaries	—	—	(10,945)
Currency translation differences.	398	506	(808)
Closing loss allowance.	31,839	37,401	47,718

(ii) Other Receivables

Other receivables at the end of each of the periods are mainly comprised of export tax refund, deposits and others. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each of the periods. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor’s ability to meet its obligations;
- external credit rating of the counterparty;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment.

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If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12-months ECLs (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime ECLs are recognized (Stages 2 and 3):

Assessed based on grouping:

	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2023				
Expected loss rate	5.00%	10.00%	87.67%	
Gross carrying amount	16,965	1,165	3,872	22,002
Loss allowance	848	116	3,395	4,359
December 31, 2024				
Expected loss rate	5.00%	10.00%	81.63%	
Gross carrying amount	30,985	1,138	1,217	33,340
Loss allowance	1,549	114	994	2,657
December 31, 2025				
Expected loss rate	4.39%	10.00%	72.37%	
Gross carrying amount	18,715	4,985	1,871	25,571
Loss allowance	822	498	1,354	2,675

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening loss allowance	3,498	4,359	2,657
Loss allowance recognized, net	804	(1,749)	63
Currency translation differences	57	47	(45)
Closing loss allowance	4,359	2,657	2,675

3.3 Liquidity Risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet the Group’s liquidity requirements.

The tables below analyze the Group’s financial liabilities that will be settled into relevant maturity groupings based on the remaining period at each balance sheet date to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due for the corresponding period equal their carrying balances as the impact of discounting is not significant.

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Total carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023					
Trade and notes payables	408,991	—	—	408,991	408,991
Accruals and other payables (excluding non-financial liabilities)	8,462	—	—	8,462	8,462
Lease liabilities	28,954	18,757	15,862	63,573	60,048
Borrowings	227,401	14,818	—	242,219	239,104
	673,808	33,575	15,862	723,245	716,605
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Total carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024					
Trade and notes payables	680,374	—	—	680,374	680,374
Accruals and other payables (excluding non-financial liabilities)	75,546	—	—	75,546	75,546
Lease liabilities	31,536	21,411	21,053	74,000	69,375
Borrowings	432,807	—	—	432,807	429,441
	1,220,263	21,411	21,053	1,262,727	1,254,736
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Total carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025					
Trade and notes payables	913,272	—	—	913,272	913,272
Accruals and other payables (excluding non-financial liabilities)	13,324	—	—	13,324	13,324
Lease liabilities	83,267	77,696	23,911	184,874	176,085
Financial liabilities at FVPL . . .	1,485	—	—	1,485	1,485
Borrowings	859,896	—	—	859,896	857,881
	1,871,244	77,696	23,911	1,972,851	1,962,047

The interest rate of borrowings and lease liabilities are disclosed in Note 26 and Note 17, respectively.

3.4 Capital Management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders’ value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or banks as and

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when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total assets	3,787,484	4,538,589	5,906,237
Total liabilities	845,652	1,412,079	2,285,659
Debt to asset ratio	22.3%	31.1%	38.7%

3.5 Fair Value Estimation

(a) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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As at December 31, 2024	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at FVPL				
— Derivative financial instruments at FVPL (i)	—	228	—	228
As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at FVPL				
— Derivative financial instruments at FVPL (i)	—	1,485	—	1,485
Financial assets at FVPL				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000

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- (i) These derivative financial instruments are foreign currency forward swap contracts. The fair values of derivative financial instruments at FVPL are based on quoted market prices provided by respective financial institutions, where appropriate.
- (ii) During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 for both financial assets and financial liabilities. The Group’s policy is to recognise transfers between levels of the fair value hierarchy as at the end of each of the Track Record Period in which they occur.

(b) Valuation Inputs and Relationships to Fair Value

Description	Fair value as at December 31,			Valuation techniques	Significant unobservable input(s)	Range of inputs	Relationship of unobservable input(s) to fair values
	2023	2024	2025				
	RMB’000	RMB’000	RMB’000				
Unlisted equity investments at FVPL(i)	–	–	15,000	Recent transaction price approach	N/A	N/A	N/A

- (i) As the fair value is directly derived from an observable transaction price, there are no separate unobservable inputs for which sensitivity disclosures, would be applicable or meaningful. For illustrative purposes, if the recent transaction price had been 5% higher/lower for equity instruments measured at FVPL, the total profit or loss for the year ended December 31 2025 would have been approximately RMB750,000 higher or RMB750,000 lower, respectively

(c) The changes in Level 3 assets are analyzed below:

Financial assets at FVPL			
Year ended December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Opening balance	—	—	—
Additions/(disposals).	—	—	15,000
Changes in fair value through Profit or Loss	—	—	—
Closing balance	—	—	15,000

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

(a) Allowance for Expected Credit Loss of Receivables

Except for certain trade receivables from customers with specific credit risk that management adopts an individual impairment assessment approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The loss allowances for receivables are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables.

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The Group takes into account different macroeconomic scenarios in considering forward-looking information in mainland China and abroad. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of expected credit losses. The Group has identified the GDP of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(b) Estimated Net Realizable Value of Inventories

In accordance with the Group’s accounting policy, the Group estimates net realizable value of inventories based on specific facts and circumstances. For different types of inventories, it requires the estimation on selling prices, costs of conversion, selling expenses and the related tax expense to calculate the net realizable amount of inventories. For inventories held for executed sales contracts, management estimates the net realizable amount based on the contracted price. For raw materials and work-in-progress, management has established a model in estimating the net realizable amount at which the inventories can be realizable in the normal course of business after considering the manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices. Management also takes into account the price or cost fluctuations and other related matters occurring after the end of the year which reflect conditions that existed at the end of each year.

It is reasonably possible that if there is a significant change in circumstances including the Group’s business and the external environment, outcomes would be significantly affected.

(c) Property, Plant and Equipment and Intangible Assets — Estimated Useful Lives and Residual Values

The Group determines the estimated useful lives and residual values (if applicable) and consequently the related depreciation/amortization charges for its property, plant and equipment and intangible assets (excluding freehold land and goodwill). These estimates are based on the historical experience, anticipated change of technology, market condition and the actual consumptions of related assets. The depreciation/amortization charge will increase when useful lives are less than previously estimated. In addition, technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in change in useful lives and residual values and therefore change in depreciation/amortization expense in future periods.

(d) Impairment of Non-Financial Assets

The Group tests at least annually whether goodwill has suffered any impairment. Goodwill and other non-financial assets, mainly including property, plant and equipment, intangible assets, as well as right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The recoverable amounts have been determined based on value-in-use (“VIU”) calculations or fair value less costs of disposal (“FVLCD”). These calculations require the use of judgments and estimates.

Judgment is required to identify any impairment indicators existing for any of the Group’s non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment review purposes, and to select key assumptions applied in the adopted valuation models. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group’s financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

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(e) Income Tax and Deferred Taxation

Estimation and judgment are required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilized. Significant estimation is required in determining the recoverability of deferred tax assets.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group’s results or financial position.

(f) Provisions

Provisions are made for estimated returns in respect of goods sold during the warranty periods. Management estimates the related provisions for future returns based on historical returns information, as well as recent trends that might suggest that past cost information could differ from future returns. Factors that could impact the estimated returns information include the success of the Group’s productivity and quality initiatives, as well as cost per returns to satisfy the returns obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

5. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which have been identified as being the CODM, consists of the executive director, the chief financial officer and the managers for each business unit. The CODM review the Group’s internal reporting in order to assess performance, allocate resources, and determine the operating segment based on these reports.

The company determines its reportable segments based on operating segments. Its operating revenues, operating costs, as well as assets and liabilities are all classified according to the location of the operating entities.

(b) Segment Information

For the years ended December 31, 2023, 2024 and 2025, the CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment.

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Segment information for the year ended December 31, 2023 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from transactions with external customer.	542,619	1,601,344	—	2,143,963
Revenue from lease income.	283	—	—	283
Inter-segment revenue.	1,414,350	207,533	(1,621,883)	—
Cost of sales	(1,812,981)	(1,148,745)	1,617,030	(1,344,696)
Lease cost	(44)	—	—	(44)
Gross profit	144,227	660,132	(4,853)	799,506
Net impairment losses on financial assets and contract assets.	(33,436)	(20,605)	37,255	(16,786)
Depreciation and amortisation	28,538	26,509	—	55,047
Profit/(losses) before income tax	373,149	(69,079)	30,379	334,449
Income tax (expense)/credit.	(50,074)	2,554	(6,451)	(53,971)
Profit/(losses) for the year.	323,075	(66,525)	23,928	280,478
Total assets	4,006,500	1,552,777	(1,771,793)	3,787,484
Total liabilities	932,421	1,456,777	(1,543,546)	845,652

Segment information for the year ended December 31, 2024 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from transactions with external customer.	662,874	2,310,769	—	2,973,643
Revenue from lease income.	2,730	256	—	2,986
Inter-segment revenue.	2,299,791	1,054,890	(3,354,681)	—
Cost of sales	(2,783,485)	(2,430,769)	3,271,831	(1,942,423)
Lease cost	(2,076)	(151)	—	(2,227)
Gross profit	179,834	934,995	(82,850)	1,031,979
Net impairment losses on financial assets and contract assets.	(45,275)	(19,822)	60,331	(4,766)
Depreciation and amortisation	34,400	40,476	—	74,876
Profit before income tax	547,995	44,761	(79,530)	513,226
Income tax expense	(65,011)	(13,304)	(3,649)	(81,964)
Profit for the year.	482,985	31,457	(83,180)	431,262
Total assets	4,797,244	3,901,420	(4,160,075)	4,538,589
Total liabilities	1,471,137	2,832,724	(2,891,782)	1,412,079

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Segment information for the year ended December 31, 2025 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from transactions with external customer.	620,183	3,318,597	—	3,938,780
Revenue from lease income.	2,355	295	—	2,650
Inter-segment revenue.	2,211,475	3,172,495	(5,383,970)	—
Cost of sales	(2,281,213)	(5,390,165)	5,357,984	(2,313,394)
Lease cost	(1,829)	—	—	(1,829)
Gross profit	550,971	1,101,222	(25,986)	1,626,207
Net impairment losses on financial assets and contract assets.	(56,707)	(194,187)	225,942	(24,952)
Depreciation and amortisation	37,489	62,308	—	99,797
Profit before income tax	259,207	419,745	268,303	947,255
Income tax (expense)/credit.	(27,141)	(116,077)	12,286	(130,932)
Profit for the year.	232,066	303,668	280,589	816,323
Total assets	5,284,433	8,814,386	(8,192,582)	5,906,237
Total liabilities	1,932,221	7,290,157	(6,936,719)	2,285,659

(c) Revenue from external customers

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from external customers			
At a point in time			
— Sale of goods	2,131,660	2,952,614	3,910,953
— Others	12,303	21,029	27,827
Lease income.	283	2,986	2,650
	2,144,246	2,976,629	3,941,430

(d) Revenue from Major Customers

The major customer who contributed 10% or more of the Group’s revenue for the years ended December 31, 2023, 2024 and 2025 is set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	327,285	317,632	N/A
Customer B (i)	307,529	489,578	521,913
Customer C	248,427	378,241	N/A

* Less than 10% of the Group’s revenue in the respective years.

(i) The customer became a subsidiary of the Group upon completion of the acquisition on December 15, 2025. Revenue from such customer for the year ended December 31, 2025 relates to transactions before the consolidation date. Please refer to Note 38 for further information.

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(e) Geographical Information

The following table sets out information about the geographical location of (i) the Group’s revenue from contracts with customers by location and (ii) the group’s property, plant and equipment, right-of-use assets, intangible assets and other non-current assets (“**specified non-current assets**”).

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue from external customers			
The United States	1,529,253	2,291,890	3,260,222
Americas (excluding the United States and Canada)	153,705	259,525	216,141
Europe	267,739	227,761	147,041
Canada	108,641	94,747	84,098
Asia (excluding China)	53,077	67,331	128,068
China	24,307	29,074	95,769
Other countries or regions	7,524	6,301	10,091
	2,144,246	2,976,629	3,941,430
	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Specified non-current assets			
The United States	58,594	465,554	1,025,570
China	509,934	867,082	849,217
Asia (excluding China)	—	18,183	68,391
Canada	22,089	13,266	6,289
	590,617	1,364,085	1,949,467

(f) Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfilment of performance obligations.

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Contract liabilities	25,991	27,520	56,973
	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue recognized that was included in the beginning balance	32,084	24,867	25,761

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Management expects that the unsatisfied obligation of RMB1,124,000, RMB1,759,000 and RMB 1,938,000 as at December 31, 2023, 2024 and 2025, respectively, will be recognized as revenue over one year. As the contract terms with customers usually within 12 months, the Group applied the practical expedient as permitted under IFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at 31 December 2023, 2024 and 2025.

(g) Accounting Policies and Significant Judgments for Revenue Recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i. e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If a customer pays consideration or the Company has a right to an amount of consideration that is unconditional, before the Company transfers goods or services to the customer, the Company presents the contract liability when the payment is made. A contract liability is the Company’s obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

(h) Products revenue

The Group are principally engaged in the research and development (the “R&D”), design, manufacturing and sales of electric mobility products and outdoor specialty vehicles.

Revenue from domestic sales of products shall be recognized at a point in time based on the sales contracts, settlement vouchers and other documents generally upon the completion of products delivery and arriving to the named place of destination and acceptance by the customers. Upon confirming the acceptance, the customer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

Revenue from overseas sales of products shall be recognized at a point in time based on the sales contracts, customs declaration form, bill of lading, and other documents upon completion of customs declaration. Upon the completion of customs declaration, the buyer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

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6. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Release of assets-related government subsidies	820	985	1,499
Income-related government grants	13,853	13,142	14,608
Interest income (i)	4,320	9,600	10,524
Others	33	161	340
	19,026	23,888	26,971

(i) The amount mainly comprises interest income on the Group’s term deposits with a maturity of over three months. Interest income from cash and cash equivalents is included in “Finance costs, net” (Note 10)

7. OTHER GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gains/(losses)	17,825	33,570	(36,661)
Net gains on disposal of derivative financial instruments	490	777	4,898
Fair value changes on derivative financial instruments	—	228	(3,519)
Donations	(1,483)	(924)	(3,050)
Net (losses)/gains on disposal of non-current assets	(1,792)	(17)	253
Others	(1,414)	(848)	(1,282)
	13,626	32,786	(39,361)

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8. EXPENSE BY NATURE

Expenses included in cost of revenue, general and administrative expenses, selling and marketing expenses and research and development expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and consumables used	982,538	1,942,908	2,107,256
Clearance and shipping costs	232,447	390,814	600,783
Employee benefit expenses (<i>Note 9</i>)	223,243	321,146	384,293
Advertising and business promotion expenses	178,538	152,013	144,604
Depreciation and amortisation	55,047	74,876	99,797
Professional services and other consulting fees	24,940	25,343	33,482
Warehouse expense	11,619	22,833	42,736
Office expenses	20,621	25,923	27,863
Impairment losses on inventories	6,746	9,341	8,598
Taxes and surcharges	8,468	13,002	12,976
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditors’ remuneration	1,415	1,604	1,887
Changes in work in progress and finished goods	41,475	(513,260)	(574,241)
Other expenses	69,026	69,845	79,710
	1,856,359	2,536,388	2,970,379

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR’S REMUNERATION)

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and bonuses	190,467	266,013	328,747
Share-based compensation expenses	6,849	14,065	7,502
Housing fund, medical insurance and other social insurance	9,901	14,421	18,723
Pension costs (i)	9,388	14,669	16,694
Other employee benefits	6,638	11,978	12,627
	223,243	321,146	384,293

- (i) The Group is required to make contributions for its employees in the PRC to the state-sponsored retirement plan at a certain rate based on the qualified salaries of the individual employees. The PRC government is responsible for the pension liability of the retired employees.

During the years ended December 31, 2023, 2024 and 2025, no forfeited contributions were utilized by the Group to reduce its contributions for the current year.

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(a) Directors’ and Supervisors’ Remuneration

Directors’ and supervisors’ remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended December 31, 2023	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:						
Mr. Cao Matao	—	1,426	8	6	—	1,440
Mr. Yao Guangqing.	—	271	7	6	200	484
Mr. Sun Yong	—	432	7	27	—	466
Mr. Wu Guoqiang	—	311	—	1	199	511
Independent non-executive directors:						
Mr. Ye Xiaoping	50	—	—	—	—	50
Mr. Lou Hang.	50	—	—	—	—	50
Ms. Mei Yabao	50	—	—	—	—	50
Supervisors:						
Ms. Zhu Feijian.	—	233	7	6	—	246
Ms. Zhu Jian	—	166	8	6	—	180
Mr. Ye Hang	—	151	7	6	—	164
Total	150	2,990	44	58	399	3,641

Year ended December 31, 2024	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:						
Mr. Cao Matao	—	1,438	9	7	—	1,454
Mr. Yao Guangqing.	—	291	9	7	489	796
Mr. Sun Yong	—	600	8	25	174	807
Mr. Wu Guoqiang (i).	—	256	—	—	489	745
Mr. Cao Yuejin (ii).	—	47	—	—	—	47
Independent non-executive directors:						
Mr. Ye Xiaoping (iii).	64	—	—	—	—	64
Mr. Lou Hang (iii)	64	—	—	—	—	64
Ms. Mei Yabao (iii)	64	—	—	—	—	64
Mr. Zhang Jianxin (iv).	16	—	—	—	—	16
Mr. Chen Dongpo (iv)	16	—	—	—	—	16
Mr. Chen Junze (iv)	16	—	—	—	—	16
Supervisors:						
Ms. Zhu Feijian.	—	247	9	7	—	263
Ms. Zhu Jian	—	190	9	7	—	206
Mr. Ye Hang	—	164	9	7	—	180
Total	240	3,233	53	60	1,152	4,738

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Year ended December 31, 2025	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:						
Mr. Cao Matao	—	1,444	10	7	—	1,461
Mr. Yao Guangqing.	—	297	10	7	318	632
Mr. Sun Yong	—	578	10	29	234	851
Mr. Cao Yuejin (ii).	—	240	—	—	—	240
Mr. Zhao Longman (v).	—	174	—	13	234	421
Independent non-executive directors:						
Mr. Zhang Jianxin (iv).	80	—	—	—	—	80
Mr. Chen Dongpo (iv).	80	—	—	—	—	80
Mr. Chen Junze (iv).	80	—	—	—	—	80
Ms. Zang Cuicui (vi).	26	—	—	—	—	26
Supervisors:						
Ms. Zhu Feijian (vii).	—	252	10	7	—	269
Ms. Zhu Jian (vii)	—	190	10	7	—	207
Mr. Ye Hang (vii)	—	170	10	7	—	187
Total	266	3,345	60	77	786	4,534

- (i) Mr. Wu Guoqiang resigned as an executive director of the Company on October 21, 2024.
- (ii) Mr. Cao Yuejin was appointed as an executive director of the Company with effect from October 21, 2024.
- (iii) Mr. Ye Xiaoping, Mr. Lou Hang, Ms. Mei Yabao resigned as independent non-executive directors of the Company on October 21, 2024.
- (iv) Mr. Zhang Jianxin, Mr. Chen Dongpo, Mr. Chen Junze were appointed as independent non-executive directors of the Company with effect from October 21, 2024.
- (v) Mr. Zhao Longman was appointed as an executive director of the Company with effect from October 9, 2025.
- (vi) Ms. Zang Cuicui was appointed as a supervisor of the Company with effect from November 10, 2025.
- (vii) These Supervisors were no longer Supervisors since October 9, 2025, as the Company abolished its Supervisory Board and the role of Supervisor.

(b) Directors’ and Supervisors’ Other Benefits

No termination benefits were paid to the directors and supervisors of the Company by the Group in respect of the director’s services as a director and a supervisor of the Group or other services in connection with the management of the affairs of the Group during the Track Record Period.

No consideration provided to third parties for making available directors’ and supervisors’ services subsisted at the end of each reporting period or at any time during the Track Record Period.

There were no loans, quasi-loans or other dealings entered into in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

As disclosed in Note 42, there were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

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(c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 include 1, 1, 1 director respectively whose emoluments are reflected in the analysis shown in Note 9(a) above. The emoluments paid to the remaining 4, 4, 4 individuals during the years ended December 31, 2023, 2024 and 2025, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses and benefits in kind (including contributions to pension plans)	7,836	6,813	6,583
Share-based payments	199	384	178
	8,035	7,197	6,761

The number of the above individuals other than directors whose remuneration fell within the following bands is as follows:

	Year ended December 31,		
	2023	2024	2025
HKD1,000,001 to HKD1,500,000	1	2	1
HKD1,500,001 to HKD2,000,000	1	—	2
HKD2,000,001 to HKD2,500,000	—	1	—
HKD2,500,001 to HKD3,000,000	1	—	1
HKD3,000,001 to HKD3,500,000	1	1	—
	4	4	4

10. FINANCE INCOME, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance income:			
Interest income from financial assets held for cash management purposes	42,959	44,147	40,893
Finance costs:			
Interest expenses on lease liabilities.	(2,190)	(3,605)	(6,336)
Interest expenses on bank borrowings	(10,154)	(17,994)	(25,474)
Net exchange (losses)/gains on foreign currency borrowings	81	(1,471)	4,463
Finance costs total	(12,263)	(23,070)	(27,347)
Finance income, net	30,696	21,077	13,546

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11. INCOME TAX EXPENSE

The income tax expense of the Group during the Track Record Period are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	52,480	87,191	148,384
Adjustments for current tax of previous periods	2,002	521	—
Deferred income tax	(511)	(5,748)	(17,452)
	53,971	81,964	130,932

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax Law (the “**EIT Law**”) of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Track Record Period, the Company and one subsidiary of the Group have obtained High and New Technology Enterprises certification (the “**HNTE**”) and hence they were entitled to a preferential income tax rate of 15% for the Track Record Period.

This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pursuant to Caishui [2023] No. 12 “Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses” (關於小微企業和個體工商戶所得稅優惠政策的公告), certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% from 2022 onwards of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction for research and development**”).

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises hiring disabled employees are entitled to claim 200% of their disabled employees expenses incurred as tax deductible expenses when determining their assessable profits for that year.

(b) Hong Kong Profits Tax

Hong Kong profits tax had been provided for under the two-tiered profits tax regime applicable to corporations: 8.25% on the first HK\$2,000,000 of estimated assessable profits and 16.50% on the remainder, for the years ended December 31, 2023, 2024 and 2025.

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(c) US Corporate Profits Tax

The applicable income tax rates of United States where our Company’s subsidiaries having significant operations for the years ended December 31, 2023, 2024 and 2025 ranges from 5.87% to 8.84% and also includes 21%, which is a blended state and federal rate respectively.

(d) Canada Profits Tax

Canada profits tax had been provided for at the rate of 26.5% on the estimated assessable profits for the years ended December 31, 2023, 2024 and 2025.

(e) Japan Profits Tax

Japan profits tax had been provided for at the rate of 15% on estimated assessable profits up to and including JPY8,000,000, and at the rate of 23.20% on the excess above this threshold, for the years ended December 31, 2023, 2024 and 2025.

(f) Singapore Profits Tax

Singapore profits tax had been provided at the rate of 17% on estimated chargeable income, with a partial exemption of 75% applied to the first SGD10,000 of such income and a partial exemption of 50% applied to the subsequent amount up to SGD200,000, for the years ended December 31, 2023, 2024 and 2025.

(g) Vietnam Profits Tax

Vietnam profits tax had been provided for at the rate of 20% on the estimated assessable profits for the years ended December 31, 2023, 2024 and 2025. Enterprise is tax-free for the first four years after registration in Vietnam and halved for the next nine years.

(h) The Netherlands Profits Tax

The Netherlands profits tax had been provided for at the rate of 19% on estimated assessable profits up to and including EUR200,000, and at the rate of 25.8% on the excess above this threshold, for the years ended December 31, 2023, 2024 and 2025.

(i) OECD Pillar Two Model Rules

Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules” were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (the “OECD”).

The Group is within the scope of global minimum tax under the OECD Pillar Two model rules (the “**Pillar Two**”). Subject to tax legislation enacting Pillar Two being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes.

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For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Company are located in jurisdictions mainly including Vietnam, Netherlands and Japan, where Pillar Two legislation was effective since 1 January 2024, and the Group’s assessment indicates that there is no material related current tax exposure in these jurisdictions for the years ended December 31, 2024 and 2025.

- (j) **The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to profits of the subsidiaries as follows:**

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit before income tax	334,449	513,226	947,255
Calculated at the PRC taxation rate of the Company (15%)	50,167	76,984	142,088
Tax effect of:			
Effect of different tax rates applicable to subsidiaries (i)	(1,910)	916	30,281
Non-deductible expenses for tax purposes . . .	238	1,331	3,103
Tax losses and other temporary differences not recognized as deferred tax assets	16,775	23,667	9,696
Super deduction for research and development expenses	(11,071)	(18,487)	(17,896)
Utilization of previously unrecognized tax losses and temporary difference	(2,230)	(2,968)	(36,374)
Adjustments in respect of current tax of previous periods	2,002	521	34
	53,971	81,964	130,932

- (i) Reconciling differences are attributable to variations between the statutory tax rates applicable to certain subsidiaries and the Company’s 15% rate.

12. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Final cash dividends in respect of the previous year, declared and paid during the year (i)	164,000	163,335	162,948
Interim dividends in respect of the current year, declared during the year (ii)	—	54,316	163,574
Total	164,000	217,651	326,522

- (i) The final dividends of RMB15.00, RMB15.00 and RMB15.00 per 10 shares (tax inclusive) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the Annual General Meeting.
- (ii) The dividend distribution of RMB54,316,000 in respect of the first three quarters of 2024 approved by the Third Extraordinary General Meeting of Shareholders in December 2024 was subsequently paid in January 2025.

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The dividend distribution of RMB163,574,000 in respect of the first half of 2025, approved at the First Extraordinary General Meeting of Shareholders in September 2025, was subsequently paid in September 2025.

13. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the following:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company (RMB'000)	280,478	431,263	816,323
Weighted average number of ordinary shares in issue (thousands).	103,343	108,802	108,818
Basic earnings per share attributable to the owners of the Company (RMB per share) .	2.71	3.96	7.50

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Year ended December 31,		
	2023	2024	2025
Adjusted profit attributable to owners of the Company used in calculating diluted earnings per share (RMB'000)	280,478	431,263	816,323
Weighted average number of ordinary shares in issue (thousands).	103,343	108,802	108,818
Adjustments for potential shares arising from share schemes (thousands).	211	552	176
Weighted average number of ordinary shares used in calculating diluted earnings per share (thousands)	103,554	109,354	108,994
Diluted earnings per share attributable to the owners of the Company (RMB per share).	2.71	3.94	7.49

14. FINANCIAL ASSETS AT FVPL

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Unlisted equity instruments at FVPL	—	—	15,000

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15. SUBSIDIARIES

During the Track Record Period, the Company’s material subsidiaries are as follows:

Name of subsidiary			Place of incorporation and type of legal entity	Share capital registered/ paid-up capital	Equity interest held by the Company						Principal activities
					As at December 31,						
					2023		2024		2025		
					Direct	Indirect	Direct	Indirect	Direct	Indirect	
1	Baike Vehicle Vietnam Company Limited (越南百客車業有限公司).	VIE, limited Liability company	USD6,600	—	—	—	100%	—	100%	Manufacturing and sales of specialty vehicles electric low-speed vehicles and accessories	
2	Tao Holding LLC. (濤濤控股有限責任公司).	USA, limited Liability company	USD99,089	100%	—	100%	—	100%	—	Investment holding	
3	Veloz Powersports Inc.(威來動力有限公司).	USA, limited liability company	USD17	—	—	—	—	—	100%	Sales of off-road vehicles, ATVs, motorcycles and other products and related accessories	
4	Golabs Inc.(高博有限公司).	USA, limited liability company	USD1,000	—	100%	—	100%	—	100%	Sales of intelligent electric vehicles and related products non-powered cycling products and associated accessories	
5	Denago EV Corporation (電高電動車公司).	USA, limited liability company	USD26,800	—	100%	—	100%	—	100%	Manufacturing and sales of smart electric low-speed vehicle series products and accessories	
6	Denago Ebikes Corporation (電高自行車有限公司).	USA, limited liability company	USD58,500	—	100%	—	100%	—	100%	Sales of electric bike products and accessories in the U.S. market	
7	ThunderTrek Inc. (雷行科技有限公司).	USA, limited liability company	USD10	—	—	—	—	—	100%	For undertaking the wholesale business of Champion gasoline-powered vehicles and electric golf carts.	
8	Teko Inc. (特科有限公司).	USA, limited liability company	USD10	—	—	—	—	—	100%	For engaging in the wholesale sales of Teko brand golf carts.	
9	No Speed Limit Inc.(極速無限有限公司).	USA, limited liability company	USD10	—	—	—	—	—	100%	Import of electric golf carts	

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Name of subsidiary			Place of incorporation and type of legal entity	Share capital registered/ paid-up capital	Equity interest held by the Company						Principal activities
					As at December 31,						
					2023		2024		2025		
					Direct	Indirect	Direct	Indirect	Direct	Indirect	
10	Trailblazer Motors Inc. (開拓者車業公司)	USA, limited liability company	—	—	—	—	—	—	100%	Investment holding	
11	Champion Motorsports Group, LLC.(冠軍賽車運動集團有限責任公司).	USA, limited liability company	USD10,000	—	—	—	—	—	100%	Distributing entry-level power sports equipment through major retail chains	
12	Tao Motor Inc. (濤車業有限公司).	USA, limited liability company	USD900	100%	—	100%	—	100%	—	Sales of ATVs, motorcycles and related accessories	
13	Shenzhen Baike New Energy Co., Ltd. (深圳百客新能源有限公司).	PRC, limited liability company	RMB90,000	100%	—	100%	—	100%	—	Sale of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories	
14	Baike Inc. (百客公司)	USA, limited liability company	USD1	—	100%	—	100%	—	100%	Sales of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories	
15	Yongkang Taotao Technology Co., Ltd.(永康市濤濤科技有限公司).	PRC, limited liability Company	RMB20,000	100%	—	100%	—	100%	—	Manufacture and sale of motors and batteries	

The statutory auditors of the above subsidiaries of the Group during the Track Record Period are set out below:

Name of statutory auditors	Name of subsidiary		
	2023	2024	2025
1	Baike Vehicle Vietnam Company Limited (越南百客車業有限公司) (a).	NEXIA STT CO., LTD — AN PHAT BRANCH	RSM Vietnam Auditing and Consulting Co., Ltd. — Hanoi Branch
2	Tao Holding LLC. (濤濤控股有限責任公司) (c).	—	—
3	Veloz Powersports Inc. (威來動力有限公司) (c)	—	—
4	Golabs Inc. (高博有限公司)	—	—
5	Denago Ebikes Corporation (電高電動車公司) (b)	—	—

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Name of statutory auditors	Name of subsidiary		
	2023	2024	2025
6 Denago Ebikes Corporation (電高自行車有限公司) (b)	—	—	—
7 ThunderTrek Inc. (雷行科技有限公司) (d)	—	—	—
8 Teko Inc. (特科有限公司) (a)	—	—	—
9 No Speed Limit Inc. (極速無限有限公司) (d)	—	—	—
10 Trailblazer Motors Inc. (開拓者車業公司) (d)	—	—	—
11 Champion Motorsports Group, LLC. (冠軍賽車運動集團有限責任公司) (b)	—	—	—
12 Tao Motor Inc. (濤車業有限公司) (c)	—	—	—
13 Shenzhen Baike New Energy Co., Ltd (深圳百客新能源有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
14 Baike Inc. (百客公司) (c)	—	—	—
15 Yongkang Taotao Technology Co., Ltd (永康市濤濤科技有限公司) (c)	—	—	—

- (a) The entity was established in 2024 and has not appointed an auditor to issue statutory financial statements for the year ended December 31, 2023.
- (b) These entities were established in 2023 and have not appointed an auditor to issue statutory financial statements for the year ended December 31, 2023, 2024 and 2025.
- (c) These entities have not appointed an auditor to issue statutory financial statements for the year ended December 31, 2023, 2024 and 2025.
- (d) These entities were established in 2025 and have not appointed an auditor to issue statutory financial statements for the year ended December 31, 2025.
- (e) The English names of the Mainland China companies are direct translation or transliteration of their Chinese registered names.
- (f) The Chinese names of the non-PRC companies are direct translations or transliterations of their English registered names.
- (g) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.
- (h) In the opinion of the directors, no non-controlling interests in subsidiaries are material to the Group.

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The Company

Investments in subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deemed investments relating to share-based payments	1,875	5,802	8,093
Investments in subsidiaries	102,663	601,348	738,060
	104,538	607,150	746,153

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023							
Cost	237,802	102,871	5,400	12,836	2,383	1,924	363,216
Accumulated depreciation	(22,143)	(25,261)	(1,568)	(8,288)	—	(620)	(57,880)
Carrying amounts	215,659	77,610	3,832	4,548	2,383	1,304	305,336
Opening carrying amounts	215,659	77,610	3,832	4,548	2,383	1,304	305,336
Additions	—	17,831	2,937	5,857	17,830	42	44,497
Transfers from construction in progress	14,744	1,221	—	—	(15,965)	—	—
Disposals and others	(1,813)	(766)	(2)	(21)	—	—	(2,602)
Depreciation charges	(9,342)	(11,959)	(1,372)	(2,573)	—	(652)	(25,898)
Currency translation differences	—	40	36	116	—	20	212
Closing carrying amounts	219,248	83,977	5,431	7,927	4,248	714	321,545
At December 31, 2023							
Cost	250,463	120,042	8,343	18,814	4,248	1,986	403,896
Accumulated depreciation	(31,215)	(36,065)	(2,912)	(10,887)	—	(1,272)	(82,351)
Carrying amounts	219,248	83,977	5,431	7,927	4,248	714	321,545

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	Buildings	Freehold land	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024								
Cost	250,463	—	120,042	8,343	18,814	4,248	1,986	403,896
Accumulated depreciation	(31,215)	—	(36,065)	(2,912)	(10,887)	—	(1,272)	(82,351)
Carrying amounts	219,248	—	83,977	5,431	7,927	4,248	714	321,545
Opening carrying amounts	219,248	—	83,977	5,431	7,927	4,248	714	321,545
Additions	—	—	22,453	12,166	6,780	501,199	—	542,598
Transfers from construction in progress	223,396	172,904	20,508	—	—	(416,808)	—	—
Disposals and others	—	—	(237)	(1,814)	(15)	—	—	(2,066)
Depreciation charges	(10,906)	—	(15,728)	(3,356)	(3,683)	—	(707)	(34,380)
Currency translation differences	2,933	1,850	428	(7)	(660)	—	(7)	4537
Closing carrying amounts	434,671	174,754	111,401	12,420	10,349	88,639	—	832,234
At December 31, 2024								
Cost	476,802	174,754	163,114	17,907	24,819	88,639	1,979	948,014
Accumulated depreciation	(42,131)	—	(51,713)	(5,487)	(14,470)	—	(1,979)	(115,780)
Carrying amounts	434,671	174,754	111,401	12,420	10,349	88,639	—	832,234
	Buildings	Freehold land	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025								
Cost	476,802	174,754	163,114	17,907	24,819	88,639	1,979	948,014
Accumulated depreciation	(42,131)	—	(51,713)	(5,487)	(14,470)	—	(1,979)	(115,780)
Carrying amounts	434,671	174,754	111,401	12,420	10,349	88,639	—	832,234
Opening carrying amounts	434,671	174,754	111,401	12,420	10,349	88,639	—	832,234
Additions	11,906	—	30,511	1,287	4,350	110,380	—	158,434
Transfers from construction in progress	151,414	—	1,698	—	—	(153,112)	—	—
Acquisition of subsidiaries	—	—	7,432	539	2,061	—	2,353	12,385
Disposals and others	—	—	(73)	(408)	(16)	—	—	(497)
Depreciation charges	(16,320)	—	(20,007)	(3,731)	(4,545)	—	—	(44,603)
Currency translation differences	(4,814)	(3,880)	(541)	(98)	(169)	—	—	(9,502)
Closing carrying amounts	576,857	170,874	130,421	10,009	12,030	45,907	2,353	948,451
At December 31, 2025								
Cost	635,196	170,874	203,638	19,108	31,563	45,907	4,332	1,110,618
Accumulated depreciation	(58,339)	—	(73,217)	(9,099)	(19,533)	—	(1,979)	(162,167)
Carrying amounts	576,857	170,874	130,421	10,009	12,030	45,907	2,353	948,451

- (a) Except freehold lands account no depreciation, property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

Buildings 25–39 years

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Machinery equipment	8–10 years
Motor vehicles	4 years
Office equipment	3 years
Leasehold improvements	Shorter of their useful lives and lease terms

See Note 44 for the other accounting policies relevant to property, plant and equipment.

(b) Depreciation of the Group’s property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost of revenue	15,855	20,663	30,086
General and administrative expenses	9,042	12,057	12,742
Research and development expenses	940	1,578	1,686
Selling and marketing expenses	61	82	89
	25,898	34,380	44,603

(c) The Group has pledged buildings with carrying amount of approximately RMB192,237,000, RMB185,301,000 and RMB84,914,000 as at December 31, 2023, 2024 and 2025, respectively to secure bank borrowings granted to the Group.

As at December 31, 2025, the Group was still in the process of applying for the ownership certificates for buildings and structures with a total carrying amount of RMB142,890,000, respectively.

The Company

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023						
Cost	237,802	89,982	2,802	5,667	2,383	338,636
Accumulated depreciation	(22,143)	(22,780)	(1,014)	(3,326)	—	(49,263)
Carrying amounts	215,659	67,202	1,788	2,341	2,383	289,373
Opening carrying amounts	215,659	67,202	1,788	2,341	2,383	289,373
Additions	—	16,421	359	3,071	17,830	37,681
Transfers from construction in progress	14,744	1,221	—	—	(15,965)	—
Disposals and others	(1,813)	(356)	—	—	—	(2,169)
Depreciation charges	(9,342)	(10,411)	(633)	(1,602)	—	(21,988)
Closing carrying amounts	219,248	74,077	1,514	3,810	4,248	302,897
At December 31, 2023						
Cost	250,463	106,277	3,161	8,738	4,248	372,887
Accumulated depreciation	(31,215)	(32,200)	(1,647)	(4,928)	—	(69,990)
Carrying amounts	219,248	74,077	1,514	3,810	4,248	302,897

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	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024						
Cost	250,463	106,277	3,161	8,738	4,248	372,887
Accumulated depreciation	(31,215)	(32,200)	(1,647)	(4,928)	—	(69,990)
Carrying amounts	219,248	74,077	1,514	3,810	4,248	302,897
Opening carrying amounts	219,248	74,077	1,514	3,810	4,248	302,897
Additions	—	29,651	528	3,056	86,757	119,992
Transfers from construction in progress	4,437	—	—	—	(4,437)	—
Disposals and others	—	(3)	—	—	—	(3)
Depreciation charges	(9,967)	(13,791)	(652)	(2,075)	—	(26,485)
Closing carrying amounts	213,718	89,934	1,390	4,791	86,568	396,401
At December 31, 2024						
Cost	254,900	135,859	3,689	11,794	86,568	492,810
Accumulated depreciation	(41,182)	(45,925)	(2,299)	(7,003)	—	(96,409)
Carrying amounts	213,718	89,934	1,390	4,791	86,568	396,401
At January 1, 2025						
Cost	254,900	135,859	3,689	11,794	86,568	492,810
Accumulated depreciation	(41,182)	(45,925)	(2,299)	(7,003)	—	(96,409)
Carrying amounts	213,718	89,934	1,390	4,791	86,568	396,401
Opening carrying amounts	213,718	89,934	1,390	4,791	86,568	396,401
Additions	10,748	8,649	471	3,060	78,807	101,735
Transfers from construction in progress	148,974	67	—	—	(149,041)	—
Disposals and others	—	(57)	(8)	—	—	(65)
Depreciation charges	(10,475)	(15,364)	(574)	(2,602)	—	(29,015)
Closing carrying amounts	362,965	83,229	1,279	5,249	16,334	469,056
At December 31, 2025						
Cost	414,622	144,049	4,008	14,854	16,334	593,867
Accumulated depreciation	(51,657)	(60,820)	(2,729)	(9,605)	—	(124,811)
Carrying amounts	362,965	83,229	1,279	5,249	16,334	469,056

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17. LEASE

17.1 The Group as the lessee

(a) Amounts Recognized in the Consolidated Statements of Financial Position

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Land use right	33,538	45,929	85,107
Buildings	58,815	66,390	165,818
Motor vehicles	870	643	395
	93,223	112,962	251,320
Lease liabilities			
Current	27,004	29,062	77,508
Non-current	33,044	40,313	98,577
	60,048	69,375	176,085

- (i) Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025 were approximately RMB30,516,000, RMB59,863,000 and RMB164,249,000, respectively.
- (ii) The Group has pledged land use rights with carrying amounts of approximately RMB33,538,000, RMB32,774,000 and RMB9,167,000 as at December 31, 2023, 2024 and 2025, respectively to secure bank borrowings granted to the Group.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Land use right	33,538	45,929	44,897
	33,538	45,929	44,897

The Company

Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025 were approximately Nil, RMB58,945,000 and Nil, respectively.

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(b) The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used. The discount rate used during the years ended December 31, 2023, 2024 and 2025, were ranged from 3.6% to 4.65%, 3.6% to 4.65% and 3.6% to 6.3%.

(c) *Amounts Recognized in the Consolidated Statements of Profit or Loss*

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets:			
— Land use right	764	987	1,370
— Buildings	27,065	37,845	52,056
— Motor vehicles	235	237	238
	28,064	39,069	53,664

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expense (including finance cost)	2,190	3,605	6,336
Expense relating to short-term and low value leases not included in lease liabilities	6,873	6,799	12,825
	9,063	10,404	19,161

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025 were approximately RMB35,725,000, RMB46,538,000 and RMB67,832,000, respectively.

As a lessee, the Group leases land use rights, buildings, and motor vehicles. Lease contracts typically have fixed terms, with 50 years for land use rights, 1.58 to 5.25 years for buildings and 5 to 5.33 years for motor vehicles. They are stated at cost less accumulated depreciation and accumulated impairment losses.

See Note 44 for the other accounting policies relevant to leases.

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17.2 The Group as the lessor

(a) Operating Lease

(i) Lease Income

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease income	283	2,986	2,650

(ii) Assets leased out under operating leases

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery and equipment	—	1,756	1,528
Motor vehicles	1,424	6,676	3,118
	1,424	8,432	4,646

(iii) Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	188	486	486
1 to 2 years	188	486	486
2 to 3 years	188	486	486
3 to 4 years	188	486	354
4 to 5 years	188	354	288
Over 5 years	3,683	2,932	2,645
	4,623	5,230	4,745

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18. INTANGIBLE ASSETS

The Group

	Software	Domain name	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023			
Cost.	1,361	4,039	5,400
Accumulated amortization.	(731)	(1,035)	(1,766)
Carrying amounts.	630	3,004	3,634
Year ended December 31, 2023			
Opening carrying amounts.	630	3,004	3,634
Additions.	340	13,220	13,560
Currency translation differences.	—	(208)	(208)
Amortization charges	(233)	(852)	(1,085)
Closing carrying amounts	737	15,164	15,901
At December 31, 2023			
Cost.	1,702	17,066	18,768
Accumulated amortization.	(965)	(1,902)	(2,867)
Carrying amounts.	737	15,164	15,901
At January 1, 2024			
Cost.	1,702	17,066	18,768
Accumulated amortization.	(965)	(1,902)	(2,867)
Carrying amounts.	737	15,164	15,901
Year ended December 31, 2024			
Opening carrying amounts.	737	15,164	15,901
Additions.	414	—	414
Currency translation differences.	—	214	214
Amortization charges	(285)	(1,142)	(1,427)
Closing carrying amounts	866	14,236	15,102
At December 31, 2024			
Cost.	2,116	17,321	19,437
Accumulated amortization.	(1,250)	(3,085)	(4,335)
Carrying amounts.	866	14,236	15,102

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	Software	Domain name	Trademark rights and customer relationships	Goodwill	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2025					
Cost	2,116	17,321	—	—	19,437
Accumulated amortization . . .	(1,250)	(3,085)	—	—	(4,335)
Carrying amounts	866	14,236	—	—	15,102
Opening carrying amounts . . .	866	14,236	—	—	15,102
Additions	522	—	—	—	522
Acquisition of subsidiaries . .	3,519	—	285,300	177,022	465,841
Currency translation differences	(15)	(309)	—	—	(324)
Amortization charges	(394)	(1,136)	—	—	(1,530)
Closing carrying amounts. . .	4,498	12,791	285,300	177,022	479,611
At December 31, 2025					
Cost	6,141	16,937	285,300	177,022	485,400
Accumulated amortization . . .	(1,643)	(4,146)	—	—	(5,789)
Carrying amounts	4,498	12,791	285,300	177,022	479,611

(a) Impairment Tests for Goodwill

Goodwill is not subject to amortization and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

The carrying amount of goodwill allocated to the cash generating units or group of cash generating units (“CGU” or “CGUs”) are as follows:

	Opening	Addition	Impairment	Closing
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended December 31, 2025				
Champion Motorsports Group Holdings, LLC (“Champion Holdings”) (i)	—	177,022	—	177,022

- (i) The goodwill is acquired from business combination of Champion Holdings in 2025. Management regards Champion Holdings as a separate CGU and reviews the business performance and monitors the goodwill on the individual CGU basis (Note 38).

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The key assumptions used by management for VIU calculation for the impairment test of Champion Holdings CGU goodwill as at December 31 2025, included:

	As at December 31, 2025
Revenue annual growth rates	2.71% to 5.00%
Operating profit margin	2.42% to 5.55%
Perpetual annual growth rates	0.00%
Pre-tax discount rates	10.46%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rates	Revenue annual growth rate is estimated over the five-year forecast period. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purposes.
Operating profit margin	Based on past performance and management’s expectations for the future.
Perpetual annual growth rates	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined based on the mature operating status of the CGU with no sustainable long-term growth beyond the forecast period.
Pre-tax discount rates	Estimated by using the weighted average cost of capital (“WACC”) method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

For Champion Holdings CGU, as at December 31, 2025, the recoverable amount calculated based on value-in-use calculation, exceeded the carrying amount of the tested CGU (including goodwill) of Champion Holdings CGU by approximately RMB46,075,000.

If the operating profit margin had been 8.70% lower, or the pre-tax discount rate had been 12.77% higher, the carrying amount of the CGU would exceed its recoverable amount.

(b) Valuation Process for Trademark rights and customer relationships

Trademark rights and customer relationships acquired in business combinations are initially measured at fair value at the acquisition date. The Group engaged an independent valuer to perform the relevant valuations. The key assumptions used by management for VIU calculation for the Valuation of Trademark rights and customer relationships as at the acquisition date, December 15, 2025, included:

Revenue annual growth rates	2.00% to 8.00%
Revenue royalty rate	3.15%
Pre-tax discount rates	14.45%-14.95%

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- (c) Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
General and administrative expenses	863	1,365	1,366
Research and development expenses	222	62	164
	1,085	1,427	1,530

(d) Amortization Methods and Periods

(i) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

(ii) Domain name

The overseas domain names held by the Group are capitalized based on the costs incurred to acquire the specific domain names.

(iii) Trademark rights and customer relationships

Trademark rights and customer relationships acquired in business combinations are initially measured at fair value at the acquisition date, and subsequently amortised on the straight-line basis over their estimated useful lives

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	5 years
Domain name	15 years
Trademark rights and customer relationships	10 years

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The Company

	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023		
Cost.	1,342	1,342
Accumulated amortization.	(712)	(712)
Carrying amounts.	630	630
Year ended December 31, 2023		
Opening carrying amounts.	630	630
Additions.	340	340
Amortization charges	(233)	(233)
Closing carrying amounts.	737	737
At December 31, 2023		
Cost.	1,682	1,682
Accumulated amortization.	(945)	(945)
Carrying amounts.	737	737
At January 1, 2024		
Cost.	1,682	1,682
Accumulated amortization.	(945)	(945)
Carrying amounts.	737	737
Year ended December 31, 2024		
Opening carrying amounts.	737	737
Additions.	414	414
Amortization charges	(285)	(285)
Closing carrying amounts.	866	866
At December 31, 2024		
Cost.	2,096	2,096
Accumulated amortization.	(1,230)	(1,230)
Carrying amounts.	866	866
At January 1, 2025		
Cost.	2,096	2,096
Accumulated amortization.	(1,230)	(1,230)
Carrying amounts.	866	866
Year ended December 31, 2025		
Opening carrying amounts.	866	866
Additions.	217	217
Amortization charges	(382)	(382)
Closing carrying amounts.	701	701
At December 31, 2025		
Cost.	2,313	2,313
Accumulated amortization.	(1,612)	(1,612)
Carrying amounts.	701	701

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19. FINANCIAL INSTRUMENTS BY CATEGORY

The detail information of financial instruments by category during the Track Record Period is as below:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets measured at fair value:			
— Derivative financial instruments			
<i>(Note 3.5)</i>	—	228	—
— Other financial assets at fair value			
through profit or loss	—	—	15,000
Financial assets measured at amortized cost:			
Trade receivables <i>(Note 21)</i>	588,103	698,196	939,198
Cash and cash equivalents <i>(Note 25)</i>	1,649,015	840,755	962,206
Term deposits and restricted cash			
<i>(Note 25)</i>	288,492	689,320	413,252
Other receivables <i>(Note 22)</i>	17,643	30,683	22,896
	2,543,253	2,259,182	2,352,552
Financial liabilities			
Financial liabilities measured at fair value:			
— Derivative financial instruments			
<i>(Note 3.5)</i>	—	—	1,485
Financial liabilities measured at amortized cost:			
Borrowings <i>(Note 26)</i>	239,104	429,441	857,881
Trade and notes payables <i>(Note 27)</i>	408,991	680,374	913,272
Lease liabilities <i>(Note 17)</i>	60,048	69,375	176,085
Accruals and other payables (excluding non-financial liabilities) <i>(Note 28)</i>	8,462	75,546	13,324
	716,605	1,254,736	1,962,047

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets measured at fair value:			
— Derivative financial instruments			
<i>(Note 3.5)</i>	—	228	—
— Other financial assets at fair value			
through profit or loss	—	—	15,000
Financial assets measured at amortized cost:			
Trade receivables <i>(Note 21)</i>	1,123,013	2,008,658	2,293,536
Cash and cash equivalents <i>(Note 25)</i>	1,541,260	309,071	145,154
Term deposits and restricted cash			
<i>(Note 24)</i>	275,237	606,976	345,973
Other receivables <i>(Note 22)</i>	29,870	61,032	99,962
	2,969,380	2,985,965	2,899,625
Financial liabilities			
Financial liabilities measured at fair value:			
— Derivative financial instruments			
<i>(Note 3.5)</i>	—	—	1,485
Financial liabilities measured at amortized cost:			
Borrowings <i>(Note 26)</i>	135,104	206,405	369,598
Trade and notes payables <i>(Note 27)</i>	457,777	709,678	869,585
Accruals and other payables (excluding non-financial liabilities) <i>(Note 28)</i>	528	56,347	55,912
	593,409	972,430	1,296,580

20. DEFERRED TAX

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Gross deferred tax assets	27,465	32,211	78,366
Offsetting against deferred tax liabilities	(12,887)	(14,873)	(29,802)
Net deferred tax assets	14,578	17,338	48,564
Gross deferred tax liabilities	16,394	15,332	57,081
Offsetting against deferred tax assets	(12,887)	(14,873)	(29,802)
Net deferred tax liabilities	3,507	459	27,279

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The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Loss provisions and impairment reserves	Government grants	Unrealized internal profits	Lease liabilities	Share-based payment expenses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,348	1,675	10,543	13,017	—	230	26,813
Credited/(charged) to profit or loss (Note 11)	1,344	327	(1,898)	220	889	(236)	646
Currency translation difference	—	—	—	—	—	6	6
At December 31, 2023	2,692	2,002	8,645	13,237	889	—	27,465
At January 1, 2024	2,692	2,002	8,645	13,237	889	—	27,465
Credited/(charged) to profit or loss (Note 11)	996	691	3,837	(1,117)	339	(60)	4,686
Currency translation difference	—	—	—	—	—	60	60
At December 31, 2024	3,688	2,693	12,482	12,120	1,228	—	32,211
At January 1, 2025	3,688	2,693	12,482	12,120	1,228	—	32,211
Credited/(charged) to profit or loss (Note 11)	1,878	225	19,625	15,622	(6,306)	1,420	32,464
Directly to equity	—	—	—	—	13,691	—	13,691
At December 31, 2025	5,566	2,918	32,107	27,742	8,613	1,420	78,366

(b) Deferred Tax Liabilities

	Right of use assets	Depreciation of fixed assets	Valuation increase resulting from business combinations	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	13,047	3,212	—	—	16,259
Charged/(credited) to profit or loss (Note 11)	518	(383)	—	—	135
At December 31, 2023	13,565	2,829	—	—	16,394
At January 1, 2024	13,565	2,829	—	—	16,394
(Credited)/charged to profit or loss (Note 11)	(713)	(383)	—	34	(1,062)
At December 31, 2024	12,852	2,446	—	34	15,332
At January 1, 2025	12,852	2,446	—	34	15,332
(Credited)/charged to profit or loss (Note 11)	15,513	(383)	—	(118)	15,012
Acquisition of subsidiaries	—	—	26,653	—	26,653
Foreign currency translation difference	—	—	—	84	84
At December 31, 2025	28,365	2,063	26,653	—	57,081

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(c) *Deferred Tax Assets Not Recognized*

The Group has not recognized deferred tax assets in respect of the items below, which were not likely to generate taxable profit:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	105,031	104,705	123,870
Deductible temporary differences.	69,317	35,993	187,542
Share-based compensation expenses.	—	—	3,114
	174,348	140,698	314,526

The tax losses not recognized deferred tax assets can be carried forward in future years. As at December 31, 2023, 2024 and 2025, the following table shows unused tax losses based on their expected expiry date:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	1	—	—
2025	4,664	153	—
2026	1,258	1,258	1,251
2027	8,871	7,324	1,236
2028	710	710	681
2029	3,094	4,354	11,257
2030	993	374	3,330
2031	11,218	10,008	8,300
2032	29,751	26,855	20,320
2033	44,471	33,725	33,559
2034	—	19,944	10,576
2035	—	—	33,360
	105,031	104,705	123,870

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The Company

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross deferred tax assets	15,144	22,606	35,726
Offsetting against deferred tax liabilities	—	(2,477)	(2,059)
Net deferred tax assets	15,144	20,129	33,667
Gross deferred tax liabilities	2,826	2,477	2,059
Offsetting against deferred tax assets	—	(2,477)	(2,059)
Net deferred tax liabilities	2,826	—	—

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Loss provisions and impairment reserves	Government grants	Share-based compensation expenses	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023	8,200	1,675	—	230	10,105
Credited to profit or loss (Note 11).	4,196	327	—	516	5,039
At December 31, 2023	12,396	2,002	—	746	15,144
At January 1, 2024	12,396	2,002	—	746	15,144
Credited to profit or loss (Note 11).	6,403	691	—	368	7,462
At December 31, 2024	18,799	2,693	—	1,114	22,606
At January 1, 2025	18,799	2,693	—	1,114	22,606
Credited to profit or loss (Note 11).	6,579	225	(5,159)	(857)	788
Directly to equity	—	—	12,332	—	12,332
At December 31, 2025	25,378	2,918	7,173	257	35,726

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(b) Deferred Tax Liabilities

	Accelerated tax depreciation	Others	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	3,210	—	3,210
Credited to profit or loss (<i>Note 11</i>)	(384)	—	(384)
At December 31, 2023	2,826	—	2,826
At January 1, 2024	2,826	—	2,826
(Credited)/charged to profit or loss (<i>Note 11</i>)	(383)	34	(349)
At December 31, 2024	2,443	34	2,477
At January 1, 2025	2,443	34	2,477
(Credited)/charged to profit or loss (<i>Note 11</i>)	(384)	(34)	(418)
At December 31, 2025	2,059	—	2,059

(c) Deferred Tax Assets Not Recognized

The Group has not recognized deferred tax assets in respect of the items below, which were not likely to generate taxable profit:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share-based compensation expenses	—	—	3,114
Deductible temporary differences	12,401	8,738	11,804
	12,401	8,738	14,918

21. TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	619,942	735,597	986,916
Less: credit loss allowance	(31,839)	(37,401)	(47,718)
	588,103	698,196	939,198

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- (a) The Group grants credit terms to some customers ranging from 30 to 150 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

As at December 31,			
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	616,855	734,283	969,483
1 to 2 years	1,735	329	13,600
2 to 3 years	1,059	662	2,870
Over 3 years	293	323	963
	619,942	735,597	986,916

The Company

As at December 31,			
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	1,198,884	2,129,535	2,459,325
Less: credit loss allowance	(75,871)	(120,877)	(165,789)
	1,123,013	2,008,658	2,293,536

The aging analysis of trade receivables based on revenue recognition date is as follows:

As at December 31,			
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1,060,193	1,919,788	1,850,105
1 to 2 years	116,210	204,687	584,602
2 to 3 years	22,481	1,282	19,589
Over 3 years	—	3,778	5,029
	1,198,884	2,129,535	2,459,325

- (b) The Group enters into Dealer Floor Plan Financing with certain partnering banks (the “**Partnering Banks**”) and qualified dealers to facilitate the sale and distribution of its products. Under these arrangements, the Partnering Banks pay the purchase price of the inventory directly to the Group upon the delivery of products to the dealers. As at 31 December 2024 and 2025, the Group received cash proceeds under the Dealer Floor Plan Financing in the aggregate amount of RMB32,629,000 and RMB233,705,000, respectively, while physical control of the products is transferred to the dealers upon delivery. The Group provides inventory repurchase obligations to the Partnering Banks and this obligation is triggered in the event of a dealer default.

In the opinion of the directors, the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the underlying financial assets (the receivables from dealers) but has retained control of the assets through its exposure to credit and residual value risks. Accordingly, the Group continues to recognize the transferred assets to the extent of its continuing involvement and recognizes associated liabilities representing the consideration received from the Partnering Banks. These liabilities as disclosed in note 26(b) to the consolidated financial statements are classified as secured borrowings and are subsequently measured at amortized cost.

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The maximum exposure to loss arising from the Group’s Continuing Involvement is equal to the carrying amount of the associated secured borrowings. These financial obligations are derecognized only when the liabilities are extinguished — specifically when the dealer settles the outstanding debt with the Partnering Bank, thereby releasing the Group from its repurchase obligation and discharging the standby letter of credit.

During the years ended 31 December 2024 and 2025, the Group recognized finance costs of RMB4,122,000 and RMB9,806,000, respectively. These amounts represent the interest expenses associated with the secured borrowings borne by the Group as a marketing incentive.

22. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments:			
Prepayments for raw materials	12,183	8,415	18,229
Prepayments for operating expenses	14,823	10,242	11,746
Other receivables:			
Export tax refund receivables	8,134	24,785	10,119
Deposits and warranties	11,720	6,892	13,652
Others	2,148	1,663	1,800
Less: provision for impairment	(4,359)	(2,657)	(2,675)
	44,649	49,340	52,871

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments:			
Prepayments for raw materials	9,472	6,711	5,025
Prepayments for operating expenses	9,875	3,676	10,524
Other receivables:			
Intercompany receivables	34,652	46,217	103,666
Deposits and warranties	6,099	438	663
Export tax refund receivables	—	21,670	6,240
Others	1,520	1,445	1,197
Less: provision for impairment	(12,401)	(8,738)	(11,804)
	49,217	71,419	115,511

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23. OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other current assets			
Deductible input VAT	25,030	27,662	20,052
Prepaid corporate income tax	12,364	37,079	30,083
Capitalization of [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	10,519	10,937	16,041
	47,913	75,678	81,799
Other non-current assets			
Prepayments for non-current assets	9,260	1,339	8,161
	9,260	1,339	8,161

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other current assets			
Deductible input VAT	16,939	21,664	11,870
Capitalization of [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	16,939	21,664	27,493
Other non-current assets			
Prepayments for non-current assets	8,263	1,339	1,606
	8,263	1,339	1,606

24. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	73,442	52,544	97,164
Finished goods	559,376	1,068,334	1,327,499
Work in progress	76,547	76,609	109,340
Outsourced processing materials	8,185	7,608	14,072
Good in transit	10,212	14,452	21,874
Consignment inventories	—	—	150,129
Less: provision for impairment	(12,957)	(13,450)	(14,274)
	714,805	1,206,097	1,705,804

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- (i) The cost of inventories carried forward to the profit or loss during the year is mainly recognized as the cost of revenue. For the years ended December 31, 2023, 2024 and 2025, the cost of inventories carried forward to the cost of revenue amounted to approximately RMB1,252,406,000, RMB1,819,646,000 and RMB2,154,734,000, respectively.
- (ii) Provision for inventories recorded as cost of revenue during the years ended December 31, 2023, 2024 and 2025 were RMB6,746,000, RMB9,341,000 and RMB8,598,000, respectively.
- (iii) The reversal of provisions for inventories during the years ended December 31, 2023, 2024 and 2025 were RMB9,656,000, RMB8,848,000 and RMB15,367,000, respectively.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	58,407	39,767	66,070
Finished goods	69,391	80,694	67,190
Work in progress	70,083	59,683	90,121
Outsourced processing materials	4,271	4,518	9,434
Goods in transit	39,072	28,796	81,079
Less: provision for impairment	(6,769)	(4,449)	(3,400)
	234,455	209,009	310,494

25. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

(a) Cash and Cash Equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	1,937,507	1,530,075	1,375,458
Less: restricted cash (i)	(137,804)	(286,872)	(151,328)
Less: term deposits with a term of over one year	(150,688)	(402,448)	(261,924)
Cash and cash equivalents	1,649,015	840,755	962,206

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	1,816,497	916,047	491,127
Less: restricted cash (ii)	(124,549)	(204,528)	(84,049)
Less: term deposits with a term of over three months	(150,688)	(402,448)	(261,924)
Cash and cash equivalents	1,541,260	309,071	145,154

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- (i) As at December 31, 2023, 2024, 2025, the Group’s bank deposits amounting to RMB16,497,000, RMB95,039,000, RMB141,328,000 were pledged as a guarantee for the bank acceptance notes and letters of guarantees granted to the Group.

As at December 31, 2023, 2024, 2025, the Group’s term deposits amounting to RMB121,307,000, RMB191,833,000, RMB10,000,000 were pledged as a guarantee for the bank acceptance notes.

- (ii) As at December 31, 2023, 2024, 2025, the Company’s bank deposits amounting to RMB3,241,000, RMB12,695,000, RMB74,049,000 were pledged as a guarantee for the bank acceptance notes and letters of guarantees granted to the Company.

As at December 31, 2023, 2024, 2025, the Company’s term deposits amounting to RMB121,307,000, RMB191,833,000, RMB10,000,000 were pledged as a guarantee for the bank acceptance notes.

(b) Cash and Bank Balances are Denominated in:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	1,763,609	794,996	625,560
USD	163,890	724,064	740,816
CAD	8,531	9,438	6,446
Others	1,477	1,577	2,636
	1,937,507	1,530,075	1,375,458

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	1,728,528	671,362	480,683
USD	87,969	241,655	10,444
CAD	—	3,030	—
	1,816,497	916,047	491,127

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26. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Secured			
Bank loans	208,791	328,159	674,102
Unsecured			
Bank loans	30,000	100,000	180,854
Interest payables	313	1,282	2,925
Less: current-portion for long-term borrowings	(299)	(14,526)	—
Less: short-term borrowings	(224,279)	(414,915)	(857,881)
	14,526	—	—

(i) As at December 31, 2023, 2024 and 2025, secured current borrowings included USD11,998,000, USD17,257,000 and USD68,328,000, respectively.

(a) As at December 31, 2023, 2024 and 2025, the annual interest rate of short-term borrowings was ranged from 1.15% to 6.00%, 1.05% to 5.30%, 0.67% to 4.20%, respectively;

As at December 31, 2023, 2024 and 2025, the annual interest rate of long-term borrowings was 2.50%, 2.5% and Nil.

(b) As at December 31, 2023, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB104,791,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB104,000,000 secured by the Group’s bank deposits.

As at December 31, 2024, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB105,530,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB190,000,000 secured by the Group’s bank deposits; (ii) borrowings with a principal equivalent to approximately RMB32,629,000 provided by an independent third-party financial institution under Dealer Floor Plan Financing and secured by the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

As at December 31, 2025, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB186,397,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB254,000,000 secured by the Group’s bank deposits; (ii) borrowings with a principal equivalent to approximately RMB233,705,000 provided by an independent third-party financial institution under Dealer Floor Plan Financing and secured by the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

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(c) As at December 31, 2023, 2024 and 2025 the Group’s borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 1 year	224,578	429,441	857,881
Between 1 and 2 years	14,526	—	—
	239,104	429,441	857,881

(d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Secured			
Bank loans	104,791	105,530	186,396
Unsecured			
Bank loans	30,000	100,000	180,854
Interest payables	313	875	2,348
Less: current-portion for long-term borrowings	(299)	(14,526)	—
Less: short-term borrowings	(120,279)	(191,879)	(369,598)
	14,526	—	—

27. TRADE AND NOTES PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and notes payables			
— Trade payables	368,035	554,109	772,689
— Notes payables	40,956	126,265	140,583
	408,991	680,374	913,272

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- (a) As at December 31, 2023, 2024 and 2025, trade payables include payables for construction and equipment amounting to RMB4,795,000, RMB37,956,000 and RMB46,038,000.

An aging analysis of the trade payables based on the recognition date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	364,091	551,248	765,714
1 to 2 years	2,805	1,095	5,073
2 to 3 years	640	935	806
Over 3 years	499	831	1,096
	368,035	554,109	772,689

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes payables			
— Trade payables	326,077	475,756	562,280
— Notes payables	131,700	233,922	307,305
	457,777	709,678	869,585

- (a) As at December 31, 2023, 2024 and 2025, trade payables include payables for construction and equipment amounting to RMB4,703,000, RMB36,896,000 and RMB45,482,000.

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	324,111	474,026	556,472
1 to 2 years	834	601	4,083
2 to 3 years	639	305	648
Over 3 years	493	824	1,077
	326,077	475,756	562,280

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28. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and benefits	23,908	25,908	34,786
Taxes other than income tax payables	8,338	21,966	40,384
Accruals and other payables	7,817	20,519	12,690
Dividend payables	—	54,316	—
Others	645	711	634
	40,708	123,420	88,494

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and benefits	19,466	20,191	23,840
Intercompany payables	—	—	55,500
Accruals and other payables	64	1,512	—
Taxes other than income tax payables	4,334	4,405	9,661
Dividend payables	—	54,316	—
Others	464	519	412
	24,328	80,943	89,413

29. OTHER CURRENT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other current liabilities:			
Other tax to be recognized	32	204	314
	32	204	314

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other current liabilities:			
Other tax to be recognized	31	124	313
	31	124	313

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30. PROVISIONS

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provisions for refund (i)	35,881	34,669	38,673
Product warranty provisions	—	—	489
	35,881	34,669	39,162

- (i) The Group provides product return rights or sales incentives to its consumers. Based on historical return information, the Group estimates and accrues estimated liabilities for the product return rights or sales incentives provided to its customers when selling products. As the recent return experience may not reflect the return situation of the sold products in the future, the management of the Group needs to use judgment to estimate this estimated liability.

31. DEFERRED INCOME

The Group and the Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	13,347	17,954	19,455

The movements of deferred income for the Track Record Period are as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	11,167	13,347	17,954
Grants received during the year	3,000	5,592	3,000
Amounts released to profit or loss during the year	(820)	(985)	(1,499)
At the end of the year	13,347	17,954	19,455

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32. SHARE CAPITAL

The Group and The Company

	Year ended December 31,					
	2023		2024		2025	
	Share capital RMB'000	Number of shares '000	Share capital RMB'000	Number of shares '000	Share capital RMB'000	Number of shares '000
At the beginning of the year .	82,000	82,000	109,333	109,333	109,745	109,745
Issuance of Shares (i)	27,333	27,333	—	—	—	—
Cancellation of ordinary shares	—	—	—	—	(1,113)	(1,113)
Exercise of share option	—	—	412	412	417	417
At the end of the year	109,333	109,333	109,745	109,745	109,049	109,049

- (i) The Company’s A Shares were listed on ChiNext Market of the Shenzhen Stock Exchange on March 21, 2023. 27,333,600 Shares were issued at RMB73.45 per A share with a nominal value of RMB1.00 each. The Company received net proceeds of approximately RMB2,007,653,000 from the issuance of A Shares, of which share capital was RMB27,333,000 and share premium was RMB1,837,886,000, net of shares issue costs approximately RMB142,433,000.

33. TREASURY SHARES

The Group and The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	—	—	63,844
Repurchase of shares	—	63,844	—
Cancellation of ordinary shares	—	—	(63,844)
At the end of the year	—	63,844	—

Pursuant to the “Proposal on the Scheme for Repurchasing the Company’s Shares” deliberated and approved at the seventeenth meeting of the third session of the Board of Directors held on 2 February 2024, the Company is authorised to repurchase part of its issued and listed Renminbi ordinary shares (A shares) through centralized competitive bidding transactions using over-raised funds and own funds, for the purpose of shares incentive scheme.

For the year from January to December 2024, the Company repurchased 1,113,259 shares through centralized competitive bidding transactions, with an amount of RMB63,844,000 recognised as treasury shares.

Upon the approval of the 21st meeting of the third session of the Board of Directors and the First Extraordinary General Meeting of Shareholders in 2024, the Company revised the purpose of the share repurchase plan implemented in 2022 from “for employee stock ownership plans or share incentive schemes” to “for cancellation and corresponding reduction of registered capital”. Specifically, the 1,113,259 treasury shares held under the 2024 Share Repurchase Plan in the special securities account for repurchase were cancelled, and the registered capital was reduced accordingly.

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For the year from January to December 2025, the portion of the repurchase amount in excess of the cancelled registered capital was used to offset the capital reserve (share premium) by RMB 62,731,000, and the treasury shares were reduced by RMB 63,844,000 simultaneously.

34. SHARE INCENTIVE SCHEME

On August 2, 2023, the company convened the 14th Meeting of the 3rd Board of Directors and the 13th Meeting of the 3rd Supervisory Board, at which it deliberated and approved the “Proposal on the Initial Grant of Restricted Stock to Incentive Recipients”(the “**2023 Share Incentive Plan**”). Pursuant to this proposal, the company granted a total of 1,032,200 share options to 64 eligible incentive recipients, with a grant price of RMB25.65 per share.

On July 29, 2024, the company convened the 22nd Meeting of the 3rd Board of Directors, at which it deliberated and approved the “Proposal on Adjusting the Grant Price of the 2023 Restricted Stock Incentive Plan” and the “Proposal on Granting Reserved Restricted Stock to Incentive Recipients”(the “**2024 Share Incentive Plan**”). Pursuant to the approved proposals, the grant price of the 2023 Restricted Stock Incentive Plan was adjusted from RMB25.65 per share to RMB24.16 per share; in addition, the company granted a total of 255,000 share options to 47 incentive recipients who meet the reserved grant conditions, with a grant price of RMB24.16 per share.

On July 14, 2025, the company convened the 7th Meeting of the 4th Board of Directors, at which it deliberated and approved the “Proposal on Adjusting the Grant Price of the 2023 Restricted Stock Incentive Plan”. Pursuant to the approved proposal, as the 2024 interim equity distribution and 2024 annual equity distribution of the company have been completed, the grant price of the 2023 Restricted Stock Incentive Plan was adjusted from RMB24.16 per share to RMB22.17 per share.

Twelve months after the grant date of the granted restricted stock, if the exercise conditions are met, the incentive recipients may exercise the stock in three installments over the next 48 months, with the proportions of 40%, 30%, and 30% respectively. The company’s main performance assessment targets are as follows: For the first exercise period, based on the 2022 fiscal year, the company’s 2023 fiscal year revenue or net profit before incentive cost amortization (hereinafter referred to as “**net profit**”) growth rate shall not be less than 12%; for the second exercise period, based on the 2022 fiscal year, the company’s 2024 fiscal year revenue or profit growth rate shall not be less than 32%; for the third exercise period, based on the 2022 fiscal year, the company’s 2025 fiscal year revenue or net profit growth rate shall not be less than 56%.

The number of share options granted to the Group’s incentive participants is summarized as follows:

	Year ended December 31,					
	2023		2024		2025	
	(‘000)	Weighted average exercise-price RMB	(‘000)	Weighted average exercise-price RMB	(‘000)	Weighted average exercise-price RMB
At the beginning of the year .	—		1,030		834	
Granted	1,032	25.65	255	24.16	—	22.17
vested	—	25.65	(412)	24.16	(417)	22.17
Forfeited	(2)	25.65	(39)	24.16	—	22.17
At the end of the year	1,030		834		417	

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The fair value of the share option at grant date is determined using the Black-Scholes model. The significant inputs used in valuations were listed as below:

	2023 Share Incentive Plan	2024 Share Incentive Plan
Expected price volatility	16.79%–21.69%	21.85%–27.06%
Expected option life (<i>year</i>)	1–3 years	1–2 years
Risk-free interest rate	1.50%–2.75%	1.50%–2.10%
Dividend yield	0.00%	0.00%
Spot price of ordinary shares (<i>RMB</i>)	49.37	46.83

The volatility of the comparable companies for the period close to the expected time to exercise. The risk-free interest rate was referred to the market yield of government bonds with similar issuing dates and maturity dates as of the respective grant dates.

35. RETAINED EARNINGS

The Group

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	770,958	873,769	1,087,175
Net profit.	280,478	431,263	816,323
Dividends (<i>Note 12</i>)	(164,000)	(217,651)	(326,522)
Appropriation to statutory reserves	(13,667)	(206)	—
At the end of the year.	873,769	1,087,175	1,576,976

The Company

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	848,441	969,755	1,208,511
Net profit.	298,981	456,613	210,965
Dividends (<i>Note 12</i>)	(164,000)	(217,651)	(326,522)
Appropriation to statutory reserves	(13,667)	(206)	—
At the end of the year.	969,755	1,208,511	1,092,954

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36. OTHER RESERVES

The Group

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2023	51,518	3,272	41,000	4,924	100,714
Currency translation differences.	—	—	—	(386)	(386)
Issue of ordinary shares	1,837,886	—	—	—	1,837,886
Share-based payment scheme:					
— Share-based compensation expenses .	—	6,849	—	—	6,849
Appropriation to statutory reserve	—	—	13,667	—	13,667
Balance at December 31, 2023.	1,889,404	10,121	54,667	4,538	1,958,730

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2024	1,889,404	10,121	54,667	4,538	1,958,730
Currency translation differences.	—	—	—	10,836	10,836
Share-based payment scheme:					
— Share-based compensation expenses .	—	14,065	—	—	14,065
— Exercise of share option	19,444	(9,916)	—	—	9,528
Appropriation to statutory reserve	—	—	206	—	206
Balance at December 31, 2024.	1,908,848	14,270	54,873	15,374	1,993,365

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2025	1,908,848	14,270	54,873	15,374	1,993,365
Currency translation differences.	—	—	—	(26,178)	(26,178)
Share-based payment scheme:					
— Share-based compensation expenses .	—	7,502	—	—	7,502
— Exercise of share option	18,997	(10,162)	—	—	8,835
— Others.	5,996	7,695	—	—	13,691
Cancellation of ordinary shares	(62,731)	—	—	—	(62,731)
Balance at December 31, 2025.	1,871,110	19,305	54,873	(10,804)	1,934,484

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The Company

	Share premium	Capital Reserves	Statutory reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2023	51,712	2,288	41,000	95,000
Issue of new shares	1,837,886	—	—	1,837,886
Share-based payment scheme:				
— Share-based compensation expenses .	—	6,849	—	6,849
Appropriation to statutory reserve	—	—	13,667	13,667
Balance at December 31, 2023.	1,889,598	9,137	54,667	1,953,402
	Share premium	Capital Reserves	Statutory reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2024	1,889,598	9,137	54,667	1,953,402
Share-based payment scheme:				
— Share-based compensation expenses .	—	14,065	—	14,065
— Exercise of share option	19,444	(9,916)	—	9,528
Appropriation to statutory reserve	—	—	206	206
Balance at December 31, 2024.	1,909,042	13,286	54,873	1,977,201
	Share premium	Capital Reserves	Statutory reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2025	1,909,042	13,286	54,873	1,977,201
Share-based payment scheme:				
— Share-based compensation expenses .	—	7,502	—	7,502
— Exercise of share option	18,997	(10,162)	—	8,835
— Others	5,996	6,337	—	12,333
Cancellation of ordinary shares	(62,731)	—	—	(62,731)
Balance at December 31, 2025.	1,871,304	16,963	54,873	1,943,140

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37. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax for the year	334,449	513,226	947,255
Adjustments for:			
Interest income	(47,278)	(53,746)	(51,417)
Finance cost	12,263	23,070	27,347
Depreciation and amortization of non-current assets	55,047	74,876	99,797
Net (gains)/losses on disposal of property, plant and equipment and other non-current assets	2,324	264	(253)
Net impairment losses on financial assets . . .	16,786	4,766	24,952
Impairment provision for inventories	6,746	9,341	8,598
Fair value changes on derivative financial instruments	—	(228)	3,519
Net gains on disposal of derivative financial instruments	(490)	(777)	(4,898)
Net foreign exchange (gains)/losses	(17,825)	(33,570)	36,661
Share-based compensation expenses	6,849	14,065	7,502
Others	(821)	(984)	(1,499)
Change in working capital:			
Increase in receivables	(335,843)	(94,572)	(30,499)
Increase in payables	137,941	296,905	197,124
(Increase)/decrease in inventories	1,240	(500,633)	(498,334)
Cash generated from operations	171,388	252,003	765,855

(b) Non-Cash Activities

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Additions of right-of-use assets by way of leasing liabilities (<i>Note 17</i>)	30,516	59,863	164,249

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(c) Net Debt Reconciliation

	Bank borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2023	273,336	59,524	332,860
Financing cash flows	(34,294)	(28,852)	(63,146)
Interest paid	(10,092)	—	(10,092)
Interest accrued	10,154	2,190	12,344
Other non-cash movements	—	27,186	27,186
At December 31, 2023	239,104	60,048	299,152
At January 1, 2024	239,104	60,048	299,152
Financing cash flows	156,739	(39,861)	116,878
Interest paid	(17,025)	—	(17,025)
Interest accrued	17,994	3,605	21,599
Other non-cash movements	32,629	45,583	78,212
At December 31, 2024	429,441	69,375	498,816
At January 1, 2025	429,441	69,375	498,816
Financing cash flows	225,720	(55,052)	170,668
Interest paid	(23,831)	—	(23,831)
Interest accrued	25,471	6,339	31,810
Other non-cash movements	201,080	155,423	356,503
At December 31, 2025	857,881	176,085	1,033,966

38. BUSINESS COMBINATION

(a) Summary of acquisitions

During the year ended December 31, 2025, the major acquisition of new subsidiaries are summarized as follows:

	Champion Holdings
	<i>RMB'000</i> <i>(note (i))</i>
Total consideration transferred	
Cash consideration	105,432
Trade receivables	207,930
Less: net fair value of identifiable assets acquired and liabilities assumed	136,340
Goodwill	177,022

(i) Acquisition of Champion Holdings

As at December 15, 2025, the Group acquired 100.00% equity interests of Champion Holdings at a cash consideration of RMB 105,432,000. Upon completion of the transactions, Champion Holdings became the subsidiary of the Company. Champion Holdings is mainly engaged in the distribution of entry-level power sports equipment through major retail chains.

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Goodwill of RMB177,022,000 was generated from the above acquisition and was determined at the acquisition date as the excess of the consideration transferred, including cash consideration and trade receivables, over the fair value of the identifiable net assets of the acquiree. None of the goodwill recognized is expected to be deductible for income tax purposes.

(b) Financial information of acquisitions

The fair value of the identifiable assets and liabilities and cash and cash equivalents impact arising from the acquisitions of subsidiaries in the above transactions are summarized as follows. Valuation was performed by an independent valuer to determine the fair value of the identified assets, including intellectual properties.

	Champion Holdings
	<i>RMB’000</i>
<i>Fair value of identifiable net assets</i>	
Non-current assets	
Property, plant and equipment	12,385
Intangible assets	288,819
Right-of-use assets	34,217
Current assets	
Inventory	166,286
Trade receivables	66,420
Prepayments and other receivables	4,085
Cash and cash equivalents	11,398
Other current assets	3,526
Non-current liabilities	
Lease liabilities	20,755
Deferred income tax liabilities	26,653
Current liabilities	
Trade payables	28,549
Contract liabilities	143
Lease liabilities	18,315
Provisions	1,325
Accruals and other payables	355,056
Fair value of the net assets acquired	<u>136,340</u>
	Champion Holdings
	<i>RMB’000</i>
<i>Cash impact</i>	
Cash paid (i)	105,432
Less: cash and cash equivalents in the subsidiaries acquired	<u>(11,398)</u>
Net cash outflow on acquisitions	<u>94,034</u>

(i) As for Champion Holdings, the consideration was paid in December 2025.

The Group’s rationale for the acquisition of Champion Holdings was to gain access to the sales network, customer resources, and trademark rights of Champion Holdings, thereby expanding the Group’s sales scale and enriching the portfolio of the Group’s own brands. This integration enables the Group to connect the upstream and downstream.

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The Group completed the equity transfer and obtained control over the acquiree on 15 December 2025. As the acquisition date was close to the end of the reporting period, the acquiree did not contribute any revenue or profit to the Group’s consolidated results for the year ended December 31, 2025.

If the acquisition had occurred on January 1, 2025, consolidated pro-forma revenue and net profit of the Group for the year ended December 31, 2025 would have been RMB4,174,098,000 and RMB722,255,000 respectively.

The amounts have been calculated using the subsidiaries’ results and adjusting them for:

- Differences in the accounting policies between the group and the subsidiary (if any), and
- The additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2025, together with the consequential tax effects.

39. DISPOSAL OF SUBSIDIARIES

The transaction of disposal of subsidiaries during the Track Record Period had no significant impact on the Group’s consolidated financial statements.

40. CONTINGENCIES AND COMMITMENTS

40.1 Contingencies

The Group and the Company have contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at December 31, 2023, 2024 and 2025, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the Financial Information.

40.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment and intangible assets commitments:			
— Contracted, but not provided for	2,266	114,009	62,243
Investment:			
— Contracted, but not provided for	—	200	200
	<u>2,266</u>	<u>114,209</u>	<u>62,443</u>

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41. PLEDGE OF ASSETS

At the end of each reporting period, the Group had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and notes payables granted to the Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	172,807	185,301	84,914
Right-of-use assets	33,538	32,774	9,167
Trade receivables	—	33,035	222,569
Pledged bank deposit	137,804	286,870	151,328
	<u>344,149</u>	<u>537,980</u>	<u>467,978</u>

42. RELATED PARTY TRANSACTIONS

(a) Parent Entities

Name	Place of incorporation	Ownership interest		
		As at December 31,		
		2023	2024	2025
Zhejiang Zhongtao Investment Co., Ltd. .	Lishui, PRC	41.16%	41.00%	41.27%

The Company’s ultimate holding company is Zhejiang Zhongtao Investment Co., Ltd. and the ultimate controlling person is Mr. Cao Matao.

(b) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder’s families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025:

Name of the related parties	Relationship with the Group
2201 LUNA ROAD.	A fellow subsidiary of the ultimate controlling person
Hangzhou Musk Trading Co., Ltd. . . .	A fellow subsidiary of the brother of the ultimate controlling person’s spouse
Mr. Chen Wei	The spouse of Vice General Manager Zhu Hongxia’s sister
Mr. Ye Hang.	Senior Management of the Company
Plano Estates, LLC	A fellow subsidiary of the spouse of the ultimate controlling person

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The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with related parties:

(c) Material Transactions with Related Parties

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-trade nature			
Lease payment to a fellow subsidiary of the ultimate controlling person	6,697	8,911	9,889
Lease payment to a fellow subsidiary of the spouse of the ultimate controlling person . .	—	—	12,172
Purchase of services from the spouse of Vice General Manager Zhu Hongxia’s sister	220	206	238
	6,917	9,117	22,299

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade nature			
Sales of goods to a fellow subsidiary of the brother of the ultimate controlling person’s spouse	—	793	419
	—	793	419

(d) Balance with Related Parties

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-trade nature			
Trade payables due to the spouse of Vice General Manager Zhu Hongxia’s sister(i) . .	314	388	470
Lease liabilities due to a fellow subsidiary of the ultimate controlling person(ii)	11,579	3,045	—
Lease liabilities due to a fellow subsidiary of the spouse of the ultimate controlling person(ii)	—	—	51,573
	11,893	3,433	52,043

(i) Trade payables due to the spouse of Vice General Manager Zhu Hongxia’s sister are settled in accordance with the agreements between the Group and the spouse of Vice General Manager Zhu Hongxia’s sister.

(ii) Lease liabilities are settled in accordance between the Group and a fellow subsidiary of the ultimate controlling person, and between the Group and a fellow subsidiary of the spouse of the ultimate controlling person, respectively.

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(e) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 9(a), was as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries, wages and bonuses	4,049	4,402	3,936
Share-based compensation expenses	997	2,576	1,779
Pension costs, housing fund, medical insurance and other social benefits	142	141	119
	5,188	7,119	5,834

As at December 31, 2023, 2024 and 2025, approximately RMB316,000, RMB425,000 and RMB423,000 of payroll payables were included in other payables and accruals. The share-based payments provided to key management personnel consist of restricted share incentive schemes which are equity-settled, see Note 34.

43. EVENTS AFTER THE REPORTING PERIOD

(a) Dividend Distribution

Pursuant to the resolution adopted at the 13th meeting of the 4th session of the Board of Directors on March 30, 2026, based on the total share capital of 109,049,071 shares, the Company proposes to distribute cash dividends of RMB15 (tax inclusive) per 10 shares to all shareholders. The above profit distribution proposal is subject to further review and approval by the Company’s 2025 Annual General Meeting.

(b) Shifts in Sino-U.S. Tariff Policies

On February 20, 2026, the U.S. Supreme Court ruled that the sweeping global tariffs imposed by the Trump administration under the International Emergency Economic Powers Act (IEEPA) were unlawful. On March 4, 2026, the U.S. Court of International Trade, in the case of Atmus Filtration, Inc. v. United States, issued a nationwide order mandating U.S. Customs and Border Protection (CBP) to immediately cease levying and refund all tariffs imposed pursuant to the IEEPA including reciprocal tariffs, fentanyl-related tariffs, and other comparable duties.

The Company’s subsidiaries incorporated in the United States are eligible to apply for reimbursement of relevant tariffs paid in 2025 in accordance with these judicial rulings. As of the date of approval of the financial statements, however, the CBP has not yet initiated the tariff refund process; accordingly, the timing and amount of any potential refunds remain uncertain.

44. SUMMARY OF OTHER ACCOUNTING POLICIES

(1) Principles of Consolidation

The Historical Financial Information incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

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- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests.

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Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9* or, when applicable, the cost on initial recognition of an investment in an associate.

(2) Investments in Associates

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under *IFRS 11 Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

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Changes in the Group’s interests in associates and joint ventures

When the Group reduces its ownership interests in an associate or a joint venture but the Group continues to use the equity method (including situations that change of ownership interest in an associate or a joint venture due to capital increase of other shareholders to the associate or the joint venture), the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interests if that gain or loss would have been reclassified to profit or loss on the disposal of the related assets or liabilities.

(3) Business Combinations

(i) Business Combination not Under Common Controls

The acquisition method of accounting is used to account for all business combinations (except for the business combinations under common controls), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

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(4) Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment test of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee’s net assets including goodwill.

(5) Foreign Currencies

(i) *Functional and Presentation Currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**the functional currency**”). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company’s functional and the Group’s presentation currency.

(ii) *Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains/(losses), net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income (the “**FVOCI**”) are recognized in other comprehensive income.

(iii) *Group Companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group’s entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss of the Group’s entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

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- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(6) Property, Plant and Equipment

The Group’s accounting policy for buildings and equipment is explained in Note 16(a). Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress mainly represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

(7) Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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(8) Intangible assets

Software

Purchased software is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

Domain name

The overseas domain names held by the Group are capitalized based on the costs incurred to acquire the specific domain names.

Trademark rights and customer relationships

Trademark rights and customer relationships acquired in business combinations are initially measured at fair value at the acquisition date, and subsequently amortised on the straight-line basis over their estimated useful lives

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(9) Financial Assets

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

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(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable.

(iv) Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Details, please refer to credit risks in Note 3.2.

(10) Financial Liabilities

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at FVPL at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortized cost, including trade and note payables, other payables and accruals, borrowings and customer deposits. Such financial liabilities are initially recognized at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognized part of the financial liability and the consideration paid is recognized in profit or loss for the current period.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(11) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories are determined on the month-end weighted average method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw materials but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(12) Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.2 for a description of the Group’s impairment policies.

(13) Share Capital and Capital Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(14) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(15) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

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Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(16) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(17) Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(18) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

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(ii) Housing Funds, Medical Insurances and Other Social Insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Post-Employment Benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group’s defined contribution plans mainly include basic pensions and unemployment insurance, while the defined benefit plans are certain overseas subsidiaries provide supplemental retirement benefits beyond the national regulatory insurance system.

(iv) Basic Pensions

The Group’s employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(19) Share-Based Payments

(i) Equity-settled share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (including shares or share options) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period);
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions, irrespective of whether those non-vesting conditions are satisfied. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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(ii) Share-based payment transactions among group entities

The Company settling a share-based payment transaction when another entity in the Group receives the goods or services shall recognize the transaction as an equity-settled share-based payment transaction only if it is settled in the Company’s own equity instruments. Otherwise, the transaction shall be recognized as a cash settled share-based payment transaction. In its separate financial statements, the Company records a debit, recognizing an increase in the investment in subsidiaries as a capital contribution from the parent and a credit to equity as no goods or services are received by the Company. The Company records a debit, recognizing the cash the employee paid when exercising the equity-settled share-based payment along with a decrease in reserves and a credit, recognizing share capital and share premium of the Company.

(iii) Modifications and Cancellations

The Group may modify the terms and conditions on which the share-based compensation plan was granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting year. A grant of the share-based compensation plan, that is cancelled or settled during the vesting year, is treated as an acceleration of vesting. The Group will immediately recognize the amount that otherwise would have been recognized for services received over the remainder of the vesting year.

(20) Dividend Distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities’ shareholders or directors, where appropriate.

(21) Interest Income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(22) Dividend Income

Dividend income is recognized when the right to receive dividend payment is established.

(23) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

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- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(24) Government Grant

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(25) Research and development expenses

All research expenses are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new technologies is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development.

Development expenditure which does not meet these criteria is expensed when incurred.

(26) Current and Deferred Income Tax

The income tax expense or credit for the year is the tax payable on the current period’s taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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(ii) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(27) Leases

(i) Definition of a Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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(ii) The Group as a Lessee

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right-of-Use Assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Land leases are also in the scope of IFRS 16. The Group recognizes any prepaid premium for leasehold lands as right-of-use assets which are depreciated over the relevant lease terms.

Refundable rental deposits paid are account under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease Liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case

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for leases of the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

(iii) The Group as a Lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report.

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following is the text of a report set out on pages IA-1 to IA-2, received from the Company’s reporting accountant, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. This information set out below is the unaudited interim condensed consolidated financial information of the Group for the three months ended March 31, 2026 and does not form part of the Accountant’s Report from the reporting accountant, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, as set out in Appendix I to this document, and is included herein for information purpose only.



天健國際會計師事務所有限公司
Confucius International CPA Limited

Certified Public Accountants

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG TAOTAO VEHICLES CO., LTD.

Introduction

We have reviewed the interim financial information set out on pages IA-X to IA-XX, which comprises the interim condensed consolidated statement of financial position of Zhejiang Taotao Vehicles Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at March 31, 2026 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended and selected explanatory notes (together, the “**Interim Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on the Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

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**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATION**

Other Matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at December 31, 2025. The comparative information for the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows, and related explanatory notes, for the period ended March 31, 2025 has not been audited or reviewed.

[Confucius International CPA Limited]

Certified Public Accountants

Hong Kong

[Date]

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Interim condensed consolidated statements of profit or loss

	<i>Notes</i>	Three months ended March 31,	
		2026	2025
		<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue	4	1,058,983	639,259
Cost of revenue	7	(628,118)	(403,666)
Gross profit		430,865	235,593
General and administrative expenses	7	(56,180)	(32,862)
Selling and marketing expenses	7	(100,098)	(86,162)
Research and development expenses	7	(20,152)	(22,580)
Net impairment losses/(reversal of impairment) on financial assets		(4,128)	7,304
Other income	5	5,324	3,412
Other (losses)/gains, net	6	(28,056)	37
Operating profit		227,575	104,742
Finance income	8	4,653	10,513
Finance costs	8	(20,461)	(7,266)
Finance (costs)/income, net	8	(15,808)	3,247
Profit before income tax		211,767	107,989
Income tax expenses	9	(35,463)	(21,781)
Profit for the period		176,304	86,208
Attributable to:			
— Owners of the Company		176,303	86,210
— Non-controlling interests		1	(2)
		176,304	86,208
Earnings per share attributable to owners of the Company (in RMB per share)			
— Basic	10	1.62	0.79
— Diluted	10	1.61	0.79

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Interim condensed consolidated statements of comprehensive income

		Three months ended March 31,	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Profit for the period		176,304	86,208
Other comprehensive expenses			
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>			
— Currency translation differences of foreign operations	29	(17,711)	(1,849)
Other comprehensive expenses for the period, net of tax		(17,711)	(1,849)
Total comprehensive income for the period		158,593	84,359
Attributable to:			
— Owners of the Company		158,592	84,361
— Non-controlling interests		1	(2)
		158,593	84,359

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Interim condensed consolidated statements of financial position

		As at March 31,	As at December 31,
	Notes	2026	2025
		RMB'000 (Unaudited)	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	948,397	948,451
Right-of-use assets	12	227,979	251,320
Deferred tax assets	15	68,325	48,564
Intangible assets	13	463,098	479,611
Other financial assets at fair value through profit or loss	3.3	21,922	15,000
Term deposits and restricted cash	20	240,000	261,924
Other non-current assets	18	44,953	8,161
Total non-current assets		2,014,674	2,013,031
Current assets			
Inventories	19	1,831,860	1,705,804
Prepayments and other receivables	17	62,770	52,871
Trade receivables	16	906,917	939,198
Other financial assets at fair value through profit or loss	3.3	30,000	—
Term deposits and restricted cash	20	109,672	151,328
Cash and cash equivalents	20	990,289	962,206
Other current assets	18	72,504	81,799
Total current assets		4,004,012	3,893,206
Total assets		6,018,686	5,906,237

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

		As at March 31,	As at December 31,
	Notes	2026	2025
		RMB'000 (Unaudited)	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	78,092	98,577
Deferred tax liabilities	15	25,603	27,279
Deferred income	26	23,144	19,455
Total non-current liabilities		126,839	145,311
Current liabilities			
Borrowings	21	745,726	857,881
Trade and notes payables	22	990,679	913,272
Contract liabilities	4	67,241	56,973
Lease liabilities	12	76,152	77,508
Current income tax liabilities		147,328	105,259
Derivative financial instruments	3.3	1,867	1,485
Accruals and other payables	23	65,992	88,494
Provision	25	17,501	39,162
Other current liabilities	24	574	314
Total current liabilities		2,113,060	2,140,348
Net current assets		1,890,952	1,752,858
Total liabilities		2,239,899	2,285,659
EQUITY			
— Share capital	27	109,049	109,049
— Other reserves	29	1,916,389	1,934,484
— Retained earnings	28	1,753,279	1,576,976
Equity attributable to owners of the Company . . .		3,778,717	3,620,509
Non-controlling interests		70	69
TOTAL EQUITY		3,778,787	3,620,578
TOTAL LIABILITIES AND EQUITY		6,018,686	5,906,237

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Interim condensed consolidated statements of changes in equity

Three months ended at March 31, 2026 (Unaudited)	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Sub-total				
	RMB'000 (Note 27)	RMB'000 (Note 29)	RMB'000 (Note 28)	RMB'000			RMB'000	RMB'000
Balance at January 1, 2026	109,049	1,934,484	1,576,976	3,620,509			69	3,620,578
Profit for the period	—	—	176,303	176,303			1	176,304
Other comprehensive losses	—	(17,711)	—	(17,711)			—	(17,711)
Total comprehensive (losses)/income . .	—	(17,711)	176,303	158,592			1	158,593
Share-based payment								
— Share-based compensation expenses . .	—	995	—	995			—	995
— Others	—	(1,379)	—	(1,379)			—	(1,379)
Balance at March 31, 2026	109,049	1,916,389	1,753,279	3,778,717			70	3,778,787

Three months ended at March 31, 2025 (Unaudited)	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total			
	RMB'000 (Note 27)	RMB'000	RMB'000 (Note 29)	RMB'000 (Note 28)	RMB'000		RMB'000	RMB'000
Balance at January 1, 2025	109,745	(63,844)	1,993,365	1,087,175	3,126,441		69	3,126,510
Profit for the period	—	—	—	86,210	86,210		(2)	86,208
Other comprehensive losses	—	—	(1,849)	—	(1,849)		—	(1,849)
Total comprehensive (losses)/income . .	—	—	(1,849)	86,210	84,361		(2)	84,359
Cancellation of ordinary shares	(1,113)	63,844	(62,731)	—	—		—	—
Share-based payment								
— Share-based compensation expenses . .	—	—	2,602	—	2,602		—	2,602
— Others	—	—	6	—	6		—	6
Balance at March 31, 2025	108,632	—	1,931,393	1,173,385	3,213,410		67	3,213,477

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Interim condensed consolidated statements of cash flows

	<i>Notes</i>	Three months ended March 31,	
		2026	2025
		<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Cash flows from operating activities			
Cash generated from operations	30	253,498	220,982
Interest received		6,008	12,432
Income tax paid		(8,686)	(13,045)
Net cash generated from operating activities		250,820	220,369
Cash flows from investing activities			
Proceeds from investment income		1,339	—
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		353	48
Movements of term deposits		21,924	45,277
Government grant received in relation to assets		4,174	—
Payments for purchase of investments		(6,922)	—
Placement of wealth management products		(30,000)	—
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(14,992)	(24,032)
Net cash (used in)/generated investing activities . .		(24,124)	21,293
Cash flows from financing activities			
Proceeds from borrowings		199,283	389,648
Movements of restricted cash		42,128	200,706
Repayments of borrowings		(389,630)	(194,377)
Principal elements of lease payments		(21,694)	(11,961)
Interests paid		(16,403)	(3,071)
Dividends paid to the Company's shareholders		—	(54,316)
Payments for [REDACTED]		[REDACTED]	[REDACTED]
Net cash (used in)/generated from financing activities		(186,693)	326,629
Net increase in cash and cash equivalents		40,003	568,291
Cash and cash equivalents at beginning of the period		962,206	840,755
Effects of exchange rate changes on cash and cash equivalents		(11,920)	1,771
Cash and cash equivalents at the end of the period		990,289	1,410,817

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II. NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Zhejiang Taotao Vehicles Co., Ltd. (浙江濤濤車業股份有限公司) (hereinafter referred to as the “**Company**”), is a joint stock company with limited liability incorporated in the People’s Republic of China (the “**PRC**”) on September 24, 2015. The Company was listed on the Shenzhen Stock Exchange ChiNext (stock code: 301345) on March 21, 2023. The registered office and principal place of the Company is located at No.10, Xinyuan Avenue, Xinbi Town, Jinyun County, Lishui City, Zhejiang Province PRC. The ultimate controlling shareholder of the Company is Mr. Cao Ma Tao.

The Company and its subsidiaries (hereinafter collectively referred to as “**the Group**”) are primarily engaged in the research and development (“**R&D**”), design, manufacturing and sales of electric mobility products and outdoor specialty vehicles.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Basis of preparation

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at March 31, 2026, the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months ended March 31, 2026 (collectively referred to as the “**Interim Financial Information**”), has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”).

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended December 31, 2023, 2024 and 2025 (the “**Historical Financial Information**”) as disclosed in Appendix I to the document issued by the Company.

This Interim Financial Information contains consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest annual consolidated financial statements as at and for the year ended December 31, 2025. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards (“**IFRS**”). Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Historical Financial Information and notes thereto.

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2.2 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
Amendments to IFRS 21 Translation to a Hyper inflationary Presentation Currency	January 1, 2027

Except for the impact of IFRS 18 mentioned below, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group’s consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group’s financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

2.3 Critical Accounting Estimates and Judgements

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those applied to the Historical Financial Information.

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3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and price risk. The Group’s overall risk management focuses on the unpredictability of financial markets, seeks a balance between risk and return and minimizes the adverse impact of risk on the Group’s finance performance. Based on this risk management objective, the basic strategy of the Group’s risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Historical Financial Information. There were no significant changes in any material risk management policies during the three months ended March 31, 2026.

3.2 Capital Management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders’ value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or banks as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2025 and the three months ended March 31, 2026.

The Group monitors capital on the basis of the debt to asset ratio as at March 31, 2026 and December 31, 2025 are as follows:

	As at March 31, 2026	As at December 31, 2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Total assets	6,018,686	5,906,237
Total liabilities	2,239,899	2,285,659
Debt to asset ratio	37.2%	38.7%

3.3 Fair Value Estimation

(a) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

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For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

As at March 31, 2026	Level 1	Level 2	Level 3	Total
<i>(Unaudited)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at FVPL				
Non-current				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
— Equity investment held indirectly through a special purpose vehicle	—	—	6,922	6,922
Current				
— Wealth management products (i)	—	30,000	—	30,000
	<u>—</u>	<u>30,000</u>	<u>21,922</u>	<u>51,922</u>
Financial liabilities at FVPL				
Current				
— Derivative financial instruments (ii)	—	1,867	—	1,867
	<u>—</u>	<u>1,867</u>	<u>—</u>	<u>1,867</u>
As at December 31, 2025	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at FVPL				
Non-current				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
	<u>—</u>	<u>—</u>	<u>15,000</u>	<u>15,000</u>
Financial liabilities at FVPL				
Current				
— Derivative financial instruments at FVPL (ii)	—	1,485	—	1,485
	<u>—</u>	<u>1,485</u>	<u>—</u>	<u>1,485</u>

(i) Wealth management products are bond fund products issued by banks.

(ii) The fair values of derivative financial instruments at FVPL are based on quoted market prices provided by respective financial institutions, where appropriate.

During the three months ended March 31, 2026 and 2025, there were no transfers between Level 1, Level 2 and Level 3, or transfers into or out of Level 3 for both financial assets and financial liabilities. The Group’s policy is to recognise transfers between levels of the fair value hierarchy as at the end of each of the period in which they occur.

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(b) Valuation Inputs and Relationships to Fair Value

Description	Fair value as at March 31, 2026 RMB'000 (Unaudited)	Fair value as at December 31, 2025 RMB'000	Valuation techniques	Significant unobservable input(s)	Range of inputs	Relationship of unobservable input(s) to fair values
Unlisted equity investments at FVPL (i)	15,000	15,000	Recent transaction price approach	N/A	N/A	N/A
Equity investment held indirectly through a special purpose vehicle (ii)	6,922	—	Recent transaction price approach	N/A	N/A	N/A

- (i) As the fair value is directly derived from an observable transaction price, there are no separate unobservable inputs for which sensitivity disclosures, would be applicable or meaningful. For illustrative purposes, if the recent transaction price had been 5% higher/lower for equity instruments measured at FVPL, the total profit or loss for the three month ended March 31 2026 would have been approximately RMB750,000 higher or RMB750,000 lower, respectively.
- (ii) As the fair value is directly derived from an observable transaction price, there are no separate unobservable inputs for which sensitivity disclosures, would be applicable or meaningful. For illustrative purposes, if the recent transaction price had been 5% higher/lower for Equity investment held indirectly through a special purpose vehicle, the total profit or loss for the three month ended March 31 2026 would have been approximately RMB346,000 higher or RMB346,000 lower, respectively.

4. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The executive directors assess the financial performance and position of the Group and makes strategic decisions. The executive directors, which have been identified as being the CODM, consists of the chief executive officer, the chief financial officer and the managers for each business unit. The CODM review the Group’s internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports.

The Company determines its reportable segments based on operating segments. Its operating revenues, operating costs, as well as assets and liabilities are all classified according to the location of the operating entities.

(b) Segment Information

For the three months ended March 31, 2026 and 2025, the CODM assess the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment.

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Segment information for the three months ended March 31, 2026 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue from transactions with external customer	162,729	895,388	—	1,058,117
Revenue from lease income	795	71	—	866
Inter-segment revenue	549,274	999,178	(1,548,452)	—
Cost of sales	(659,067)	(1,496,115)	1,527,444	(627,738)
Lease cost	(380)	—	—	(380)
Gross profit	53,351	398,522	(21,008)	430,865
Net impairment losses on financial assets and contract assets	37,803	(22,210)	(19,721)	(4,128)
Depreciation and amortisation	(10,706)	(32,481)	—	(43,187)
Profit before income tax	108,010	207,396	(103,639)	211,767
Income tax expense	(14,798)	(44,376)	23,711	(35,463)
Profit for the period	93,211	163,020	(79,927)	176,304
Total assets	5,028,485	9,556,597	(8,566,396)	6,018,686
Total liabilities	1,583,347	7,929,419	(7,272,867)	2,239,899

Segment information for the three months ended March 31, 2025 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue from transactions with external customer	139,120	499,565	—	638,685
Revenue from lease income	510	64	—	574
Inter-segment revenue	189,224	207,844	(397,068)	—
Cost of sales	(288,876)	(514,441)	400,069	(403,248)
Lease cost	(418)	—	—	(418)
Gross profit	39,560	193,032	3,001	235,593
Net impairment losses on financial assets and contract assets	(15,310)	(3,838)	26,452	7,304
Depreciation and amortisation	(8,263)	(12,430)	—	(20,693)
Profit before income tax	15,443	52,086	40,460	107,989
Income tax expense	593	(14,949)	(7,425)	(21,781)
Profit/(credit) for the period	16,036	37,137	33,035	86,208
Total assets	4,711,791	4,278,296	(4,286,098)	4,703,989
Total liabilities	1,366,765	3,140,725	(3,016,978)	1,490,512

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(c) Revenue from external customers

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Revenue from external customers		
At a point in time		
— Sale of goods	1,056,652	637,158
— Others	1,465	1,527
Lease income.	866	574
	1,058,983	639,259

(d) Revenue from external customers

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Customer A	N/A*	117,647

* Less than 10% of the Group's revenue in the period.

(e) Geographical Information

The following table sets out information about the geographical location of (i) the Group's revenue from contracts with customers by location and (ii) the group's property, plant and equipment, right-of-use assets, intangible assets and other non-current assets (“specified non-current assets”).

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Revenue from external customers		
The United States	771,871	498,827
Americas (excluding the United States and Canada)	182,921	32,202
Europe	35,181	40,144
Canada	10,663	9,930
Asia (excluding China)	30,974	34,125
China	20,745	22,104
Other countries or regions	5,762	1,353
	1,058,117	638,685

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	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Specified non-current assets		
The United States	994,114	1,025,570
China	829,290	849,217
Asia (excluding China)	96,662	68,391
Canada	4,361	6,289
	1,924,427	1,949,467

(f) Contract Liabilities

During the three months ended March 31, 2026 and 2025, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfillment of performance obligations.

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Contract liabilities	67,241	56,973
	67,241	56,973
	Three months ended March 31,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognized that was included in the beginning balance .	33,799	20,603
	33,799	20,603

Management expects that the unsatisfied obligation of nil and RMB1,938,000 as at March 31, 2026 and December 31, 2025, respectively, will be recognized as revenue over one year. As the contract terms with customers usually within 12 months, the Group applied the practical expedient as permitted under IFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at 31 March 2026 and 31 December 2025.

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5. OTHER INCOME

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Release of assets-related government subsidies	486	625
Income-related government grants	1,049	—
Interest income	1,828	2,711
Additional deduction for input VAT	1,582	5
Others	379	71
	5,324	3,412

6. OTHER (LOSSES)/GAINS, NET

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Net gains on disposal of derivative financial instruments	1,214	—
Net foreign exchange (losses)/gains	(28,901)	182
Donations	—	(1,000)
Fair value changes on derivative financial instruments	(256)	614
Net (losses)/gains on disposal of non-current assets	(112)	241
Others	(1)	—
	(28,056)	37

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7. EXPENSE BY NATURE

Expenses included in cost of revenue, general and administrative expenses, selling and marketing expenses and research and development expenses are analyzed as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Raw materials and consumables used	496,674	225,632
Clearance and Shipping Costs	115,668	88,858
Employee benefit expenses	87,590	67,161
Changes in work in progress and finished goods	(35,557)	60,815
Advertising and business promotion expenses	31,253	40,244
Depreciation and amortization	43,187	20,693
Professional services and other consulting fees	8,921	3,996
Warehouse Expense	7,694	5,891
Office expenses	5,509	3,591
Taxes and surcharges	4,985	1,823
Impairment losses on inventories	2,280	2,402
[REDACTED]	[REDACTED]	[REDACTED]
Other expenses	36,202	24,164
	804,548	545,270

8. FINANCE (COSTS)/INCOME, NET

	Three months ended March 31,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income:		
Interest income from financial assets held for cash management purposes	4,653	10,513
Finance costs:		
Interest expenses on lease liabilities	(1,465)	(1,202)
Interest expenses on bank borrowings	(15,057)	(5,725)
Net exchange losses on foreign currency borrowings	(3,939)	(339)
Finance costs total	(20,461)	(7,266)
Finance (costs)/income, net	(15,808)	3,247

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9. INCOME TAX EXPENSE

The income tax expenses of the Group during the three months ended March 31, 2026 and 2025 are analyzed as follows:

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Current income tax	58,398	18,262
Deferred income tax	(22,935)	3,519
	35,463	21,781

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax Laws (the “**EIT Law**”) of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the three months ended March 31, 2026 and 2025, the Company and one subsidiary of the Group have obtained High and New Technology Enterprises certification (“**HNTE**”) and hence they were entitled to a preferential income tax rate of 15% for the three months ended March 31, 2026 and 2025.

This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pursuant to Caishui [2023] No. 12 “Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses” (關於小微企業和個體工商戶所得稅優惠政策的公告), certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% from 2022 onwards of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction for research and development**”).

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises hiring disabled employees are entitled to claim 200% of their disabled employees expenses incurred as tax deductible expenses when determining their assessable profits for that year.

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(b) Hong Kong Profits Tax

Hong Kong profits tax had been provided for at the rate of 8.25% on the first HK\$2,000,000 of estimated assessable profits and 16.50% on the remainder, for the period up to March 31, 2025 and 2026.

(c) US Corporate Profits Tax

The applicable income tax rate of United States where our Company’s subsidiaries having significant operations for the period up to March 31, 2025 and 2026 is 5.87% to 8.84% and 21%, which is a blended state and federal rate respectively.

(d) Canada Profits Tax

Canada profits tax had been provided for at the rate of 26.5% on the estimated assessable profits for the period up to March 31, 2025 and 2026.

(e) Japan Profits Tax

Japan profits tax had been provided for at the rate of 15% on estimated assessable profits up to and including JPY8,000,000, and at the rate of 23.20% on the excess above this threshold, for the period up to March 31, 2025 and 2026.

(f) Singapore Profits Tax

Singapore profits tax had been provided for at the rate of 17% on estimated chargeable income, with a partial exemption of 75% applied to the first SGD10,000 of such income and a partial exemption of 50% applied to the subsequent amount up to SGD200,000, for the period up to March 31, 2025 and 2026.

(g) Vietnam Profits Tax

Vietnam profits tax had been provided for at the rate of 20% on the estimated assessable profits for the period up to March 31, 2025 and 2026. Enterprise is tax-free for the first four years after registration in Vietnam and halved for the next nine years.

(h) The Netherlands Profits Tax

The Netherlands profits tax had been provided for at the rate of 19% on estimated assessable profits up to and including EUR200,000, and at the rate of 25.8% on the excess above this threshold, for the period up to March 31, 2025 and 2026.

(i) OECD Pillar Two Model Rules

Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules” were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (“OECD”).

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The Group is within the scope of global minimum tax under the OECD Pillar Two model rules (“Pillar Two”). Subject to tax legislation enacting Pillar Two Being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Company are located in jurisdictions mainly including Vietnam, Netherlands and Japan, where Pillar Two legislation was effective since 1 January 2024, and the Group’s assessment indicates that there is no material related current tax exposure in these jurisdictions during the period up to March 31, 2025 and 2026.

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the following:

	Three months ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>RMB’000</i>)	176,303	86,210
Weighted average number of ordinary shares in issue (<i>thousands</i>)	109,049	108,632
Basic earnings per share attributable to the owners of the Company (<i>RMB per share</i>)	1.62	0.79

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Three months ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
Adjusted profit attributable to owners of the Company used in calculating diluted earnings per share (<i>RMB’000</i>)	176,303	86,210
Weighted average number of ordinary shares in issue (<i>thousands</i>)	109,049	108,632
Adjustments for potential shares arising from share schemes (<i>thousands</i>)	374	374
Weighted average number of ordinary shares used in calculating diluted earnings per share (<i>thousands</i>)	109,423	109,006
Diluted earnings per share attributable to the owners of the Company (<i>RMB per share</i>)	1.61	0.79

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11. PROPERTY, PLANT AND EQUIPMENT

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Buildings	568,078	576,857
Freehold land	168,214	170,874
Machinery and equipment	125,488	130,421
Motor vehicles	8,714	10,009
Office equipment	10,931	12,030
Construction in progress	64,727	45,907
Leasehold improvement	2,245	2,353
	948,397	948,451

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of revenue	7,618	5,861
Selling and marketing expenses	404	22
General and administrative expenses	4,808	4,372
Research and development expenses	452	410
	13,282	10,665

12. LEASE

This note provides information for leases where the Group is a lessee.

(a) Amounts Recognized in the Consolidated Statement of Financial Position

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Right-of-use assets		
Land use right	84,647	85,107
Buildings	143,002	165,818
Motor vehicles	330	395
	227,979	251,320
Lease liabilities		
Current	76,152	77,508
Non-current	78,092	98,577
	154,244	176,085

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(b) Amounts Recognized in the Consolidated Statements of Profit or Loss

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Depreciation charge of right-of-use assets:		
— Land use right	461	258
— Buildings	20,340	9,322
— Motor vehicles	58	60
	20,859	9,640
	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest expense (including in finance cost)	1,465	1,202
Expense relating to short-term and low value leases not included in lease liabilities	11,192	15,238
	12,657	16,440

The total cash outflows for lease payments during the three months ended March 31, 2026 and 2025 were approximately RMB15,238,000 and RMB22,384,000 respectively.

13. INTANGIBLE ASSETS

	As at March 31,	As at December 31,
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Software	4,189	4,498
Domain name	12,314	12,791
Trademark rights and customer relationships	272,328	285,300
Goodwill	174,267	177,022
	463,098	479,611

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Selling and marketing expenses	8,698	—
General and administrative expenses	307	388
Research and development expenses	41	—
	9,046	388

14. FINANCIAL INSTRUMENTS BY CATEGORY

The detail information of financial instruments by category is as below:

The Group

	As at March 31,	As at December 31,
	2026	2025
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Financial assets		
Financial assets measured at fair value:		
Equity investment held indirectly through a special purpose vehicle	6,922	—
Unlisted equity instruments at FVPL	15,000	15,000
Wealth management products	30,000	—
Financial assets measured at amortized cost:		
Trade receivables (<i>Note 16</i>)	906,917	939,198
Cash and cash equivalents (<i>Note 20</i>)	990,289	962,206
Term deposits and restricted cash (<i>Note 20</i>)	349,672	413,252
Other receivables (<i>Note 17</i>)	15,227	22,896
	2,314,027	2,352,552

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Financial liabilities		
Financial liabilities measured at fair value:		
Derivative financial instruments	1,867	1,485
Financial liabilities measured at amortized cost:		
Borrowings (Note 21)	745,726	857,881
Trade and notes payables (Note 22)	990,679	913,272
Lease liabilities (Note 12)	154,244	176,085
Accruals and other payables (excluding non-financial liabilities) (Note 23)	6,660	13,324
	1,899,176	1,962,047

15. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Gross deferred tax assets	98,778	78,366
Offsetting against deferred tax liabilities	(30,453)	(29,802)
Net deferred tax assets	68,325	48,564
Gross deferred tax liabilities	56,056	57,081
Offsetting against deferred tax assets	(30,453)	(29,802)
Net deferred tax liabilities	25,603	27,279

16. TRADE RECEIVABLES

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Trade receivables	959,026	986,916
Less: credit loss allowance	(52,109)	(47,718)
	906,917	939,198

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- (a) The Group generally grant credit terms to some customers ranging from 30 to 150 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Within 1 year	940,108	969,483
1 to 2 years	14,170	13,600
2 to 3 years	3,800	2,870
Over 3 years	948	963
	959,026	986,916

17. PREPAYMENTS AND OTHER RECEIVABLES

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Prepayments:		
Prepayments for raw materials	30,587	18,229
Prepayments of operating expenses	16,956	11,746
Other receivables:		
Export tax refund receivables	331	10,119
Deposits and warranties	13,832	13,652
Others	3,562	1,800
Less: provision for impairment	(2,498)	(2,675)
	62,770	52,871

18. OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Other current assets		
Deductible input VAT	21,638	20,052
Prepaid corporate income tax	26,262	30,083
Capitalization of [REDACTED]	[REDACTED]	[REDACTED]
Others	8,604	16,041
	72,504	81,799
Other non-current assets		
Prepayments for non-current assets	44,953	8,161
	44,953	8,161

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. INVENTORIES

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Raw materials	105,904	97,164
Finished goods	1,433,806	1,327,499
Work in progress	126,057	109,340
Outsourced processing materials	16,756	14,072
Good in transit	34,488	21,874
Consignment inventories	128,786	150,129
Less: provision for impairment	(13,937)	(14,274)
	1,831,860	1,705,804

20. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Cash and bank balances	1,339,961	1,375,458
Less: restricted cash (i)	(109,672)	(151,328)
Less: term deposits with a term of over one year	(240,000)	(261,924)
Cash and cash equivalents	990,289	962,206

(i) As at December 31, 2025, the Group's bank deposits amounting to RMB141,328,000 were pledged as a guarantee for the bank acceptance notes and letters of guarantees granted to the Group.

As at March 31, 2026 and December 31, 2025, the Group's bank deposits amounting to RMB109,672,000 and RMB10,000,000 were pledged as a guarantee for the bank acceptance notes.

21. BORROWINGS

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Secured		
Bank loans	459,757	674,102
Unsecured		
Bank loans	283,059	180,854
Interest payables	2,910	2,925
Less: short-term borrowings	(745,726)	(857,881)
	—	—

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- (a) As at March 31, 2026 and December 31, 2025, the annual interest rate range of short-term borrowings was ranged from 2.20% to 3.63%, and 0.67% to 4.20%, respectively.
- (b) As at March 31, 2026, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB147,844,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB311,913,000 provided by an independent third-party financial institution under Dealer Floor Plan Financing and secured by the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

As at December 31, 2025, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB186,397,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB254,000,000 secured by the Group’s bank deposits; (iii) borrowings with a principal equivalent to approximately RMB233,705,000 provided by an independent third-party financial institution under Dealer Floor Plan Financing and secured by the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

- (c) As at March 31, 2026 and December 31, 2025, the Group’s borrowings were repayable within 1 year.
- (d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

22. TRADE AND NOTES PAYABLES

	As at March 31, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000
Trade and notes payables		
— Trade payables	773,166	772,689
— Notes payables	217,513	140,583
	990,679	913,272

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

An aging analysis of the trade payables based on the recognition date as at the end of the reporting period was as follows:

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Within 1 year	769,121	765,714
1 to 2 years	2,287	5,073
2 to 3 years	728	806
Over 3 years	1,030	1,096
	773,166	772,689

23. ACCRUALS AND OTHER PAYABLES

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Salaries, wages and benefits	27,952	34,786
Taxes other than income tax payables	31,380	40,384
Accruals and other payables	5,222	12,690
Others	1,438	634
	65,992	88,494

24. OTHER CURRENT LIABILITIES

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Other current liabilities		
Other tax to be recognized	574	314
	574	314

25. PROVISIONS

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Provisions for refund (i)	17,365	38,673
Product warranty provisions	136	489
	17,501	39,162

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

- (i) The Group provides product return right to its consumers. Based on historical returns information, the Group estimates and accrues estimated liabilities for the product return right or sales incentive provided to its customers when selling products. As the recent return experience may not reflect the return situation of the sold products in the future, the management of the Group needs to use judgment to estimate this estimated liability.

26. DEFERRED INCOME

	As at March 31,	As at December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Government grants	23,144	19,455

27. SHARE CAPITAL

	As at March 31,			
	2026		2025	
	Share capital RMB'000 (Unaudited)	Number of shares '000	Share capital RMB'000 (Unaudited)	Number of shares '000
At the beginning of the period.	109,049	109,049	109,745	109,745
Cancellation of ordinary shares (i).	—	—	(1,113)	(1,113)
At the end of the period	109,049	109,049	108,632	108,632

- (i) For the year ended December 31, 2024, the Company repurchased 1,113,000 shares through centralized competitive bidding transactions, with an amount of RMB63,844,000 recognised as treasury shares.

The Company has completed the procedures for the cancellation of the treasury shares repurchased this time on February 12, 2025.

28. RETAINED EARNINGS

	As at March 31,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At the beginning of the period.	1,576,976	1,087,175
Net profit.	176,303	86,210
At the end of the period	1,753,279	1,173,385

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

29. OTHER RESERVES

	Share premium	Statutory reserve	Other comprehensive income reserve	Capital Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2026	1,871,110	54,873	(10,804)	19,305	1,934,484
Currency translation differences	—	—	(17,711)	—	(17,711)
Share-based payment scheme:					
— Share-based compensation expenses . .	—	—	—	995	995
— Others	—	—	—	(1,379)	(1,379)
Balance at March 31, 2026					
(unaudited)	1,871,110	54,873	(28,515)	18,921	1,916,389

	Share premium	Statutory reserve	Other comprehensive income reserve	Capital Reserves	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1, 2025	1,908,848	54,873	15,374	14,270	1,993,365
Currency translation differences	—	—	(1,849)	—	(1,849)
Share-based payment scheme:					
— Share-based compensation expenses . .	—	—	—	2,602	2,602
— Others	—	—	—	6	6
Cancellation of ordinary shares	(62,731)	—	—	—	(62,731)
Balance at March 31, 2025					
(unaudited)	1,846,117	54,873	13,525	16,878	1,931,393

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30. NOTES TO INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Three months ended March 31,	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Profit before income tax for the period	211,767	107,989
Adjustments for:		
Interest income.	(4,653)	(10,513)
Finance cost.	20,461	7,266
Depreciation and amortization of non-current assets	43,187	20,693
Net gains/(losses) on disposal of property, plant and equipment and other non-current assets.	112	(241)
Net impairment losses on financial assets.	4,128	(7,304)
Impairment provision for inventories	2,280	2,402
Fair value changes on derivative financial instruments	256	(614)
Net gains on disposal of derivative financial instruments	(1,214)	—
Net foreign exchange losses/(gains)	28,901	(182)
Share-based compensation expenses.	995	2,602
Others	(486)	—
Change in working capital:		
Decrease in receivables.	82,358	171,367
Decrease in payables	(6,259)	(106,700)
Decrease/(Increase) in inventories	(128,335)	34,217
Cash generated from operations	253,498	220,982

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

The Group and the Company have contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at March 31, 2026, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the Financial Information.

31.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at March 31,	As at December 31,
	2026	2025
	RMB'000 (Unaudited)	RMB'000
Property, plant and equipment and intangible assets commitments:		
— Contracted, but not provided for	59,235	62,243
Investment		
— Contracted, but not provided for	200	200
	59,435	62,443

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32. RELATED PARTY TRANSACTIONS

(a) Parent Entities

Name	Place of incorporation	Ownership interest	
		As at March 31,	As at December 31,
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	
Zhejiang Zhongtao Investment Co., Ltd.	Lishui, PRC	41.27%	41.27%

The Company's ultimate holding company is Zhejiang Zhongtao Investment Co., Ltd. and the ultimate controlling person is Mr. Cao Matao.

(b) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group during the period:

Name of the related parties	Relationship with the Group
2201 LUNA ROAD.	A fellow subsidiary of the ultimate controlling person
Hangzhou Musk Trading Co., Ltd. . . .	A fellow subsidiary of the brother of the ultimate controlling person's spouse
Mr. Chen Wei	The spouse of Vice General Manager Zhu Hongxia's sister
Mr. Ye Hang.	Senior Management of the Company
Plano Estates, LLC	A fellow subsidiary of the spouse of the ultimate controlling person

(c) Material Transactions with Related Parties

The following transactions and balances were carried out between the Group and its related parties during the three months ended March 31, 2026 and 2025. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Three months ended March 31,	
	2026	2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Non-trade nature		
Lease payment to a fellow subsidiary of the spouse of the ultimate controlling person	6,677	—
Lease payment to a fellow subsidiary of the ultimate controlling person	—	1,053
Purchase of services from the spouse of Vice General Manager Zhu Hongxia's sister	52	37
	6,729	1,090
Trade nature		
Sales of goods to a fellow subsidiary of the brother of ultimate controlling person's spouse	8	19
	8	19

(d) Balance with Related Parties

	As at March 31,	As at December 31,
	2026	2025
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Non-trade nature		
Trade payables due to the spouse of Vice General Manager Zhu Hongxia's sister	306	470
Lease liabilities due to a fellow subsidiary of the spouse of the ultimate controlling person.	46,165	51,573
	46,471	52,043

33. EVENTS AFTER REPORTING PERIOD

A final dividend in respect of the year ended December 31, 2025 of RMB15 per 10 shares totaling RMB163,574,000 (tax inclusive) was approved by the Shareholders' meeting on April 21, 2026. This dividend is not recorded in the consolidated financial statements of our Company for the three months ended March 31, 2026.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

This appendix primarily provides [REDACTED] with an overview of the draft Articles of Association adopted in October 2025, which shall take effect on the date of the Company’s [REDACTED] of H shares and [REDACTED] on the Stock Exchange. As the following information is summary in nature, it does not include all data that may be material to [REDACTED].

SHARES

Share Issuance

The Company’s Shares shall be presented by share certificates.

The Company’s Shares shall be issued in a transparent, fair and just manner, and shall rank pari passu in all respects with the Shares of the same class. The terms and price of each of the Share of the same class in the same issuance shall be the same, and every Share subscribed by subscribers shall have the same price.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of a Shareholders’ meeting, increase its capital in the following manners:

- (i) by issuing shares to unspecified investors;
- (ii) by issuing shares to specified investors;
- (iii) by allotting bonus shares to its existing shareholders;
- (iv) by capitalizing common reserve funds into share capital;
- (v) by any other means which is prescribed by law, administrative regulation, CSRC and securities regulatory authorities at other places where the Shares of the Company are listed.

The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the Company Law, the Hong Kong Listing Rules, other relevant regulations and the procedures stipulated in the Articles of Association.

Repurchase of Shares

Except under the following circumstances, the Company may not repurchase its Shares:

- (i) to reduce the registered capital of the Company;
- (ii) to merger with other companies that hold shares of the Company;
- (iii) to grant the shares for employee shareholding scheme or as equity incentive;
- (iv) where shareholders require the Company to purchase their shares due to their disagreement on the merger or division resolution passed by a shareholders’ meeting;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (v) to use the shares in the conversion of the convertible corporate bonds issued by the listed Company;
- (vi) to preserve the Company’s value and Shareholders’ interests as necessary.

The Company may acquire its own Shares through open and centralised trading, or in any other manner permitted by laws, administrative regulations, the CSRC and securities regulatory authorities at other places where the Shares of the Company are listed.

Where the Company acquires its own Shares under the circumstances set forth in sub-paragraphs (iii), (v) and (vi) above, it shall do so through open and centralised trading.

Any acquisition by the Company of its shares under any of the circumstances set forth in sub-paragraphs (i) and (ii) shall be subject to a resolution of a Shareholders’ meeting; while any acquisition by the Company of its shares under the circumstances set forth in sub-paragraphs (iii), (v) and (vi) shall, pursuant to the Articles of Association or the authorisation of a Shareholders’ meeting, be subject to a resolution of a meeting of the Board at which more than two-thirds of the Directors are present, provided that it complies with the securities regulatory rules of the places where the Shares of the Company are listed.

The Shares acquired by the Company shall, subject to compliance with the applicable securities regulatory rules at places where the Shares of the Company are listed, under the circumstance set forth in sub-paragraph (i), be cancelled within 10 days from the date of acquisition; while under the circumstances set forth in sub-paragraph (ii) or (iv) shall be transferred of or cancelled within six months; and while under the circumstances set forth in sub-paragraph (iii), (v) or (vi), aggregately not exceed 10% of its total issued shares and shall be transferred of or cancelled within three years.

Transfer of Shares

The shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the Board (including the standard form of transfer or instrument of transfer prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer shall be executed only in manuscript or, in the case of a transferor or transferee being a corporation, under its common seal. Where the transferor or transferee is a recognized clearing house (as defined in the relevant ordinances of Hong Kong in force from time to time, hereinafter referred to as “Recognized Clearing House”) or its nominee, such instrument of transfer may be executed under hand or by mechanical means. All instruments of transfer shall be lodged at the registered office of the Company or at such other place as the Board may from time to time determine.

The Company shall not accept shares of the Company as the subject of any pledge.

The A shares issued before the Company’s [REDACTED] shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company’s shares on a stock exchange.

The Directors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares of the same class in the Company per annum during their terms of office determined at the time of assuming office. The shares of the Company held shall not be transferred within one year from the date when the Company’s shares are [REDACTED] and [REDACTED]. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Where laws, administrative regulations, or the listing rules of the places where the Shares of the Company are listed impose additional restrictions on the transfer of Company’s shares, such provisions shall prevail.

If shareholders, directors or senior management holding more than 5% of the shares of the Company sells the shares or other securities with an equity nature of the Company within six months after buying those shares, or buys the shares within six months after selling those shares, all the gains arising thereof shall belong to the Company, and such gains shall be collected by the Board of the Company. However, exceptions shall be made for any holding more than 5% of the shares of the Company by any securities company as a result of its purchase of remaining shares sold under an underwriting or other circumstances stipulated by the CSRC and the Hong Kong Stock Exchange. (“Article 31, Paragraph 1 of the Articles of Association of the Company”)

Shares or other securities in the nature of equity held by Directors, senior management and Shareholders of natural persons referred to in the preceding paragraph include those held by their spouses, parents and children and those held using the accounts of others.

If the Board of the Company fails to comply with the requirements in accordance with the provisions of Article 31, Paragraph 1 of the Articles of Association of the Company, a Shareholder shall have the right to request the Board to effect the same within thirty days. If the Board of the Company fails to do so within the said time limit, a Shareholder shall have the right to initiate proceedings in the People’s Court directly in his/her own name for the interests of the Company.

If the Board of the Company fails to comply with the requirements in accordance with the provisions of Article 31, Paragraph 1 of the Articles of Association of the Company, the responsible Director(s) shall assume joint and several liability in accordance with the law.

SHAREHOLDERS AND SHAREHOLDER’S MEETINGS

Shareholders

The Company shall establish a register of Shareholders based on the certificates provided by the securities registrar, and the register of shareholders shall be sufficient evidence of the Shareholders’ shareholdings in the Company. Shareholders have rights and obligations according to the class of shares they hold; Shareholders holding the same class of shares have the same rights and bear the same obligations.

The original register of holders of H Shares [REDACTED] in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company’s shares are [REDACTED]. In the event that any Shareholder whose name is recorded in or any person who requests to have its name entered in the [REDACTED] loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. The shareholders of overseas listed foreign shares shall apply for replacement of the share certificates pursuant to the laws, rules of the stock exchange or other relevant requirements of the place where the original register of the holders of overseas listed foreign shares is maintained.

Transfer of shares shall be recorded in the register of members. The Company shall keep a duplicate of the [REDACTED] of members at its registered office; the entrusted overseas agent shall at all times ensure the consistency between the original and duplicate copies of the [REDACTED] of members. The register of members maintained in Hong Kong shall be made available for inspection by

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shareholders, but the Company may be permitted to close the registration of share transfers in accordance with provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other distributions in proportion to their shareholdings;
- (ii) to request, convene, preside over, attend or appoint a Shareholder's proxy to attend the shareholder's meeting in accordance with the law and to exercise corresponding voting rights;
- (iii) to supervise the Company's operations, to present proposals and to raise enquiries;
- (iv) to transfer, grant or pledge shares held by them in accordance with the laws, administrative regulations, departmental rules, normative documents, listing rules of the stock exchange of the place where the Company's shares are listed, and the provisions of the Articles of Association;
- (v) to consult and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of Board meetings, and financial accounting reports; shareholders who meet the prescribed conditions may consult the Company's accounting books and accounting vouchers;
- (vi) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (vii) with respect to Shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their Shares;
- (viii) other rights stipulated by the laws, administrative regulations, departmental rules, normative documents, listing rules of the stock exchange of the place where the Company's shares are listed, or the Articles of Association.

The Shareholders of the Company shall comply with the requirements of laws and administrative regulations such as the Company Law and the Securities Law, as well as the securities regulatory rules of the place where the Company's Shares are listed, when inspecting and reproducing relevant materials. When a shareholder requests to have access to, reproduce or obtain the information mentioned in the previous article, he or she shall present evidence to prove the class and amount of shareholdings in writing. The Company shall comply with the shareholder's request after verifying his/her identity.

A resolution of the shareholders' meeting or the Board may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations.

If the convening procedure or voting method of a shareholders' meeting or the Board meetings contravenes the laws, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders can request the people's court to revoke the resolution within 60 days of the resolution. However, this provision shall not apply if the convening procedures or voting methods of shareholders' meetings or the Board meetings have only minor defects and have no substantive impact on the resolutions.

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If the Board, shareholders and other relevant parties have disputes over the validity of a resolution of the shareholders’ meeting, they shall file a lawsuit with the People’s Court in a timely manner. Before the People’s Court makes a judgment or ruling to revoke the resolution, the relevant parties shall execute the resolution of the shareholders’ meeting. The Company, Directors and senior management officers shall duly perform their duties to ensure the normal operation of the Company.

When the People’s Court makes a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the provisions of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If it involves correction of previous matters, the Company shall handle it in a timely manner and fulfill the corresponding information disclosure obligations.

A resolution of the shareholders’ meeting or the Board meeting shall be deemed null and void under any of the following circumstances:

- (i) no shareholders’ meeting or Board meeting was convened to make the resolution;
- (ii) no vote was taken on the matter of the resolution at the shareholders’ meeting or Board meeting;
- (iii) the number of attendees represented at the meeting or the voting rights held did not reach the number required by the Company Law or the Articles of Association;
- (iv) the number of persons or the voting rights held in favour of the resolution did not reach the number required by the Company Law, securities regulatory rules where the Company’s shares are listed or the Articles of Association.

In the event that a Director (other than a member of the Audit Committee) or a senior management officer violates laws, administrative regulations or the Articles of Association when performing his/her duties for the Company, thus causing losses to the Company, the shareholders who either individually or collectively having been holding more than 1% of shares of the Company for more than 180 consecutive days shall have the right to request in writing that the Audit Committee lodge legal actions with the People’s Court. In the event that the Audit Committee violates laws, administrative regulations or the Articles of Association when executing its duties for the Company, thus causing losses to the Company, the aforesaid shareholders may request in writing that the Board lodge legal actions with the People’s Court. (“Article 38, Paragraph 1 of the Articles of Association of the Company”)

In the event that the Audit Committee or the Board refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not take legal action within 30 days of receiving such a request, or any emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraph shall have the right to lodge legal actions with the People’s Court in their own names in the interests of the Company.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the Article 38, Paragraph 1 of the Articles of Association of the Company may lodge legal actions with the People’s Court in accordance with the provisions of the preceding two paragraphs.

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Where the directors, supervisors or senior management officers of a wholly-owned subsidiary of the Company violate laws, administrative regulations, or the Articles of Association when performing their duties, causing losses to the Company, or where others infringe upon the lawful rights and interests of the wholly-owned subsidiary causing losses, shareholders who individually or collectively hold more than 1% of the shares of the Company for more than 180 consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the supervisory committee or the Board of the wholly-owned subsidiary to file a lawsuit with the People’s Court, or file a lawsuit directly with the People’s Court in their own names. If the wholly-owned subsidiary does not have a supervisory committee or supervisor, but has an audit committee, the provisions of the first and second paragraphs of this Article shall apply.

If a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People’s Court.

The shareholders of the Company assume the following obligations:

- (i) to comply with laws, administrative regulations and the Articles of Association;
- (ii) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (iii) not to withdraw share capital unless prescribed otherwise in laws and regulations;
- (iv) not to abuse shareholders’ rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company’s status as an independent legal entity and the limited liability of shareholders to harm the interests of the Company’s creditors;
- (v) to fulfil other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Any shareholder who abuses shareholders’ rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with laws; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company’s creditors shall assume joint and several liability for the Company’s debts.

General Requirements of Shareholders’ Meeting

The shareholders’ meeting of the Company is composed of all shareholders. The shareholders’ meeting is the body of power of the Company which exercises the following functions and powers according to law:

- (i) to elect and replace the directors and to decide on matters relating to the remuneration of directors;
- (ii) to consider and approve the reports of the Board;
- (iii) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (iv) to resolve on the increase or reduction of the Company’s registered capital;

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- (v) to resolve on issuance of corporate bonds;
- (vi) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to resolve on the Company's appointments and dismissals of accounting firms engaged for the Company's audit services;
- (ix) to consider and approve the guarantees provided in Article 47 of the Articles of Association;
- (x) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;
- (xi) to consider and approve changes in the use of proceeds;
- (xii) to consider the equity incentive plans and employee shareholding schemes;
- (xiii) to consider other matters on which decisions shall be made by the shareholders' meeting as required by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The shareholder's meeting may authorize the Board to resolve on the issuance of corporate bonds.

The following external guarantees of the Company shall be considered and approved by the Board: ("Article 47 of the Articles of Association")

- (i) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (ii) any guarantee provided by the Company after the total amounts of the external guarantees exceeds 30% of the latest audited total assets;
- (iii) guarantees provided by the Company to others within one year that exceed 30% of the company's latest audited total assets;
- (iv) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;
- (v) a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;
- (vi) any guarantees to be provided for Shareholders, de facto controllers and their related parties;

The shareholders' meetings are classified into annual shareholders' meetings and interim shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within 6 months of the end of the previous accounting year.

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In any of the following circumstances, the Company shall convene an interim shareholders' meeting within 2 months from the date upon which the circumstance occurs:

- (i) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one-third of the total share capital;
- (iii) when requested by Shareholders who individually or jointly hold more than 10% of shares of the Company;
- (iv) when the Board deems necessary;
- (v) when proposed by the Audit Committee;
- (vi) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting of Company shall be held at the domicile of the Company or any other place determined by the convener of the shareholders' meeting and specified in the notice. The shareholders' meeting shall be convened in a physical venue. In addition, the Company shall provide facilities that allow shareholders to vote via the internet.

Convening of Shareholders' Meeting

The Board shall convene the shareholders' meeting within the prescribed period.

Upon being approved by more than half of all independent directors, the independent directors shall have the right to propose to the Board to convene an interim shareholders' meetings. For such proposal, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an interim shareholders' meetings, within 10 days upon receipt of such proposal. Where the Board agrees to hold an interim shareholders' meeting, a notice of the shareholders' meeting shall be given within 5 days after the resolution of the Board is made. Where the Board does not agree to hold such a meeting, its reasons shall be given, and an announcement shall be made.

The Audit Committee shall have the right to propose to the Board to convene an interim shareholders' meeting. Such proposal shall be made in writing. The Board shall make a written response as to whether or not it agrees to convene such an interim shareholders' meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board agrees to hold an interim shareholders' meeting, a notice of the shareholders' meeting shall be given within 5 days after the resolution of the Board is made. Any change to the original proposal in the notice shall be subject to approval from the Audit Committee.

If the Board disagrees to convene the extraordinary general meeting or fails to give feedback within ten days upon receipt of such proposal, it shall be deemed that the Board cannot or does not fulfill the obligation to convene the shareholder's meeting and the Audit Committee shall convene and preside over the meeting by itself.

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Shareholders individually or jointly holding more than 10% of the shares of the Company make a request to convene an extraordinary general meeting in writing to the Board. The Board shall provide written feedback on whether it agrees to convene the extraordinary general meeting within ten days after receiving the request according to the provisions of the relevant laws, administrative regulations and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice to convene the shareholder’s meeting within five days of its resolution, and any changes to the original request in the notice shall be made only with the consent of the relevant shareholder(s).

If the Board decides against convening the extraordinary general meeting, or if it has failed to provide its feedback within ten days after receiving the request, shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to propose to convene an extraordinary general meeting to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the shareholder’s meeting within five days after receipt of the request. If there is any change to the original request in the notice, approval of the shareholder(s) proposing the request shall be sought.

If the Audit Committee fails to issue a notice of the shareholder’s meeting within the prescribed period, the Audit Committee shall be deemed not convening or chairing a the shareholder’s meeting. Shareholders individually or jointly holding more than 10% of the shares of the Company for ninety consecutive days may convene and chair the meeting on their own.

Where the Audit Committee or the shareholders decide to convene the shareholder’s meeting, the Board shall be notified in writing, and records shall be filed with the Stock Exchange simultaneously.

When issuing a notice of the shareholder’s meeting or making an announcement of the resolution of the shareholder’s meeting, the Audit Committee or the shareholder that convenes the meeting shall submit the relevant supporting materials to the Stock Exchange.

Before announcement of the resolution of the shareholders’ meeting, the shareholding proportion of the shareholders to convene a meeting shall not be less than 10%.

The Board and the Board Secretary should provide assistance for the shareholders’ general meeting convened by the Audit Committee or shareholders. The Board should provide the register of shareholders on the date of confirmation.

Necessary expenses of the shareholders’ meeting held by the Audit Committee or shareholders shall be borne by the Company.

Proposals and Notices of Shareholders’ Meetings

The proposals put forward shall fall within the scope of functions and powers of the shareholders’ meeting, have clear issues for discussion and specific matters to be resolved, and comply with the laws and regulations and the Articles of Association.

Where the Company is to convene a shareholders’ meeting, the Board, the Audit Committee and a shareholder individually or jointly holding at least 1% of the Company’s shares shall be entitled to propose resolutions to the Company.

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Any shareholder(s) who hold(s), individually or jointly, 1% or more of the shares of the Company shall submit extraordinary resolutions in writing to the convener ten days prior to the date of the shareholders' meeting. The convener shall issue a supplemental notice of the shareholders' meeting and make an announcement of the contents of such extraordinary resolutions within two days after receipt of the resolutions, and submit such extraordinary resolutions at the shareholders' meeting for consideration. However, extraordinary resolutions that violate the provisions of laws, administrative regulations, or the Articles of Association, or that do not fall within the scope of functions and powers of shareholders' meeting, are excluded.

Except as prescribed in the above paragraph, after the notice of the shareholders' meeting has been issued, the convener shall not make any change in the proposed motion(s) as set out in the notice of the shareholders' meeting nor add any new motion(s).

Proposals not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

The convener shall notify all shareholders by way of announcement 21 days prior to the convening of the annual general meeting, and each shareholder shall be notified by way of announcement 15 days prior to the convening of the extraordinary general meeting.

A notice of a shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all ordinary shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the contact person for the meeting;
- (vi) the time and procedure for voting online or through other means.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be canceled. Once there is a postponement or cancellation, the convener shall make an announcement and explain the reasons at least 2 working days before the original date of the convening.

If the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or canceling the shareholders' meeting, such provisions shall prevail on the premise of not violating the regulatory requirements of the Company's place of incorporation.

Holding of Shareholders' Meetings

All ordinary shareholders and their nominees recorded on the date for registration of equity rights shall have right to attend the shareholders' meeting and exercise the voting power according to laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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Shareholders may either attend the shareholders' meeting in person or entrust a proxy to attend the meeting and make decisions for them.

Shareholders who attend the meeting in person shall show the identification card, or other valid documents or certificates to show their identity; The proxy by shareholders to attend the meeting shall provide his identification card and the power of attorney of the shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy entrusted by the legal representative. A legal representative attending the meeting shall present his/her ID card and valid proof of his/her status as a legal representative; A proxy attending the meeting, the matters, powers and term of the proxy appointment shall be specified and shall present his/her own identification document and a written power of attorney duly issued by the legal representative of the corporate shareholder unit. This does not apply where the shareholder is a recognised clearing house (or its nominee) as defined by the relevant ordinances as in force in Hong Kong from time to time.

If a shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant ordinances from time to time in Hong Kong or the securities regulatory rules of the place where the Company's shares are listed, the shareholder may authorize its corporate representative or one or more persons it deems appropriate to act as its representative or proxy at any shareholders' meeting or any meeting of creditors. However, if more than one person is authorized, the power of attorney shall specify the number and type of shares covered by the authorization for each person. The person(s) so authorized may exercise rights on behalf of such shareholder (without the need to produce a certificate of shareholding, notarized power of attorney and/or further evidence of formal authorization), and shall be entitled to the same statutory rights as other shareholders, including the rights to speak and vote, as if such person were an individual shareholder of the Company.

If the shareholders' meeting requires the presence of Directors, and senior management, the Directors and senior management shall be present at the meeting and answer shareholders' inquiries.

The shareholders' meeting shall be presided over by the chairman of the Board. If the chairman of the Board is unable or fails to perform his/her duties, a Director who has been elected by more than one-half of the Directors shall preside over the meeting.

The shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable to perform his/her duties or does not perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by a majority of members of the Audit Committee.

The convener of a shareholders' meeting convened by the shareholders shall preside or nominate a representative to preside over the meeting.

Where a shareholders' meeting is unable to continue due to the breach of the rules of procedures by the chairman, a person may be nominated to preside over and continue the meeting with the agreement of a majority of the shareholders with voting rights present at the shareholders' meeting.

The Company shall formulate the rules of procedure for its shareholders' meetings and set out the convening, holding and voting procedures of shareholders' meetings in detail, including the notice, registration, deliberation of proposals, voting, calculation of votes, announcement of voting results, formation of meeting resolutions, minutes and the signing thereof and announcement, as well as the principle for authorizations granted by shareholders' meetings to the Board, of which the content should be clear and specific.

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At an annual general meeting, the Board shall report to the shareholders' meeting on the work carried out in the past year. Each independent Director shall also give his/her work report.

The Directors and senior management shall provide explanations and clarification to the inquiries and suggestions raised by shareholders at a shareholders' meeting.

Prior to voting, the Chairman of the meeting shall announce the number of shareholders and nominees present at the meeting and the total number of shares with voting rights held by them, all of which shall be based on the registration for the meeting.

The convener shall ensure that the shareholders' meeting is held continuously until the final resolution is formed. In the event that a shareholders' meeting is suspended or unable to pass resolutions under special circumstances such as force majeure, requisite measures shall be adopted to resume the shareholders' meeting as soon as possible or to terminate the shareholders' meeting and promptly make an announcement. At the same time, the convener shall report to the local branch of CSRC where the Company domiciles and the Stock Exchange.

Votes and Resolutions of Shareholders' Meeting

Resolutions made at a shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' meeting shall be passed by more than half of the voting rights represented by shareholders present at the meeting.

Special resolutions of the shareholder's meeting shall be passed by more than two thirds of the voting rights represented by shareholders present at the meeting.

The following proposals shall be resolved by an ordinary resolution at a shareholders' meeting:

- (i) work reports of the Board;
- (ii) profit distribution plan and plan for covering losses formulated by the Board;
- (iii) the appointment and dismissal of members of the Board, and their remuneration and the method of payment thereof;
- (iv) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following proposals shall be resolved by a special resolution at a shareholders' meeting:

- (i) increase or reduction in the registered share capital of the Company;
- (ii) division, spin-off, merger, dissolution and liquidation of the Company, or a change in its Company form;
- (iii) to amend the Articles of Association and its appendices (including the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board);
- (iv) spin-off of its subsidiaries for the purpose of listing;

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- (v) purchase or disposal of material assets by the Company within one year, or any guarantee to others with an amount exceeding 30% of the latest audited total assets of the Company;
- (vi) the issuance of shares, convertible corporate bonds, preferred shares and other classes of securities approved by the CSRC;
- (vii) repurchase of shares for the purpose of reducing registered capital;
- (viii) material asset restructuring;
- (ix) equity incentive plans;
- (x) the Company’s shareholders’ meeting passes a resolution to voluntarily withdraw the listing and trading of its shares on the Shenzhen Stock Exchange, and resolves to cease [REDACTED] on the Exchange or to instead apply for [REDACTED] or transfer on other trading venues;
- (xi) other matters that would have a material impact on the Company and therefore need to be approved by a special resolution as determined by a shareholders’ meeting with an ordinary resolution;
- (xii) other matters that require passage by special resolution as stipulated by law, administrative regulations, the Articles of Association, or the rules of procedure for shareholders’ meeting.

Shareholders (including their nominees) shall exercise their voting rights in respect of the number of voting shares they represent, and each share shall have one vote, save for class shareholders.

When material matters affecting the interests of the small and medium-sized investors are considered at a shareholders’ meeting, the votes of the small and medium-sized investors shall be counted separately. The separate voting results shall be disclosed to the public in a timely manner.

The shares of the Company held by the Company do not have voting rights, and such shares shall not be included in the total number of voting shares present at the shareholders’ meeting.

If a shareholder’s purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase and shall not be included in the total number of voting shares present at the shareholders’ meeting.

The Company’s Board, independent Directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit general voting rights. When soliciting general voting rights, the specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited. Compensation or disguised compensation for soliciting shareholders voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

When a related party (connected) transaction is considered at a shareholders’ meeting, the related shareholders shall abstain from voting and the number of voting shares that they represent shall not be counted towards the total number of valid voting shares. Announcement of resolutions of the shareholders’ meeting shall fully disclose the voting of non-related shareholders.

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BOARD OF DIRECTORS

Directors

The Directors of the Company shall be natural persons. The following persons shall not serve as the Directors of the Company:

- (i) a person without civil capacity or a person with limited capacity for civil conduct;
- (ii) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of assets or disruption of the order of socialist market economy, or who has been stripped of his/her political rights as result of committing a criminal offence, and for each case a 5-year period has not elapsed since completion of execution of the judgment, or, in the case of those who has been sentenced to probation, a 2-year period has not elapsed since the date of expiration of the probation period;
- (iii) a person who was a Director or the plant president or manager of a bankrupt and liquidated company or enterprise and who was personally accountable for the bankruptcy of the said company or enterprise, and a 3-year period has not elapsed since completion of bankruptcy liquidation of the said company or enterprise;
- (iv) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to violation of law, and who was personally accountable for the revocation of business license or closure of the Company or enterprise, and a 3-year period has not elapsed since the revocation of the business license of, or the order to close down, the said company or enterprise;
- (v) a person who has a relatively large amount of due and outstanding debt, who is listed as a dishonest person by the people's court;
- (vi) a person who has been prohibited by the CSRC from participating in the security market and the ban period has not expired;
- (vii) he/she has been publicly identified by the stock exchange as not suitable to serve as a Director and senior management of a listed company, the term of which has not expired;
- (viii) any other person stipulated by laws, administrative regulations and departmental rules.

In the case of the election or appointment of Directors which violates the preceding provisions of this Article, the election or appointment shall be null and void. Where a Director falls under the circumstances referred to in the Articles of Association during his/her/its tenure, the Company shall terminate his/her/its appointment and suspend his/her/its duties.

Directors shall be elected or replaced by the shareholders' meeting, and shall be released of their duties by the shareholders' meeting before the expiration of the term of office. The term of office of a Director shall be three years, and a Director may be re-elected for consecutive terms upon the expiration of his/her term of office.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. Where re-election is not promptly carried out upon expiry of the tenure of a Director, prior to appointment of a new Director, the original Director shall continue to carry out Director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

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The senior management may hold the position of Director concurrently, however, the total number of Directors who hold the position of senior management position concurrently and Directors who are employee representatives shall not exceed half of the total number of Directors of the Company.

The employee representatives in the Board shall be democratically elected by the Company's employees through employee representative assemblies, general employee meetings or other means, and such appointment shall not require approval by the General Meeting.

Directors shall comply with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, undertake fiduciary obligations towards the Company, and take measures to avoid conflicts between their own interests and those of the Company, and shall not use their positions to gain undue benefits.

The Directors shall undertake the following fiduciary obligations towards the Company:

- (i) shall not encroach on the Company's property and shall not misappropriate company funds;
- (ii) shall not deposit Company's assets into accounts held in their own names or in the name of any other individual;
- (iii) shall not abuse their authority by bribes or accepting other illegal income;
- (iv) shall not directly or indirectly conclude any contract or engage in any transaction with the Company, without reporting to the Board or the shareholders' meeting or without a resolution passed by the Board or the shareholders' meeting in accordance with the Articles of Association; ("Article 101 of the Articles of Association")
- (v) shall not use the advantages provided by their own positions to pursue business opportunities that belong to the Company either for their own account or for the account of any other person, unless he/she has reported to the Board or the shareholders' meeting and has been approved by a resolution of the shareholders' meeting or the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association;
- (vi) shall not engage in any business that is similar to that of the Company either for their own account or for the account of any other person without reporting to the Board or the shareholders' meeting and obtaining an approval by resolution of shareholders' meeting;
- (vii) shall not accept commissions paid by others for transactions conducted with the Company as their own;
- (viii) shall not disclose the Company's confidential information without authorization;
- (ix) shall not abuse their connected relationships to damage the Company's interests;
- (x) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The income obtained by a Director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The provisions of item (IV) of paragraph 2 of this Article 101 of the Articles of Association shall apply to the close relatives of Directors and senior management, enterprises directly or indirectly controlled by Directors or senior management or their close relatives, and associates of other connected relationships with Directors or senior management, who enter into contracts or conduct transactions with the Company.

Directors shall abide by the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, have duty of diligence to the Company, exercise the reasonable care that shall be generally possessed by a manager for the best interests of the Company when performing their duties.

Directors shall have the following duties of diligence to the Company:

- (i) shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (ii) shall treat all shareholders fairly;
- (iii) shall maintain a timely awareness of the operation and management of the Company;
- (iv) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (v) shall provide accurate information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its duties;
- (vi) any other duties of diligence stipulated in the laws, administrative regulations, departmental rules, and the Articles of Association.

A Director who fails to attend the Board meeting twice consecutively in person or by authorizing another Director to attend such meetings on his/her behalf shall be deemed unable to execute his/her office, and the Board shall advise the shareholders' meeting to replace him/her.

A Director may resign before the expiry of his/her term of office. In resigning his/her duties, the Director shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant information within the two trading days. Where, as a result of a Director's resignation, the quorum requirement for members of the Board is no longer met, the outgoing Director shall continue to perform a Director's functions in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association before the newly elected Director assumes office.

The Company has established a Director resignation management system, clearly defining the accountability and compensation measures for unfulfilled public commitments and other unresolved matters. When a Director's resignation takes effect or their term expires, they must complete all transfer procedures with the Board. Their fiduciary duties to the Company and shareholders do not automatically terminate upon the expiration of their term; they remain valid for 2 years after the resignation takes effect or the end of their term. The responsibilities that a director bears during their term, arising from the execution of their duties, shall not be waived or terminated upon their departure.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

A shareholder's meeting may resolve to remove a director. The removal takes effect on the date of the resolution made.

If, without proper reason, a director is removed before expiry of term of office, he/she may request compensation from the Company.

Unless otherwise specified in the Articles of Association or legally authorized by the Board, no director shall represent the Company or the Board to act in his/her own name. When a director acts in his/her own name, but a third party reasonably thinks that the director acts on behalf of the Company or the Board, the director shall declare in advance his position and capacity.

When a director performs his/her duties in the Company, causing harm to others, the Company shall be liable for compensation. If a director is intentional or has gross negligence, he/she shall also be liable for compensation.

Directors who violate laws, administrative regulations, departmental rules, normative documents, listing rules of the stock exchange or the Articles of Association in performing their duties and cause losses to the company shall be liable for compensation.

Board of Directors

The Company has established a Board of Directors which shall be accountable to the shareholder's meeting. the Board consists of 9 directors, including 4 independent directors, and a chairman, who is elected by the Board by more than half of all directors.

the Board exercises the following powers:

- (i) Convene the shareholder's meeting and report work to the shareholder's meeting;
- (ii) Implement the resolutions of the shareholders' meeting;
- (iii) decide on the Company's business plans and investment plans;
- (iv) formulate the Company's proposals for profit distribution and for recovery of losses;
- (v) formulate proposals for the increase or reduction of the Company's registered capital and the issue of bonds or other securities and listing thereof;
- (vi) draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, or merger, division, dissolution or change of the form of the Company;
- (vii) Within the scope authorized by the shareholders' meeting, decide on the company's external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted wealth management, related (connected) transactions, external donations and other matters;
- (viii) decide on the establishment of the internal management organization of the company;
- (ix) upon nomination by the Chairman of the Board, appoint or dismiss the general manager, secretary to the Board and other senior management members of the company, and decide on their remuneration, rewards and punishments; According to the nomination of the general

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

manager, decide on the appointment or dismissal of the company's deputy general manager, financial controller and other senior management personnel, and decide on their remuneration, rewards and punishments;

- (x) formulate the Company's basic management system;
- (xi) formulate the amendment plan of the Articles of Association;
- (xii) managing the company's information disclosure matters;
- (xiii) request to the shareholders' meeting to hire or replace the accounting firm for the audit of the company;
- (xiv) listen to the work report of the company manager and review the work of the manager;
- (xv) other functions and powers granted by laws, administrative regulations, departmental rules or the Articles of Association or the shareholders' meeting.

The board meetings shall be held at least two times every year and shall be convened by the chairman, and all directors should be notified in writing ten days before the meeting is held.

Shareholders representing more than one tenth of the voting rights, more than one third of the directors or the audit committee may propose to convene an extraordinary meeting of the Board. The chairman shall convene and preside over a board meeting within ten days after receipt of the proposal.

The board meeting shall be convened with attendance of over a majority of directors. Resolutions of the Board must be passed by a majority of all Directors.

Voting on resolutions of the Board of Directors is based on one person, one vote.

If Directors are related to the corporates or individuals involved in the matters resolved at the Board meeting, such Directors shall promptly report in writing to the Board. The Directors with connected relationship may not exercise voting rights on the resolution, nor may they exercise voting rights on behalf of other directors. The board meeting can only be held when more than half of the unrelated directors attend, and the resolutions made at the board meeting must be approved by more than half of the unrelated directors. If the number of unrelated directors attending the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Senior management

The company shall have a general manager, and the company may appoint deputy general managers as needed, who shall be appointed or dismissed by the Board.

The company's general manager, deputy general manager, financial controller and secretary of the Board are the company's senior managers.

The circumstances under which a person may not serve as a director and the provisions concerning the management system for resignations as mentioned in the Articles of Association shall also apply to senior management.

The provisions of these Articles of Association on the duty of loyalty and diligence of directors shall also apply to senior management.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The directors' duty of loyalty and the directors' duties of diligence as mentioned in the Articles of Association shall also apply to senior management.

The general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (i) preside over the Company's production, operation and management work, organize the implementation of Board resolutions, and report work to the Board of Directors;
- (ii) organize and implement the Company's annual business plan and investment plan;
- (iii) formulate a plan for the establishment of the Company's internal management organization;
- (iv) formulate the Company's basic management system;
- (v) formulating specific regulations of the Company;
- (vi) to propose to the Board the appointment or dismissal of the deputy manager and financial controller of the Company;
- (vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;
- (viii) other functions and powers conferred by the Articles of Association or by the Board.

The general manager shall present at meetings of the Board.

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the shareholders' meeting and Board meeting, document keeping and management of information regarding the shareholders of the Company and shall deal with information disclosure and other matters.

The secretary of the Board shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Where a member of senior management causes damage to others in executing his/her office in the Company, the Company shall be liable for compensation. Where a member of senior management acts with intent or gross negligence, he/she shall also bear the liability for compensation.

Where a member of senior management violates any laws, administrative regulations, departmental rules or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

Where a member of senior management fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with law.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company formulates its financial accounting system in accordance with laws, administrative regulations, the regulatory rules of the place where the Company’s shares are listed and regulations of relevant national departments.

The company shall submit and disclose the annual report to the dispatched office of China Securities Regulatory Commission and the stock exchange where the company’s shares are listed within four months from the end of each fiscal year, and submit and disclose the interim report to the dispatched office of China Securities Regulatory Commission and the stock exchange where the company’s shares are listed within two months from the end of the first half of each fiscal year.

The above annual report and interim report are prepared in accordance with relevant laws, administrative regulations, the provisions of the CSRC and the regulatory rules of the place where the Company’s shares are listed.

In addition to the statutory accounting books, the Company will not maintain separate accounting books. The Company’s funds are not stored in accounts opened in any individual’s name.

When the Company distributes after-tax profits for the year, it shall withdraw 10% of the profits and include them in the Company’s statutory reserve fund. If the cumulative amount of the Company’s statutory reserve fund is more than 50% of the Company’s registered capital, no further withdrawals may be made.

Where the Company’s statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year’s profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the Company withdraws the statutory reserve fund from the after-tax profits, it can also withdraw the discretionary reserve fund from the after-tax profits upon resolution of the shareholders’ meeting.

The remaining after-tax profits after the Company has made up for its losses and withdrawn the reserve fund shall be distributed according to the proportion of shares held by shareholders, unless the Articles of Association stipulated that distribution is not based on the proportion of shareholdings.

If the shareholders’ meeting violates the provisions of the Company Law and distributes profits to shareholders, shareholders shall return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

Shares held by the Company itself do not participate in the profit distribution.

The Company shall appoint one or more collection agents in Hong Kong for H shareholders. The collection agent shall collect and keep the dividends distributed by the Company in respect of H Shares and other amounts payable on behalf of the relevant H shareholders, to make payments to such H shareholders. The collection agent appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

After the shareholders’ meeting of the company makes a resolution on the profit distribution plan, or after the Board of the company formulates a specific plan according to the interim dividend conditions and upper limit for the next year reviewed and approved by the annual shareholders’ meeting, the distribution of dividends (or shares) shall be completed within two months.

The Company’s reserve fund is used to make up for the Company’s losses, expand the Company’s production and operations, or increase the Company’s registered capital.

When the reserve fund is used to make up for the Company’s losses, the discretionary reserve fund and the statutory reserve fund should be utilized first; if it still fails to be made up, the capital reserve fund may be used in accordance with regulations.

When the statutory reserve fund is converted to increase the registered capital, the remaining reserve fund will not be less than 25% of the Company’s registered capital prior to the conversion.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit work.

The company’s internal audit system is implemented after being approved by the Board and disclosed to the public.

The Company’s internal audit institution conducts supervision and inspection over matters including the Company’s business activities, risk management, internal control, and financial information.

The internal audit institution shall be accountable to the Board of Directors.

Appointment of accounting firm

The Company engages an accounting firm (also referred to as an “auditor” in the Listing Rules of the Hong Kong Stock Exchange) that complies with the provisions of the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The term of appointment is one year, and the appointment can be renewed.

The Company’s appointment and dismissal of an accounting firm shall be decided on the shareholders’ meeting. the Board may not appoint an accounting firm before a decision is made on the shareholders’ meeting.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fees of an accounting firm are determined on the shareholders’ meeting.

When the company dismisses or no longer re-appoints the appointment of an accounting firm, it shall notify the accounting firm thirty days in advance. When the Company’s shareholders vote on the dismissal of the accounting firm, the accounting firm is allowed to state its opinions.

If an accounting firm proposes to resign, it shall explain to the shareholders’ meeting whether there is any misconduct in the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Reduction

Company mergers may take the form of merger by absorption or merger by new establishment.

When a company absorbs other companies, it is called a merger, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new merger, and the merging parties are dissolved.

If the price paid for the merger of the Company does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the shareholders' meeting, unless otherwise stipulated in these Articles of Association.

Where the merger of the Company pursuant to the preceding paragraph is not subject to a resolution of the shareholders' meeting, it shall be subject to a resolution of the Board of Directors.

If the Company merges, the merging parties shall sign a merger agreement and prepare a balance sheet and property list. The Company shall notify creditors within 10 days from the date of making the merger resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Publicity System. Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If the Company merges, the claims and debts of the merging parties shall be inherited by the continuing company or the newly established company after the merger.

If the Company is divided, its property will be divided accordingly.

If the Company is divided, a balance sheet and property list shall be prepared. The company shall notify its creditors within ten days from the date of making the division resolution, and make an announcement in the designated newspaper for information disclosure stipulated in the Articles of Association or the National Enterprise Credit Information Publicity System within thirty days.

The debts incurred before the Company is divided shall be jointly and severally liable by the Company after the division. However, this shall not be the case unless otherwise agreed upon in a written agreement between the Company and its creditors regarding debt settlement before the division.

If the Company needs to reduce its registered capital, it must prepare a balance sheet and property list.

The company shall notify its creditors within ten days from the date when the shareholders' meeting makes a resolution to reduce the registered capital, and make an announcement in the designated newspaper for information disclosure stipulated in the Articles of Association or the National Enterprise Credit Information Publicity System within 30 days. Creditors have the right to require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or the Articles of Association.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (i) The business period stipulated in the Articles of Association expires or other reasons for dissolution stipulated in the Articles of Association occur;
- (ii) The shareholders' meeting makes a resolution to dissolve;
- (iii) Dissolution is required due to company merger or division;
- (iv) The business license has been revoked, it is ordered to close, or revoked in accordance with the law;
- (v) If the Company encounters serious difficulties in its operation and management, and its continued existence will cause heavy losses to the interests of shareholders, and cannot be solved through other means, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

If the Company encounters the above-mentioned reasons for dissolution, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

If the Company falls under the circumstances mentioned in items (i) and (ii) above and has not yet distributed property to shareholders, it may survive by amending the Articles of Association or subject to a resolution of the shareholders' meeting. Any amendment made to the Articles of Association pursuant to the preceding paragraph or by resolution of the shareholders' meeting shall be adopted by no less than two-thirds of all voting shareholders in attendance at the relevant shareholders' meeting.

If a company is dissolved due to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. A liquidation committee shall be established within 15 days from the date when the event of dissolution occurs with the Board of Directors as the liquidation obligor of the Company.

The liquidation committee shall be composed of directors except where otherwise provided in the Articles of Association or the shareholders' meeting resolves to elect other persons.

If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

The liquidation committee shall exercise the following powers during the liquidation period:

- (i) Clean up the Company's properties and prepare a balance sheet and property list respectively;
- (ii) Notify and announce creditors;
- (iii) Handle the Company's uncompleted businesses related to liquidation;
- (iv) Pay the taxes owed and the taxes incurred during the liquidation process;
- (v) Clear claims and debts;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

(vi) Distribute the Company's remaining property after paying off its debts;

(vii) Participate in civil litigation activities on behalf of the Company.

The liquidation group shall notify the creditors within ten days from the date of its establishment, and make an announcement in the designated newspaper for information disclosure stipulated in the Articles of Association or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if the notice is not received.

When a creditor declares a creditor's right, he shall explain the relevant matters of the creditor's right and provide supporting materials. The liquidation committee shall register the claims.

During the period of reporting claims, the liquidation committee shall not make settlements with creditors.

After cleaning up the Company's assets and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's court for confirmation.

The Company's property is the remaining property after paying liquidation expenses, employees' wages, social insurance fees and statutory compensation, paying taxes owed, and settling the Company's debts respectively, and the Company distributes the remaining property according to the proportion of shares held by shareholders.

During the liquidation period, the Company continues to exist, but it cannot carry out business activities unrelated to the liquidation. The Company's property will not be distributed to shareholders before it is settled in accordance with the provisions of the preceding paragraph.

After clearing the Company's property and preparing a balance sheet and property list, if the liquidation committee finds that the Company's property is insufficient to pay off its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the People's Court.

After the Company's liquidation is completed, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the People's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company registration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

- (i) After the Company Law or relevant laws and administrative regulations are amended, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and administrative regulations;
- (ii) The Company's situation changes and is inconsistent with the matters recorded in the Articles of Association;
- (iii) The shareholders' meeting makes a resolution to amend the Articles of Association.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Where the amendments to the Articles of Association passed by resolutions of the Shareholders’ meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board of Directors shall modify the Articles of Association in accordance with the resolution of the general meeting on modifying the Articles of Association and the approval opinions of relevant competent authorities.

Matters concerning the amendment to the Articles of Association which are information required to be disclosed by applicable laws and regulations shall be announced as required.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was established as a joint stock limited company with limited liability in the PRC on September 24, 2015. As of the Latest Practicable Date, the issued share capital of our Company is 109,049,071 Shares.

Our Company has established a principal place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 27, 2025. Ms. Chan Pui Ching, one of our joint company secretaries, has been appointed as our authorized representatives and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Summary of Articles of Association of the Company” in Appendix III to this Document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Regulatory Overview.”

2. Changes in Share Capital of Our Company

Save as below, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

As approved by the Board on July 29, 2024, a total of 411,400 restricted Shares were granted to eligible participants pursuant to the 2023 Restricted Share Incentive Plan. The Company completed the share registration of such 411,400 Shares on August 28, 2024 and the total issued share capital of the Company was increased from 109,333,600 A Shares to 109,745,000 A Shares.

As approved by the Board on February 2, 2024, a total of 1,113,259 restricted Shares were repurchased by the Company under a repurchase mandate and cancelled on February 12, 2025. The total issued share capital of our Company was then decreased from 109,745,000 A Shares to 108,631,741 A Shares.

As approved by the Board on July 14, 2025, a total of 417,330 restricted Shares were granted to eligible participants pursuant to the 2023 Restricted Share Incentive Plan. The Company completed the share registration of such 417,330 Shares on September 4, 2025 and the total issued share capital of the Company was increased from 108,631,741 A Shares to 109,049,071 A Shares.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our principal subsidiaries are set out in Note 1 to the Accountant’s Report as set out in Appendix I.

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

(a) *Baike Vehicle Vietnam Company Limited* (越南百客車業有限責任公司)

On January 16, 2024, BAIKE Vehicle Vietnam Co., Ltd. was incorporated with an authorized share capital of USD6,600,000.

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(b) Shenzhen Baike New Energy Co., Ltd. (深圳百客新能源有限公司) (“Shenzhen Baike”)

On August 27, 2025, Shenzhen Baike New Energy Co., Ltd. (深圳百客新能源有限公司) increased its registered capital from RMB10.00 million to RMB90.00 million.

(c) No Speed Limit Inc. (極速無限有限公司)

On February 25, 2025, No Speed Limit Inc. was incorporated with an authorized share capital of 1,000 shares with the par value of \$0.01 per share.

(d) Teko Inc. (特科有限公司)

On October 7, 2024, Teko Inc. was incorporated with an authorized share capital of 5,000 shares with nil par value per share.

(e) Trailblazer Motors Inc. (開拓者車業公司)

On August 11, 2025, Trailblazer Motors Inc. was incorporated with an authorized share capital of 1,500 shares with the par value of \$0.01 per share.

(f) ThunderTrek Inc. (雷行科技有限公司)

On February 18, 2025, ThunderTrek Inc. was incorporated with an authorized share capital of 1,000,000 shares without par value.

Save as disclosed above, there has been no alteration in the share capital of any of the principal operating entities of the Company within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders in Relation to the [REDACTED]

At the extraordinary general meeting of our Company held on October 9, 2025, the following resolutions, among other things, were duly passed:

- (a) the [REDACTED] by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be [REDACTED] before the exercise of the [REDACTED] shall not exceed [REDACTED] of the enlarged share capital of our Company upon completion of the [REDACTED] and granting the [REDACTED] the [REDACTED] of no more than [REDACTED] of the above number of H Shares to be [REDACTED];
- (c) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on [REDACTED]; and
- (d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of H Shares on the Hong Kong Stock Exchange.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this document and are or may be material:

(a) [•]; and

(b) [REDACTED].

2. Our Material Intellectual Property Rights

As of the Latest Practicable Date, our Company had registered, or has applied for the registration of the following intellectual property rights which were material to our Group’s business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Owner	Place of Registration	Validity Period
1		Our Company	PRC	2025.07.21-2035.07.20
2		Our Company	PRC	2024.03.28-2034.03.27
3		Our Company	PRC	2019.09.07-2029.09.06
4		Our Company	PRC	2018.09.21-2028.09.20
5		Our Company	PRC	2018.08.21-2028.08.20
6		Our Company	PRC	2017.07.07-2027.07.06
7		BIKE CORPORATION	United States	2024.12.24-2034.12.23

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Owner	Place of Registration	Validity Period
8		Our Company	WIPO	2018.07.02-2028.07.01
9		Our Company	European Union	2019.02.01-2029.01.31
10		Our Company	WIPO	2019.12.10-2029.12.09
11	DENAGO	Our Company	European Union	2022.03.01-2032.02.28
12	DENAGO	Our Company	United States	2024.12.24-2034.12.23

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business in the PRC:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date
1	Our Company	A high-permeability beach vehicle drive Assembly	ZL202510179794.0	Invention	2025.02.19	2045.02.19
2	Our Company	An all-terrain vehicle drive assembly device	ZL202411667334.4	Invention	2024.11.21	2044.11.21
3	Our Company	A front-wheel dual-drive device for LSEVs	ZL202411463665.6	Invention	2024.10.21	2044.10.21
4	Our Company	A golf cart drive assembly	ZL202411406214.9	Invention	2024.10.10	2044.10.10
5	Our Company	An engine mounting device for ATVs	ZL202411001102.5	Invention	2024.07.25	2044.07.25
6	Our Company	An LSEV	ZL202410741590.7	Invention	2024.06.11	2044.06.11
7	Our Company	An damper connection structure for beach vehicle	ZL202410472591.6	Invention	2024.04.19	2044.04.19
8	Our Company	Performance testing equipment and testing methods for electric scooters	ZL202310625539.5	Invention	2023.05.30	2043.05.30
9	Our Company	A control method, system, storage medium and electronic device for a self-balancing vehicle	ZL202310310932.5	Invention	2023.03.28	2043.03.28
10	Our Company	A scooter body	ZL202310218079.4	Invention	2023.03.02	2043.03.02

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No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date
11	Our Company	A scooter	ZL202210771072.0	Invention	2022.06.30	2042.06.30
12	Our Company	A vehicle suspension system and a vehicle	ZL201911336510.5	Invention	2019.12.23	2039.12.23
13	Our Company	A single-cantilever front suspension system for a children’s bench vehicle	ZL201710875526.8	Invention	2017.09.25	2037.09.25
14	Our Company	An anti-vibration rear swingarm for a bench vehicle	ZL201710854867.7	Invention	2017.09.20	2037.09.20
15	Our Company	A detachable and replaceable rear swingarm for a bench vehicle	ZL201710853183.5	Invention	2017.09.20	2037.09.20
16	Our Company	A muffler for small gasoline engines	ZL201310540980.X	Invention	2013.11.06	2033.11.06
17	Our Company	A seat with an adjustable backrest	ZL202420882138.8	Utility Model	2024.04.25	2034.04.25
18	Our Company	An electric camping cart	ZL202420154963.6	Utility Model	2024.01.22	2034.01.22
19	Our Company	A backrest adjustment mechanism, a seat and a vehicle	ZL202322485778.3	Utility Model	2023.09.13	2033.09.13
20	Our Company	A steering wheel adjustment mechanism, a steering wheel and a vehicle	ZL202322485726.6	Utility Model	2023.09.13	2033.09.13
21	Our Company	A backrest mounting structure, a backrest and an all-terrain vehicle	ZL202320027852.4	Utility Model	2023.01.03	2033.01.03
22	Our Company	A frame of a golf cart	ZL202222928369.1	Utility Model	2022.10.31	2032.10.31
23	Our Company	A rear seat of a golf cart	ZL202222918631.4	Utility Model	2022.10.31	2032.10.31
24	Our Company	An adjustable rearview mirror and a golf cart	ZL202222909179.5	Utility Model	2022.10.31	2032.10.31
25	Our Company	A golf bag holder	ZL202222909178.0	Utility Model	2022.10.31	2032.10.31
26	Our Company	Sightseeing vehicle (TEG48A-02D)	ZL202430672833.7	Design	2024.10.24	2039.10.24
27	Our Company	Standard 6-seat golf cart (TEG48B-03E)	ZL202430643709.8	Design	2024.10.12	2039.10.12
28	Our Company	Golf cart (4+2 seater model TEG48B-01B)	ZL202430640616.X	Design	2024.10.11	2039.10.11
29	Our Company	Bench vehicle (1000ATV)	ZL202430632168.9	Design	2024.10.08	2039.10.08
30	Our Company	Bench vehicle (550ATV)	ZL202430629263.3	Design	2024.10.04	2039.10.04
31	Our Company	Bench vehicle (TGA350H)	ZL202430629259.7	Design	2024.10.04	2039.10.04
32	Our Company	Camping cart (TEC48A-01J)	ZL202430627892.2	Design	2024.09.30	2039.09.30

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No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date
33	Our Company	Compact 4-seat LSEV (TEG48C-01D)	ZL202430100545.4	Design	2024.02.28	2039.02.28
34	Our Company	Standard 4-seat golf cart (TEG48B-03D)	ZL202330859125.X	Design	2023.12.27	2038.12.27
35	Our Company	Electric Camping Vehicle (L100)	ZL202330810290.6	Design	2023.12.08	2038.12.08
36	Our Company	Engine (TT1P63QML)	ZL202330628901.5	Design	2023.09.26	2038.09.26
37	Our Company	Golf Cart	ZL202330521093.2	Design	2023.08.15	2038.08.15
38	Our Company	Cargo Vehicle	ZL202330517389.7	Design	2023.08.14	2038.08.14
39	Our Company	All-terrain Vehicle (TGA300F-01)	ZL202230756907.6	Design	2022.11.14	2037.11.14
40	Our Company	Golf Cart (TEU48-5KW-01)	ZL202230180905.7	Design	2022.04.01	2037.04.01
41	Our Company	All-terrain Vehicle (TGA170W-01 Zhanlu)	ZL202230180785.0	Design	2022.04.01	2037.04.01
42	Our Company	Beach Vehicle (Big Raptor II)	ZL201930699606.2	Design	2019.12.14	2029.12.14
43	Our Company	Electric Beach Vehicle (ATEA350C)	ZL201830587123.9	Design	2018.10.20	2028.10.20
44	Our Company	Beach Vehicle (125-K Raptor)	ZL201730485237.8	Design	2017.10.12	2027.10.12
45	Shenzhen Baike	Electric Scooter and Its Folding or Unfolding Method	ZL202111423475.8	Invention	2021.11.26	2041.11.26
46	Shenzhen Baike	A Movable Electric Vehicle Charging Pile for New Energy Electric Vehicles	ZL202011012571.9	Invention	2020.09.24	2040.09.24
47	Shenzhen Baike	A Buffer and Anti-tip Device for Electric Vehicles Based on Non-Newtonian Fluid	ZL202010274092.8	Invention	2020.04.09	2040.04.09
48	Shenzhen Baike	An Intelligent Control System for Electric Bicycles and Its Control Method	ZL201811083730.7	Invention	2018.09.17	2038.09.17

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business in the overseas:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
1.	Our Company	A Vehicle Suspension System and Vehicle	US11207932B2	Invention	2020.03.25	2040.05.20	United States
2.	Our Company	Beach Buggy (Big Flying Shark TGA170L-01)	USD951,817	Design	2022.05.17	2037.05.16	United States

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No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
3.	Our Company	Beach Buggy (TGA125L-20 Little Flying Shark II)	131553	Design	2022.06.06	2027.06.05	Russia
4.	Our Company	Go-kart (TGK200T)	USD954,606	Design	2022.06.14	2037.06.13	United States
5.	Our Company	Beach Buggy (Big Flying Shark TGA170L-01)	121906	Design	2020.10.05	2035.10.04	Russia
6.	Our Company	A Pedal Mechanism and Housing for a Self-Balancing Vehicle	US11,524,743	Invention	2022.12.13	2037.12.12	United States
7.	Our Company	All-Terrain Vehicle (TGA170W-01 “Zhanlu”)	134028	Design	2022.04.01	2037.03.31	Russia
8.	Our Company	Beach Buggy (Big Raptor II)	USD950,420	Design	2022.05.03	2037.05.02	United States
9.	Our Company	Dirt Bike (DB105T)	USD965,476	Design	2022.10.04	2037.10.03	United States
10.	Our Company	Beach Buggy (TGA300F-01)	136494	Design	2022.11.14	2037.11.13	Russia
11.	Our Company	300cc Beach Buggy (TGA300F-01)	15008427	Design	2023.02.10	2028.01.09	European Union
12.	Our Company	Dirt Bike (DB105T-20)	US D986,111 S	Design	2023.05.16	2038.05.15	United States
13.	Our Company	250cc Sport Beach Buggy	136492	Design	2022.10.14	2027.10.13	Russia
14.	Our Company	Beach Buggy (TGA125L-01)	US D988,195 S	Design	2023.06.06	2038.06.05	United States
15.	Our Company	Beach Buggy (TGA125L-20 Little Flying Shark II)	D984,928 S	Design	2023.05.02	2038.05.01	United States
16.	Our Company	Dirt Bike (DB200T-20)	D984,929 S	Design	2023.05.02	2038.05.01	United States
17.	Our Company	550 All-Terrain Vehicle	138854	Design	2023.05.22	2028.05.21	Russia
18.	Our Company	Golf Cart (TEU48-5KW-01)	213225	Design	2022.06.06	2032.06.05	Canada
19.	Our Company	All-Terrain Vehicle (TGA170W-01 “Zhanlu”)	213228	Design	2022.06.06	2032.06.05	Canada

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No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
20.	Our Company	Golf Cart (TEU48-5KW-01)	D1,002,433 S	Design	2023.10.24	2038.10.23	United States
21.	Our Company	Electric Scooter (H103)	D1,008,946 S	Design	2023.12.26	2038.12.25	United States
22.	Our Company	All-Terrain Vehicle (TGA170W-01 “Zhanlu”)	D1,018,377 S	Design	2024.03.19	2039.03.18	United States
23.	Our Company	Front Body Panel (107-0601)	D1,014,643 S	Design	2024.02.13	2039.02.12	United States
24.	Our Company	Snowmobile (Model E11)	D1,023,839S	Design	2024.04.23	2039.04.22	United States
25.	Our Company	Shared Bicycle (sz261)	D1,022,805 S	Design	2024.04.16	2039.04.15	United States
26.	Our Company	Snowmobile (Model E11)	216427	Design	2022.10.14	2037.10.13	Canada
27.	Our Company	Shared Scooter (SH108)	216536	Design	2022.10.21	2037.10.20	Canada
28.	Our Company	Scooter (GT13)	216532	Design	2022.10.21	2037.10.20	Canada
29.	Our Company	Shared Bicycle (sz261)	216473	Design	2022.10.18	2037.10.17	Canada
30.	Our Company	Scooter (H853)	D1,035,781 S	Design	2024.07.16	2039.07.15	United States
31.	Our Company	250cc Sport Beach Buggy (U.S. Design — Large Model)	D1,028,795 S	Design	2024.05.28	2039.05.27	United States
32.	Our Company	Go-kart (TGK100T-20 General-Purpose Go-kart)	D1,034,317 S	Design	2024.07.09	2039.07.08	United States
33.	Our Company	Beach Buggy (TGA300F-01)	D1,039,443 S	Design	2024.08.20	2039.08.19	United States
34.	Our Company	Scooter (GT12)	223550	Design	2023.08.18	2038.08.17	Canada
35.	Our Company	Scooter (GT11)	223542	Design	2023.08.18	2038.08.17	Canada
36.	Our Company	Mobility Scooter (T400)	227999	Design	2024.02.06	2039.02.05	Canada
37.	Shenzhen Baike . . .	Speaker (Golf Cart)	227500	Design	2024.01.10	2039.01.09	Canada
38.	Our Company	4+2 Golf Cart	227088	Design	2023.12.22	2038.12.21	Canada
39.	Our Company	Truck with Cargo Bed	227001	Design	2023.12.19	2038.12.18	Canada

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No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
40.	Shenzhen Baike . . .	Display with Transitional Graphical User Interface	228660	Design	2024.02.29	2039.02.28	Canada
41.	Our Company	550 All-Terrain Vehicle (U.S. Design — Large Model)	D1,056,772 S	Design	2025.01.07	2040.01.06	United States
42.	Our Company	Golf Cart (Model 03)	225687	Design	2023.11.08	2038.11.07	Canada
43.	Our Company	Balance Bike PB809	D1,003,364 S	Design	2021.09.08	2036.09.07	United States
44.	Our Company	Tricycle (K04)	230765	Design	2025.06.01	2040.05.31	Canada
45.	Our Company	Drift Car (JR301)	229778	Design	2025.06.30	2040.06.29	Canada

Copyright

As of the Latest Practicable Date, we had registered the following copyright which we considered to be material to our business in the PRC:

No.	Work Name	Class	Owner	Registration No.	Date of First Publication	Date of Registration
1	GOTRAX.	Art	Our Company	Guo Zuo Deng Zi-2019-F-00781036	2017.09.20	2019.05.14
2	Small Raptor (小猛禽)	Art	Our Company	Guo Zuo Deng Zi-2019-F-00760398	2017.10.15	2019.04.01

Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business in the PRC:

No.	Software Name	Owner	Registration No.	Date of Registration
1	Tourist Vehicle Rental Information Automated Supervision System.	Our Company	2024SR0685650	2024.05.20
2	Electric Bicycle Safety Performance Monitoring Software.	Our Company	2024SR0685258	2024.05.20
3	All-Terrain Vehicle Path Planning System. . .	Our Company	2024SR0066116	2024.01.10
4	Tao Motor Smart Mobility System	Our Company	2023SR0159303	2023.01.30
5	Non-Powered Scooter Speed Control Platform.	Shenzhen Baike	2024SR1560695	2024.10.18
6	Electric Bicycle Smart Charger Design System.	Shenzhen Baike	2024SR1561776	2024.10.18

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No.	Software Name	Owner	Registration No.	Date of Registration
7	IoT Smart Electric Scooter Auto-Unlock Application Platform.	Shenzhen Baike	2024SR1392934	2024.09.19
8	Electric Bicycle Battery Quality Analysis Control System.	Shenzhen Baike	2024SR1392941	2024.09.19
9	Electric Scooter Speed Control Platform. . . .	Shenzhen Baike	2024SR1392984	2024.09.19
10	Balance Vehicle Mechatronic Control System.	Shenzhen Baike	2024SR1241707	2024.08.26
11	Electric Scooter Wireless Charging System . .	Shenzhen Baike	2024SR1241797	2024.08.26
12	Balance Vehicle Modeling Design System. . .	Shenzhen Baike	2024SR1243128	2024.08.26

Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Approval Date	Expiry Date
1	taomotor.com.cn	Our Company	2023.04.17	2027.04.08

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ Service Contracts and Letters of Appointment

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment include (a) the term of service, (b) subject to termination in accordance with their respective term, and (c) a dispute resolution provision. [The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.]

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Directors

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to our Directors for the three years ended December 31, 2023, 2024 and 2025, were approximately RMB3.1 million, RMB4.1 million and RMB3.9 million, respectively.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration paid to the Directors for the year ending December 31, 2026 will be approximately RMB4.0 million.

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During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, former supervisors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2023, 2024 and 2025, by any member of our Group to any of our Directors.

3. Disclosure of interests

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed “Substantial Shareholders” and below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

(a) Interests in our Company

Name	Position	Capacity/Nature of interest	Description of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the A Shares immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽²⁾	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽²⁾
Mr. Cao	Executive Director	Beneficial Owner	A Shares	28,500,000	[REDACTED]	[REDACTED]
		Interest in controlled corporation ⁽³⁾	A Shares	45,000,000	[REDACTED]	[REDACTED]

Notes:

- All interests stated are long positions in the Shares.
- The calculation is based on the total number of 109,049,071 A Shares and [REDACTED] H Shares in [REDACTED] immediately after completion of the [REDACTED], assuming that the [REDACTED] is not exercised.
- As of the Latest Practicable Date, Zhejiang Zhongtao Investment Co., Ltd. (浙江中濤投資有限公司) was wholly owned by Mr. Cao. Accordingly, Mr. Cao is deemed to be interested in the A Shares held by Zhejiang Zhongtao Investment Co., Ltd. under the SFO.

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(b) Interests in our associated corporation

Name of Director	Name of our associated corporation	Capacity/nature of interests	Percentage of interest in the associated corporation
Mr. Cao	Zhongtao Investment	Beneficial owner	100%

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

So far as the Directors are aware, the following persons (other than our Company, and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of the subsidiary	Name of the shareholder	Percentage of interest in the subsidiary
Jiangxi Taotao Intelligent Mobility Technology Co., Ltd.* (江西濤濤智行科技有限公司)	Wang Xuebin (汪雪彬)	80.00%
	Wan Meili (萬美麗)	10.00%

Note:

- (1) As at the Latest Practicable Date, the Company holds 10.00% of equity interests in Jiangxi Taotao Intelligent Mobility Technology Co., Ltd.* (江西濤濤智行科技有限公司), which is principally engaged in sales of electric motorcycle.

4. Directors’ Competing Interests

None of our Directors is interested in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with the business of our Group.

5. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [REDACTED] on the Hong Kong Stock Exchange;

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- (b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (without taking into account any H Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;
- (c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group;
- (d) none of our Directors or any of the parties listed in “— Qualifications of Experts” in this Appendix is:
 - i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - ii. materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (e) save in connection with the [REDACTED], none of the persons listed in “— Qualifications of Experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

6. Employee Incentive Scheme

2023 Restricted Share Incentive Plan

The following is a summary of the principal terms of the 2023 Restricted Share Incentive Plan approved and adopted on August 2, 2023. The terms of 2023 Restricted Share Incentive Plan do not involve any grant of restricted Shares by our Company after the [REDACTED] and are not subject to the provisions of Chapter 17 of the Listing Rules. The terms of the 2023 Restricted Share Incentive Plan are summarized below.

(a) Purpose

The purposes of the 2023 Restricted Share Incentive Plan are to further improve the Company’s long-term incentive mechanism, attract and retain outstanding talent, and enhance employees’ initiative. The 2023 Restricted Share Incentive Plan is implemented to align the interests of our Shareholders, our Company, and our key personnels, which is beneficial to the Company’s long-term development and ensures that returns are matched with contributions.

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(b) Type and Source of Shares

Pursuant to the 2023 Restricted Share Incentive Plan, there is one type of restricted Shares, namely Type II Restricted Shares, a type of restricted shares which were newly issued by our Company. The grantees of Type II Restricted Shares shall be entitled to receive newly issued A Shares, with certain restrictions stipulated under the 2023 Restricted Share Incentive Plan.

(c) Administration

The 2023 Restricted Share Incentive Plan is subject to the approval of the Shareholders’ general meeting, administration of the Board and the supervision of Supervisory Committee and independent non-executive Directors.

(d) Participants

The participants of the 2023 Restricted Share Incentive Plan include our Director (excluding independent non-executive Directors)), senior management, middle management and key personnel.

(e) 2023 Restricted Share Incentive Plan Mandate Limit

The 2023 Restricted Share Incentive Plan is granted in the form of restricted A Shares. The total number of shares which may be issued upon exercise of all A Shares granted under the 2023 Restricted Share Incentive Plan shall not exceed 20% of the total issued Shares as of the date of passing such resolutions in the shareholder’s meeting on August 2, 2023. The total number of Shares for grant under the 2023 Equity Incentive Plan is 1,287,200 Shares, representing approximately 1.18% of the share capital in issue of our Company as at the Latest Practicable Date. No further Awards will be granted under the 2023 Restricted Share Incentive Plan after the [REDACTED].

(f) Maximum Entitlement of a Grantee

Any grant of restricted Shares to any grantees in respect of all the restricted A Shares granted to such person under the 2023 Restricted Share Incentive Plan in aggregate shall not exceed 1% of the Shares in issue as of the date of passing such resolutions in the shareholder’s meeting on August 2, 2023.

(g) Duration of the Share Incentives

The term of the 2023 Restricted Share Incentive Plan shall be effective from the date of the initial grant of Type II Restricted Shares up to the date when all the Type II Restricted Shares have been vested or lapsed pursuant to the 2023 Restricted Share Incentive Plan, provided that the term of the Type II Scheme shall not exceed 60 months in any event.

(h) Conditions to the Grant of Restricted Shares

The Restricted A Shares under the 2023 Restricted Share Incentive Plan will only be vested if the following conditions are fulfilled:

- (1) with respect to our Company, none of the following circumstances having occurred:
 - (i) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company’s accountants’ report for the most recent fiscal year;

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- (ii) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to internal control contained in accountants’ report for the most recent fiscal year;
 - (iii) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;
 - (iv) applicable laws and regulations prohibit the implementation of any share incentive scheme; or
 - (v) any other circumstances determined by the CSRC.
- (2) with respect to the grantee, none of the following circumstances having occurred:
- (i) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;
 - (ii) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;
 - (iii) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months;
 - (iv) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
 - (v) the grantee is prohibited from participating in any share incentive plan of listed companies according to applicable laws and regulations; or
 - (vi) any other circumstances determined by the CSRC.

(i) Vesting of Restricted Shares

The Restricted A Shares will only be vested when (i) the conditions set out under paragraph (h) above are fulfilled; (ii) the grantee has served our Group for more than 12 months; and (iii) the annual assessment and performance targets as set out under the 2023 Restricted Share Incentive Plan are achieved.

The restricted Shares will be vested in accordance with the vesting schedule as set out under the 2023 Restricted Share Incentive Plan as follows:

- (i) with respect to the initial grant of Restricted A Shares, vested in tranches of 40%, 30% and 30% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant; and (c) between the first trading date after 36 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively; and

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- (ii) with respect to the grant of the remaining restricted Shares (i.e.), vested in tranches of 50% and 50% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; and (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.

Our Company may void the granted but not vested Type II Restricted Shares upon occurrence of certain events, including, among others, the termination of employment.

(j) Lock-up Arrangements

The lock-up arrangements under the 2023 Restricted Share Incentive Plan are determined according to the Articles of Association and applicable PRC laws and regulations:

- (i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;
- (ii) if the grantee is a Director or senior management of our Company or the spouse, a parent or a child of the any of the above, income gained through sale of Shares of our Company within six months of the purchase or repurchase of Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board;
- (iii) if the grantee is a Director or a senior management of our Company, the grantee's shareholding reduction shall comply with the relevant laws and regulations; and
- (iv) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the 2023 Restricted Share Incentive Plan, the grantee shall comply with the amended laws and regulations and the Articles of Association.

(k) Adjustments

Subject to the other terms and conditions contained in the 2023 Restricted Share Incentive Plan, the number and/or grant price of granted Share Incentives may be adjusted upon the occurrence of certain events, including, among others, increase of share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new shares.

(l) Outstanding Restricted A Shares

As of the Latest Practicable Date, the number of outstanding Restricted A Shares granted under the 2023 Restricted Share Incentive Plan was 417,330 Shares, representing approximately [REDACTED] of our total issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the no additional Shares are issued pursuant to our 2023 Restricted Share Incentive Plan).

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The following table sets forth the number of outstanding restricted Shares granted to Directors and senior management of our Company under the 2023 Restricted Share Incentive Plan as of the Latest Practicable Date:

			Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED] ⁽¹⁾
Name of Grantee	Position/ Relationship	Date of Grant				
<i>Directors</i>						
YAO Guangqing (姚廣慶)	Executive director, deputy general manager	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
		July 29, 2024	7,500	RMB22.17	Note 3	[REDACTED]
SUN Yong (孫永)	Executive Director, chief financial officer, secretary of the Board and joint company secretary	July 29, 2024	10,000	RMB22.17	Note 3	[REDACTED]
ZHAO Longman (趙龍曼)	Non-executive Director	August 2, 2023	6,150	RMB22.17	Note 2	[REDACTED]
		July 29, 2024	10,000	RMB22.17	Note 3	[REDACTED]
<i>Senior Management</i>						
LOU Guidong (樓貴東)	Deputy general manager	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
		July 29, 2024	7,500	RMB22.17	Note 3	[REDACTED]
CHAI Aiwu (柴愛武)	Deputy general manager	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
		July 29, 2024	7,500	RMB22.17	Note 3	[REDACTED]
ZHU Hongxia (朱紅霞)	Deputy general manager	August 2 2023	9,000	RMB22.17	Note 2	[REDACTED]
		July 29, 2024	5,000	RMB22.17	Note 3	[REDACTED]

Notes:

- (1) The calculation is based on the assumption that no new Shares are [REDACTED] under the [REDACTED] and our 2023 Restricted Share Incentive Plan, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED].
- (2) The initial restricted A Shares granted under the 2023 Restricted Share Incentive Plan shall be vested in tranches of 40%, 30% and 30% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant; and (c) between the first trading date after 36 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (3) The remaining restricted A Shares granted under the 2023 Restricted Share Incentive Plan shall be vested in tranches of 50% and 50% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; and (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.

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The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding the abovementioned Directors and senior management of our Company) under the 2023 Restricted Share Incentive Plan, categorized by the number of underlying shares, as of the Latest Practicable Date:

No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
1.	Wu Guoqiang (吳國強)	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	7,500	RMB22.17	Note 3	[REDACTED]
2.	Pan Chunqiang (潘春強)	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	2,500	RMB22.17	Note 3	[REDACTED]
3.	Lu Fengque (盧鳳鵲)	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	2,400	RMB22.17	Note 3	[REDACTED]
4.	Zhou Wenjun (周文俊)	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
5.	Li Haibo (李海波) . .	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
6.	Yang Fang (楊芳) . . .	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
7.	Fu Yuqiang (付雨強) .	Core management and key technical/business personnel	August 2, 2023	9,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	2,500	RMB22.17	Note 3	[REDACTED]
8.	Li Qiong (李瓊) . . .	Core management and key technical/business personnel	August 2, 2023	8,310	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	10,000	RMB22.17	Note 3	[REDACTED]
9.	Wang Sheng (汪晟) . .	Core management and key technical/business personnel	August 2, 2023	8,190	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	12,500	RMB22.17	Note 3	[REDACTED]
10.	Ding Zhenshan (丁鎮山)	Core management and key technical/business personnel	August 2, 2023	7,800	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
11.	Yu Zhi (余枝)	Core management and key technical/business personnel	August 2, 2023	7,530	RMB22.17	Note 2	[REDACTED]

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No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
12.	Zhang Fangli (章芳麗)	Core management and key technical/business personnel	August 2, 2023	7,500	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,000	RMB22.17	Note 3	[REDACTED]
13.	Shi Wei (施維)	Core management and key technical/business personnel	August 2, 2023	7,500	RMB22.17	Note 2	[REDACTED]
14.	Zheng Youming (鄭有明)	Core management and key technical/business personnel	August 2, 2023	7,500	RMB22.17	Note 2	[REDACTED]
15.	Ding Xueying (丁雪英)	Core management and key technical/business personnel	August 2, 2023	7,380	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	2,500	RMB22.17	Note 3	[REDACTED]
16.	Xu Lijian (徐黎健) . .	Core management and key technical/business personnel	August 2, 2023	7,380	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,750	RMB22.17	Note 3	[REDACTED]
17.	Tan Dachun (譚大春)	Core management and key technical/business personnel	August 2, 2023	7,230	RMB22.17	Note 2	[REDACTED]
18.	Ding Xiulin (丁秀林)	Core management and key technical/business personnel	August 2, 2023	6,450	RMB22.17	Note 2	[REDACTED]
19.	Sheng Wenqing (盛文清)	Core management and key technical/business personnel	August 2, 2023	6,420	RMB22.17	Note 2	[REDACTED]
20.	Tian Junhui (田俊輝)	Core management and key technical/business personnel	August 2, 2023	6,270	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
21.	Chen Hongbo (陳紅波)	Core management and key technical/business personnel	August 2, 2023	6,150	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
22.	Xu Bin (徐彬)	Core management and key technical/business personnel	August 2, 2023	6,150	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,000	RMB22.17	Note 3	[REDACTED]
23.	Cao Junnan (曹君南)	Core management and key technical/business personnel	August 2, 2023	6,150	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,750	RMB22.17	Note 3	[REDACTED]

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No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
24.	Tian Xinyi (田欣誼)	Core management and key technical/business personnel	August 2, 2023	6,000	RMB22.17	Note 2	[REDACTED]
25.	Ying Lingqiao (應玲巧)	Core management and key technical/business personnel	August 2, 2023	6,000	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,000	RMB22.17	Note 3	[REDACTED]
26.	Chen Fangping (陳方平)	Core management and key technical/business personnel	August 2, 2023	6,000	RMB22.17	Note 2	[REDACTED]
27.	Li Junhui (李軍惠)	Core management and key technical/business personnel	August 2, 2023	5,760	RMB22.17	Note 2	[REDACTED]
28.	Chen Dongqiao (陳冬巧)	Core management and key technical/business personnel	August 2, 2023	5,340	RMB22.17	Note 2	[REDACTED]
29.	Yan Qifei (嚴琦飛)	Core management and key technical/business personnel	August 2, 2023	4,920	RMB22.17	Note 2	[REDACTED]
				1,500	RMB22.17	Note 3	[REDACTED]
30.	Cheng Xinjie (程鑫傑)	Core management and key technical/business personnel	August 2, 2023	4,920	RMB22.17	Note 2	[REDACTED]
31.	Yang Bin (楊斌)	Core management and key technical/business personnel	August 2, 2023	4,920	RMB22.17	Note 2	[REDACTED]
32.	Zhang Zhexia (張浙霞)	Core management and key technical/business personnel	August 2, 2023	4,800	RMB22.17	Note 2	[REDACTED]
33.	Zhu Kai (朱凱)	Core management and key technical/business personnel	August 2, 2023	4,110	RMB22.17	Note 2	[REDACTED]
34.	Yang Zhen (楊真)	Core management and key technical/business personnel	August 2, 2023	3,690	RMB22.17	Note 2	[REDACTED]
				1,500	RMB22.17	Note 3	[REDACTED]
35.	Lin Zhenmei (林珍美)	Core management and key technical/business personnel	August 2, 2023	3,000	RMB22.17	Note 2	[REDACTED]

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No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
36.	Qu Lifang (瞿麗芳)	Core management and key technical/business personnel	August 2, 2023	2,490	RMB22.17	Note 2	[REDACTED]
37.	Wang Fuxing (王福杏)	Core management and key technical/business personnel	August 2, 2023	2,070	RMB22.17	Note 2	[REDACTED]
38.	Wu Jianbing (吳檢兵)	Core management and key technical/business personnel	August 2, 2023	1,920	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
39.	Zhang Jijun (張繼軍)	Core management and key technical/business personnel	August 2, 2023	1,500	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 2	[REDACTED]
40.	Ai Ning (艾寧)	Core management and key technical/business personnel	August 2, 2023	1,500	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
41.	Xu Xiubing (許秀兵)	Core management and key technical/business personnel	August 2, 2023	930	RMB22.17	Note 2	[REDACTED]
42.	Luo Jianrong (羅建榮)	Core management and key technical/business personnel	August 2, 2023	930	RMB22.17	Note 2	[REDACTED]
43.	Qiu Jing (邱靜)	Core management and key technical/business personnel	August 2, 2023	840	RMB22.17	Note 2	[REDACTED]
44.	Wu Qiang (伍強)	Core management and key technical/business personnel	August 2, 2023	840	RMB22.17	Note 2	[REDACTED]
45.	Xu Jie (徐傑)	Core management and key technical/business personnel	August 2, 2023	720	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
46.	Yang Shangsheng (楊尚升)	Core management and key technical/business personnel	August 2, 2023	600	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
47.	Chen Xinwang (陳新旺)	Core management and key technical/business personnel	August 2, 2023	3,690	RMB22.17	Note 2	[REDACTED]
			July 29, 2024	400	RMB22.17	Note 3	[REDACTED]

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No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
48.	Wen Dayu (溫大裕) . . .	Core management and key technical/business personnel	August 2, 2023	420	RMB22.17	Note 2	[REDACTED]
49.	Xue Chaolian (薛朝蓮)	Core management and key technical/business personnel	August 2, 2023	420	RMB22.17	Note 2	[REDACTED]
50.	Wang Hai (王海) . . .	Core management and key technical/business personnel	August 2, 2023	420	RMB22.17	Note 2	[REDACTED]
51.	Hu Bibo (胡碧波) . . .	Core management and key technical/business personnel	August 2, 2023 July 29, 2024	420 400	RMB22.17 RMB22.17	Note 2 Note 3	[REDACTED] [REDACTED]
52.	Hu Mengsheng (胡孟升)	Core management and key technical/business personnel	August 2, 2023 July 29, 2024	300 500	RMB22.17 RMB22.17	Note 2 Note 3	[REDACTED] [REDACTED]
53.	Chen Honggang (陳紅剛)	Core management and key technical/business personnel	August 2, 2023	300	RMB22.17	Note 2	[REDACTED]
54.	Wang Xuelei (汪學雷)	Core management and key technical/business personnel	August 2, 2023 July 29, 2024	300 400	RMB22.17 RMB22.17	Note 2 Note 3	[REDACTED] [REDACTED]
55.	Li En (李恩)	Core management and key technical/business personnel	August 2, 2023	300	RMB22.17	Note 2	[REDACTED]
56.	Liao Zhengqiang (廖正強)	Core management and key technical/business personnel	August 2, 2023 July 29, 2024	900 400	RMB22.17 RMB22.17	Note 2 Note 3	[REDACTED] [REDACTED]
57.	Liu Xin (劉忻)	Core management and key technical/business personnel	July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
58.	Fan Junyi (范君毅) . .	Core management and key technical/business personnel	July 29, 2024	1,500	RMB22.17	Note 3	[REDACTED]
59.	Li Lei (李蕾)	Core management and key technical/business personnel	July 29, 2024	500	RMB22.17	Note 3	[REDACTED]

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No.	Name of Grantee	Position/ Relationship	Date of Grant	Number of outstanding restricted Shares	Grant Price	Vesting Period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
60.	Xiang Kui (向魁) . . .	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
61.	Dong Jia (董佳) . . .	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
62.	Chen Hongsheng (陳紅生)	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
63.	Yin Nianping (尹念平)	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
64.	Tian Zhaoming (田朝明)	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
65.	Li Qiluo (李奇洛) . . .	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
66.	Wei Yuzuo (韋裕作) .	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]
67.	Wu Tao (吳韜)	Core management and key technical/business personnel	July 29, 2024	400	RMB22.17	Note 3	[REDACTED]

Notes:

- (1) The calculation is based on the assumption that no new Shares are [REDACTED] under the [REDACTED] and our 2023 Restricted Share Incentive Plan, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED].
- (2) The initial restricted A Shares granted under the 2023 Restricted Share Incentive Plan shall be vested in tranches of 40%, 30% and 30% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant; and (c) between the first trading date after 36 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (3) The remaining restricted A Shares granted under the 2023 Restricted Share Incentive Plan shall be vested in tranches of 50% and 50% in vesting periods that occur (a) between the first trading date after 12 months from the date of grant and the last trading day up to 24 months from the date of grant; and (b) between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.

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D. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

2. Litigation

As of the Latest Practicable Date, save as disclosed in this document, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group’s results of operations or financial conditions, taken as a whole. For details, see “Business — Legal Proceedings and Compliance”.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the [REDACTED] of, and permission to deal in, the H Shares in [REDACTED] and to be [REDACTED] as mentioned in this document. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US\$500,000 for acting as sole sponsor for the [REDACTED].

4. Compliance Advisor

Our Company has appointed South China Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

6. Promoters

Information of our promoters at the time of our Company’s incorporation as a joint stock limited company on September 24, 2015 is as follows:

No.	Name
1.	Mr. Cao
2.	Taotao Group

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [REDACTED] and the related transactions described in this document.

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7. Consents of Experts

Each of the experts as referred to “— Qualifications of Experts” in this Appendix has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

8. No Material Adverse Change

Our Directors confirm that up to the date of this document, there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2025, being the end of the period reported on as set out in the Accountants’ Report included in Appendix I.

9. Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, please refer to “Summary of Articles of Association of the Company — Increase, Decrease and Repurchase of Shares — Repurchase of Shares” in Appendix III.

10. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

13. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Grandall Law Firm (Hangzhou)	PRC Legal Advisors
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

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Name	Qualifications
Confucius International CPA Limited	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo)	International Sanction Legal Advisor
Neville Peterson LLP	Tariff Legal Advisor
Pan-China Certified Tax Agents Limited	Tax Advisor to our Company with respect to transfer pricing arrangement of our Group

14. Miscellaneous

Save as otherwise disclosed in this document:

- (a) within the two years preceding the date of this document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the [REDACTED] or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not [REDACTED] nor agreed to [REDACTED] any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be [REDACTED] in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in the section headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix IV; and
- (b) the written consents referred to in the sub-section headed “Statutory and General Information — D. Other Information — 7. Consents of Experts” in Appendix IV.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.taomotor.com.cn> during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Confucius International CPA Limited, the text of which is set out in Appendix I;
- (c) the audited consolidated financial statements of our Company for the three years ended December 31, 2025;
- (d) the report from Confucius International CPA Limited on review of the interim financial information of our Group for the three months ended March 31, 2026, the text of which is set out in the section headed “Unaudited Interim Condensed Consolidated Financial Information” in Appendix IA;
- (e) the report from Confucius International CPA Limited on the unaudited [REDACTED] financial information, the text of which is set out in Appendix II;
- (f) the PRC legal opinion issued by Grandall Law Firm (Hangzhou), our PRC Legal Advisor, in respect of certain aspects of our Group;
- (g) the material contracts referred to in the section headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix IV;
- (h) the written consents referred to in the section headed “Statutory and General Information — D. Other Information — 7. Consents of Experts” in Appendix IV;
- (i) the service contracts and the letters of appointment referred to in the sub-section headed “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors’ Service Contracts and Letters of Appointment” in Appendix IV;
- (j) the memorandum opinion issued by Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo), our International Sanctions Legal Adviser, in respect of, among other things, the risk of exposure and potential penalties imposed under the International Sanctions laws and regulations;

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (k) the memorandum opinion issued by Neville Peterson LLP, our Tariff Legal Adviser, in respect of, among other things, the risk of enforceability under the tariff laws and regulations;
- (l) the transfer pricing report issued by Pan-China Certified Tax Agents Limited, our tax advisors with respect to transfer pricing arrangement of our Group;
- (m) the terms of the 2023 Restricted Share Incentive Plan;
- (n) Frost & Sullivan Report; and
- (o) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.