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Post Hearing Information Pack 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 the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
[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 [REDACTED] and subject to refund)**
Nominal value	**:**	**RMB1.0 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED]**

CITIC SECURITIES

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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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 dedicated to designing, manufacturing and distributing outdoor leisure and electrified mobility products, with a leading position in the low-speed electric vehicle ("**LSEV**") market. According to Frost & Sullivan, we ranked first by revenue in the global LSEV industry in 2025, with a market share of approximately 10.9%. Our diversified product portfolio has enabled us to offer practical solutions for outdoor mobility and leisure. Our business spans two segments: (i) E-mobility products, consisting of (a) LSEVs, designed for community and on-site short-distance mobility, and (b) electric two-wheelers, including electric bicycles, electric scooters and electric balance bikes, and (ii) outdoor specialty vehicles, also known as powersports, including all-terrain vehicles ("**ATVs**") and off-road motorcycles. Our products are designed for short-distance travel within communities, recreational sports, intelligent mobility and specialized operations scenarios.

In 2025, over 97% of our revenue was derived from overseas markets, with the United States as our largest overseas market, contributing to 82.8% of the revenue. Our development is driven by expanding of product range, deepening of our sales network, and promoting brand value. Under 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 portfolio have supported the rapid growth of our LSEV business, with LSEV revenue increasing year on year from RMB78.5 million in 2023 to RMB812.3 million in 2024 and RMB1,957.5 million in 2025.

Since our inception, we have been building a production and operational network with a focus on the United States, with coverage across selected overseas markets. Drawing on more than two decades of our management team's international operating experience, we have established footprints 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 localized sales and after-sales support.

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. 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.

Our Brands and Products

Our Brands

We operate a tiered proprietary brand matrix tailored to distinct user segments and channels, comprising DENAGO™, GOTRAX™, TEKO™ 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 principal brands, DENAGO is positioned for E-mobility and powersports through a dedicated dealer network. The brand focuses on product quality and design, serving consumer demand in key markets. We have elevated DENAGO's international profile through strategic partnerships with 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 consumer brands such as Jack Link's, enhancing brand recognition and customer loyalty.
- **GOTRAX™ — Trendy, Eco-Friendly, Energetic**. GOTRAX is our mass-market brand, primarily distributed through large GMS 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.
- **TEKO™ — Intelligent, Tech-Focused, Stylish**. Launched in September 2025, TEKO is our youngest brand, designed to complement our existing portfolio and deepen our North American market penetration. TEKO targets national chain dealers through 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 market expansion and remains a practical choice for consumers seeking versatile and reliable mobility solutions.

Our Products

We currently operate two principal business segments: (i) E-mobility products, which consist of (a) LSEVs, which are designed for short-distance travel within communities, (b) electric two-wheelers, comprising electric bicycles, electric scooters and electric balance bikes; and (ii) powersports, leveraging our experience in ATVs and off-road motorcycles.

Our International Footprint

We operate three principal manufacturing bases in the PRC, Vietnam and the United States. Building on this foundation, we are establishing a multi-regional manufacturing system that features regionalized production and localized supply. Our three principal manufacturing bases are positioned with distinct roles and complementary functions, enabling us to capture growth opportunities across diverse markets and to serve customers in different regions efficiently.

Market Opportunities

The market opportunities for our product portfolio are driven by international 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 short-distance transportation tool with advantages such as low carbon emission, reduced cost of ownership and ease of parking. Among the sub-categories within the E-mobility, the LSEV market, particularly in the United States, has experienced rapid growth. LSEVs are a category of "micro-mobility" vehicles designed for specific scenarios such as short-distance travel within communities, 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 legally permitted to operate on certain public roads. LSEVs are characterized by relatively low acquisition and maintenance costs, ease of operation, and environmental friendliness. These products are accordingly intended to address the mobility needs of a range of consumers in the United States, including middle-income consumers and residents of senior communities.

- ***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 rapid 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 product. For recreational users, zero-emission and quiet operation of electric ATVs can make the outdoor experience more pleasant. 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%. This growth continued in the four months ended April 30, 2026, during which our revenue increased from RMB958.8 million for the corresponding period in 2025 to RMB1,591.4 million, while our net profit increased from RMB188.8 million to RMB292.1 million for the same period. During the Track Record Period, our net profit margin remained above 10%.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our peers: (i) A company dedicated to providing outdoor leisure and electrified mobility solutions; (ii) Extensive network supporting overseas market penetration; (iii) Integrated synergies creating structural cost advantages; (iv) Multi-regional production footprint supporting deepened operations in core markets; (v) Precise market insight driving continuous product upgrades; (vi) Forward-looking technology innovation driving value creation; and (vii) Experienced management team with relevant overseas experience.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) Expand and upgrade our product portfolio; (ii) Deepen and expand our sales network; (iii) Elevate brand value; (iv) Strengthen manufacturing footprint and deepen supply chain localization; and (v) 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 ("**KACs**"), 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 focused on the build-to-stock ("**BTS**") model and a multi-channel marketing strategy.

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

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distribution Network:								
KACs[(1)]	748,004	34.9	837,075	28.1	652,030	16.5	328,233	20.6
Dealers[(2)]	262,482	12.2	711,528	23.9	1,847,925	46.9	962,520	60.5
Wholesale customers[(3)]	29,897	1.4	75,373	2.6	114,720	2.9	69,135	4.3
Direct Sales:								
ODM	782,106	36.5	1,104,605	37.1	1,032,963	26.2	174,671	11.0
DTC Websites[(4)]	321,757	15.0	248,048	8.3	293,792	7.5	56,864	3.6
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**1,591,423**	**100.0**

Notes:

(1) Our KACs primarily include (i) general merchandise stores ("**GMS**"), such as Walmart, Target, Academy and TSC, 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 operate a multi-regional production network across China, Southeast Asia, and United States to actively support our international operations. Our production model combines (i) in-house R&D and design, (ii) in-house production of certain core components and (iii) international supply chain management, enabling us to coordinate key stages of product development and manufacturing across regions.

RESEARCH AND DEVELOPMENT

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our research and development expenses amounted to RMB87.7 million, RMB125.5 million, RMB123.4 million, RMB27.3 million and RMB29.0 million, respectively. Our research and development strategy is to create technologies to promote the development of our products, hence delivering a better driving experience. Our product development strategy involves research and development on E-mobility products and powersports based on customer demands and technological advancements. Our in-house research and development team conducts initiatives to expand the available functionalities and application scenarios of our products.

OUR CUSTOMERS

As of April 30, 2026, we have built up a broad and geographically diverse customer base, spreading across over 90 countries and regions. Our aggregate revenue from the five largest customers in each year/period during the Track Record Period was RMB1,065.4 million, RMB1,454.9 million, RMB1,370.4 million and RMB318.3 million, respectively, accounting for 49.7%, 48.9%, 34.8% and

20.0% of our total revenue, respectively. In the same periods, our revenue from the single largest customer in each year/period amounted to RMB327.3 million, RMB489.6 million, RMB520.9 million and RMB141.3 million, accounting for 15.3%, 16.5%, 13.2% and 8.9% 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, 2025 and the four months ended April 30, 2026, was RMB172.9 million, RMB785.5 million, RMB514.1 million and RMB166.3 million, respectively, representing 13.5%, 27.1%, 20.9% and 22.5% of our aggregate purchase amount in the same periods, respectively. The purchases from our largest supplier in 2023, 2024, 2025 and the four months ended April 30, 2026, were RMB44.7 million, RMB389.6 million, RMB171.9 million and RMB43.9 million, respectively, representing 3.5%, 13.4%, 7.0% and 6.0% of our total purchase amount in the same periods, 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,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Revenue	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100.0	1,591,423	100.0
Cost of sales	(1,344,740)	(62.7)	(1,944,650)	(65.3)	(2,315,223)	(58.7)	(592,403)	(61.8)	(932,501)	(58.6)
Gross profit	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**
General and administrative expenses	(109,041)	(5.1)	(152,873)	(5.1)	(179,804)	(4.6)	(45,872)	(4.8)	(79,909)	(5.0)
Selling and marketing expenses	(314,924)	(14.6)	(313,398)	(10.6)	(351,981)	(8.9)	(110,934)	(11.7)	(137,162)	(8.7)
Research and development expenses	(87,654)	(4.1)	(125,467)	(4.2)	(123,371)	(3.1)	(27,257)	(2.8)	(29,039)	(1.8)
Net impairment losses on financial assets	(16,786)	(0.8)	(4,766)	(0.2)	(24,952)	(0.6)	6,324	0.7	(11,303)	(0.7)
Other income	19,026	0.9	23,888	0.8	26,971	0.7	5,593	0.6	6,200	0.4
Other gains, net	13,626	0.6	32,786	1.1	(39,361)	(1.0)	19,878	2.1	(50,120)	(3.1)
Operating profit	**303,753**	**14.2**	**492,149**	**16.5**	**933,709**	**23.7**	**214,174**	**22.3**	**357,589**	**22.5**
Finance income	42,959	2.0	44,147	1.5	40,893	1.0	13,957	1.4	6,082	0.3
Finance costs	(12,263)	(0.6)	(23,070)	(0.8)	(27,347)	(0.7)	(6,170)	(0.6)	(8,019)	(0.5)
Finance (costs)/ income, net	30,696	1.4	21,077	0.7	13,546	0.3	7,787	0.8	(1,937)	(0.2)
Profit before income tax	**334,449**	**15.6**	**513,226**	**17.2**	**947,255**	**24.0**	**221,961**	**23.1**	**355,652**	**22.3**
Income tax expense	(53,971)	(2.5)	(81,964)	(2.7)	(130,932)	(3.3)	(33,153)	(3.4)	(63,581)	(3.9)
Profit for the year/period	**280,478**	**13.1**	**431,262**	**14.5**	**816,323**	**20.7**	**188,808**	**19.7**	**292,071**	**18.4**
Other comprehensive income/(expenses)										
Currency translation differences of foreign operations	(386)	(0.0)	10,836	0.4	(26,178)	(0.7)	(1,110)	(0.1)	(33,744)	(2.2)
Total comprehensive income for the year/period	**280,092**	**13.1**	**442,098**	**14.9**	**790,145**	**20.0**	**187,698**	**19.6**	**258,327**	**16.2**

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, RMB3,941.4 million, RMB958.8 million and RMB1,591.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Revenue by Product

The following table sets forth our revenue by products for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
E-mobility products:										
LSEV	78,500	3.7	812,304	27.3	1,957,465	49.8	427,496	44.5	969,772	61.0
Electric bicycles	164,833	7.7	231,052	7.8	178,416	4.5	35,177	3.7	74,736	4.7
Electric scooters	718,092	33.4	600,884	20.1	474,318	12.0	120,492	12.6	103,639	6.5
Electric balance bikes	295,658	13.8	199,012	6.7	123,875	3.1	28,555	3.0	20,357	1.3
Other E-mobility[(1)]	21,519	1.0	44,571	1.5	53,185	1.3	20,826	2.2	24,257	1.5
Subtotal	**1,278,602**	**59.6**	**1,887,823**	**63.4**	**2,787,259**	**70.7**	**632,546**	**66.0**	**1,192,761**	**75.0**
Powersports:										
ATV	620,427	29.0	737,818	24.8	754,722	19.1	221,201	23.1	262,534	16.5
Off-road motorcycles	122,560	5.7	186,796	6.3	187,881	4.8	69,360	7.2	79,948	5.0
Subtotal	**742,987**	**34.7**	**924,614**	**31.1**	**942,603**	**23.9**	**290,561**	**30.3**	**342,482**	**21.5**
Others[(2)]	122,657	5.7	164,192	5.5	211,568	5.4	35,738	3.7	56,180	3.5
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**958,845**	**100.0**	**1,591,423**	**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 and helmets.

Gross Profit and Gross Profit Margin

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our gross profit amounted to RMB799.5 million, RMB1,032.0 million, RMB1,626.2 million, RMB366.4 million and RMB658.9 million, and our gross profit margin amounted to 37.3%, 34.7%, 41.3%, 38.2% and 41.4%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
E-mobility products[(1)]	503,454	39.4	676,015	35.8	1,278,418	45.9	265,971	42.0	519,688	43.6
Powersports[(2)]	253,626	34.1	303,815	32.9	300,567	31.9	95,157	32.7	113,960	33.3
Others[(3)]	42,426	34.6	52,149	31.8	47,222	22.3	5,314	14.9	25,274	45.0
Total	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**

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 and helmets.

Profit for the Periods

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our profit amounted to RMB280.5 million, RMB431.3 million, RMB816.3 million, RMB188.8 million and RMB292.1 million, respectively.

Summary of Our Statements of Financial Position

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	605,195	1,381,423	2,013,031	2,079,903
Total current assets	3,182,289	3,157,166	3,893,206	4,097,020
Total non-current liabilities	64,424	58,726	145,311	158,806
Total current liabilities	781,228	1,353,353	2,140,348	2,300,255
Net current assets	2,401,061	1,803,813	1,752,858	1,796,765
Net assets	2,941,832	3,126,510	3,620,578	3,717,862

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, (ii) the increase in trade and notes payables of RMB271.4 million, and (iii) the increase in current borrowings of RMB204.9 million, partially offset by the increase in inventories of RMB491.3 million. Our net current assets remained relatively stable at RMB1,803.8 million, RMB1,752.9 million, and RMB1,796.8 million, as of December 31, 2024 and 2025 and April 30, 2026, respectively.

Net assets

Our net assets increased by 6.3% from RMB2,941.8 million as of December 31, 2023 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 (a) repurchases of shares under share schemes of RMB63.8 million, and (b) dividends of RMB217.7 million. Our net assets increased by 15.8% from RMB3,126.5 million as of December 31, 2024 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 (a) other comprehensive expenses of RMB26.2 million and (b) dividends of RMB326.5 million. Our net assets increased by 2.7% from RMB3,620.6 million as of December 31, 2025 to RMB3,717.9 million as of April 30, 2026, primarily reflecting profit for the four months ended April 30, 2026 of RMB292.1 million, partially offset by a dividend distribution of RMB163.6 million and other comprehensive expenses of RMB33.7 million.

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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash generated from operating activities	173,694	206,907	750,822	328,976	607,695
Net cash generated from/(used in) investing activities	(219,369)	(768,817)	(174,079)	108,704	(30,034)
Net cash generated from/(used in) financing activities	1,543,629	(264,492)	(454,612)	280,624	(566,632)
Net increase/(decrease) in cash and cash equivalents	1,497,954	(826,402)	122,131	718,304	11,029
Cash and cash equivalents at beginning of the year/period	142,706	1,649,015	840,755	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents	8,355	18,142	(680)	21,014	(33,419)
Cash and cash equivalents at the end of the year/period	1,649,015	840,755	962,206	1,580,073	939,816

RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties. Some of the major risks we face include, but are not limited to: (i) Global trade tensions, the initiation of anti-dumping ("**AD**") and countervailing duty ("**CVD**") investigations and increases in trade tariffs could adversely affect our business; (ii) 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; (iii) We may face intense competition in the E-mobility products and powersports industry; (iv) We are exposed to risks and uncertainties associated with operating, investing and expanding internationally; (v) We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, or we could experience greater product returns from retailers than expected, which could harm our business and operating results; (vi) Claims by third parties for alleged infringement of their intellectual property rights and other litigation could adversely affect our business; and (vii) We face exposure to foreign currency risks.

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 Advisor 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.

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,			Four months ended/As of April 30,
	2023	2024	2025	2026
Rates of return				
Return on assets	10.2%	10.4%	15.6%	4.8%
Return on equity	14.4%	14.2%	24.2%	8.0%
Liquidity ratios				
Current ratio	4.07	2.33	1.82	1.78
Quick ratio	3.16	1.44	1.02	0.99
Gearing ratio	10.2%	16.0%	28.6%	27.6%

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]

[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 the **[REDACTED]** of **[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: (i) 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; (ii) 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; (iii) Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to expand our sales and service network, with a focus on strengthening our brand influence, customer loyalty, and regional channel capabilities; (iv) Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to repay a portion of our bank loans; and (v) Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for working capital and other general corporate purposes.

MATERIAL MATTERS RELATING TO U.S. TARIFF AND STATUTORY PROCEEDINGS AND OTHER LITIGATION

During the Track Record Period, our revenue generated from PRC-origin products subject to U.S. tariffs amounted to RMB1,529.3 million, RMB2,275.3 million, RMB1,988.1 million and RMB389.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing approximately 71.3%, 76.4%, 50.4% and 24.5% of our total revenue for the respective periods. Our LSEVs are subject to ordinary customs duties and other applicable tariffs, as well as AD and CVD cash-deposit requirements, whereas our other PRC-origin products are generally subject to ordinary customs duties and other applicable tariffs. As of the Latest Practicable Date, imports of our PRC-origin ATVs, off-road motorcycles, electric scooters and electric balance bikes, and electric bicycles to the United States were subject to aggregate tariff rates of approximately 40.0%, 17.5%, 35.0% and 35.0%, respectively. To reduce our tariff exposure in relation to LSEVs, we ceased shipping finished PRC-origin LSEVs to the United States by the end of 2024 and reallocated our U.S.-bound LSEV production arrangements such that our Vietnam Base currently produces LSEV frames and selected components and our North America Base undertakes local assembly. ATVs and LSEVs manufactured in Thailand and exported to the United States would be subject to aggregate U.S. tariff rates of approximately 15.0% and 27.5%, respectively. However, our Thailand facility remained under

construction and had not commenced production as of the Latest Practicable Date. Accordingly, during the Track Record Period and up to the Latest Practicable Date, we did not export any products manufactured in Thailand to the United States or incur any related U.S. tariffs.

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 — Impact of U.S. Tariffs and Trade Measures" and "Business — Legal Proceedings and Compliance — Legal Proceedings."

- ***Dispute in connection with AD/CVD deposit demand.*** In August 2025, following investigations by the U.S. Department of Commerce and the ITC, the United States imposed AD and CVD orders on certain PRC-origin LSPTVs at rates of 291.04% and 41.14%, respectively. Following the imposition of U.S. AD/CVD orders on certain PRC-origin LSPTVs, U.S. Customs and Border Protection ("**CBP**") demanded estimated AD/CVD deposits totaling approximately US$9.0 million and subsequently issued claims for liquidated damages in the same amount in connection with certain imports by our U.S. subsidiary, Tao Motor, Inc ("**Tao Motor**"). Although Tao Motor's current principal business is the sale of ATVs, motorcycles and related accessories, it also imported LSPTVs into the United States for sale to customers during the Track Record Period. Accordingly, Tao Motor was subject to the cash-deposit requirements under the AD/CVD orders in respect of such imports. As advised by our Tariff Legal Advisor, our exposure for liquidated damages should be capped by the amount of customs surety bonds posted by us, which was US$1,200,000 (of which we have paid US$600,000 in cash as collateral). The relevant imports comprised 79 unliquidated entries of PRC-origin LSPTVs imported between November 1, 2024 and January 3, 2025. Tao Motor has petitioned for remission and filed a lawsuit in the U.S. Court of International Trade ("**CIT**") challenging the ITC decision, and we believe we are not under an immediate obligation to pay the demanded deposits. For details, please see "Risk Factors — Global trade tensions, the initiation of AD and CVD investigations and increases in trade tariffs could adversely affect our business," "Business — Impact of U.S. Tariffs and Trade Measures" and "Business — Legal Proceedings and Compliance — Legal Proceedings — Dispute in Connection with AD/CVD Deposit Demand."

- ***Tariff classification dispute.*** In a separate matter, GoLabs, Inc. ("**Golabs**"), one of our subsidiaries, challenged CBP's reclassification of certain hoverboards from "toys" to "other motor vehicles," which gave rise to assessed duties and Section 301 of the Trade Act of 1974 ("**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 and refunded approximately US$39,000 previously paid, with no further outstanding, ongoing or contingent implications on our Group arising from the matter. As of the Latest Practicable Date, the proceeding had concluded and there was no outstanding liability to our Group in respect of the relevant entry.

- ***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, while the utility patent allegations remain outstanding and as of the Latest Practicable Date, settlement conference was not held and the case remains under review by the ITC.

- ***Missouri wrongful-death lawsuit.*** Tao Motor is a defendant in a pending wrongful-death lawsuit relating to an off-road motorcycle. The plaintiff had not specified the amount of damages claimed, and settlement discussions are ongoing as of the Latest Practicable Date. The claim is covered by product-liability insurance of up to US$1.0 million, and no uninsured exposure had been identified.
- ***New York personal-injury lawsuit.*** Tao Motor is a defendant in a pending personal-injury lawsuit relating to an off-road motorcycle, in which the plaintiff seeks damages of more than US$75,000. The lawsuit is being defended by insurer-appointed counsel and is covered by product-liability insurance of up to US$1.0 million. As of the Latest Practicable Date, no uninsured exposure had been identified.

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 do not have any formal dividend policy or pre-determined dividend payout ratio. In 2023, 2024, 2025 and the four months ended April 30, 2026, we declared dividends of RMB164.0 million, RMB217.7 million, RMB326.5 million and RMB163.6 million, respectively, to our Shareholders. Our dividend payout ratios for the years ended December 31, 2023, 2024 and 2025 were approximately 58.2%, 50.4% and 40.1%, respectively. The dividend payout ratio for a financial year is calculated by dividing the aggregate cash dividends declared in respect of such financial year by the net profit for the same year attributable to owners of our Company and multiplying the result by 100%.

Future profit distributions may be conducted in the form of cash dividends, stock dividends or a combination thereof. Any proposed distribution of dividends is subject to the discretion of our Board and 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 factors 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.

[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]**, **[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]**) has been charged or is expected to be charged to our consolidated statements of profit or loss, and approximately **[REDACTED]** (**[REDACTED]**) 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 directly attributable to the **[REDACTED]** of Shares and will be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses represent approximately

[REDACTED] of the gross **[REDACTED]** of the **[REDACTED]**, assuming the **[REDACTED]** of **[REDACTED]** per **[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.

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 Sanctions 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, RMB46.6 million and RMB4.3 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing approximately 5.3%, 3.4%, 1.2% and 0.3% of our total revenue for the corresponding periods. We sold product to 10, 10, 11 and 6 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.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

U.S. Production Capacity

Subsequent to April 30, 2026 and up to the Latest Practicable Date, we continued to advance the build-out and production ramp-up of our North America base to support the growth of our LSEV business and enhance our localized production capabilities. As a result of the continued improvement in our production arrangements, our monthly production volume of LSEVs at our North American base exceeded 8,000 units in June 2026.

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 April 30, 2026 and there is no event since April 30, 2026 which would materially affect the information shown in our financial statements included in the Accountants' Report in Appendix I to this Document.

Summary of Unaudited Financial Information for the Six Months Ended June 30, 2026

We are a public company listed on the Shenzhen Stock Exchange and have disclosed unaudited key financial information prepared under PRC GAAP as of and for the six months ended June 30, 2026 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS 34, Interim Financial Reporting, in Appendix IA to this Document. Such information has been reviewed by our reporting accountant, Confucius International CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The members of our Board, including our Audit Committee, have received and reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, as set out in Appendix IA to this Document. We have complied with the code provisions in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, except for code provision C.2.1. (for details, please refer to "Directors and Senior Management — Corporate Governance"). We confirm that we will not breach our Articles of Association, applicable laws and

regulations of the PRC or other regulatory requirements as a result of not distributing a separate interim report for the six months ended June 30, 2026. Pursuant to the Note to Rule 13.48(1) of the Listing Rules, we do not intend to distribute a separate interim report for the six months ended June 30, 2026.

Our revenue increased by 60.6% from RMB1,713.3 million for the six months ended June 30, 2025 to RMB2,750.9 million for the six months ended June 30, 2026. Such increase was primarily attributable to higher sales of LSEVs in the United States, which were driven by (i) continued market demand for our LSEV products in the United States; (ii) the continued expansion of our LSEV dealer network, and greater market acceptance of our DENAGO and TEKO brands in the United States; and (iii) the continued optimization of our LSEV product mix toward higher-value models. Geographically, our revenue from the United States increased by 74.1% from RMB1,337.9 million for the six months ended June 30, 2025 to RMB2,328.8 million for the six months ended June 30, 2026.

Our gross profit increased by 70.9% from RMB680.0 million for the six months ended June 30, 2025 to RMB1,162.3 million for the six months ended June 30, 2026, primarily attributable to the growth in revenue from our E-mobility products, particularly LSEVs. Our gross profit margin increased from 39.7% to 42.2% during the same periods, primarily attributable to a shift in our revenue mix toward E-mobility products, which generally carried higher gross profit margins than our powersports products.

See "Appendix IA — Unaudited Interim Condensed Consolidated Financial Information" and "Financial Information — Recent Development and No Material Adverse Change" for details.

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
	[REDACTED]
"CAGR"	compound annual growth rate
"CBP"	U.S. Customs and Border Protection
	[REDACTED]
"Champion Holdings"	Champion Motorsports Group Holdings, LLC., a limited liability company incorporated in Delaware, USA on September 14, 2022 and an indirect wholly-owned subsidiary of our Company

"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
"CIT"	U.S. Court of International Trade
"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
"DOJ"	the United States Department of Justice
"EAPA"	the Enforce and Protect Act of 2015
"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" or "F&S Report"	a commissioned industry report prepared by Frost & Sullivan

[REDACTED]

"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

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

[REDACTED]

"IP Counsel"	Panorama IP Group PLLC, our intellectual property counsel as to U.S. intellectual property laws
"ITC"	U.S. International Trade Commission
"Latest Practicable Date"	September 1, 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
"Mr. Sun"	Mr. Sun Yong (孫永), the executive Director, secretary of the Board, chief financial officer and joint company secretary of the Company
"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)
"Nomination Committee"	the nomination committee of the Board
"North America Base"	the manufacturing base of the Company located in the North America
"OFAC"	The U.S. Treasury Department's Office of Foreign Assets Control

[REDACTED]

"OFSI"	The UK Office of Financial Sanctions Implementation

[REDACTED]

"PRC Base"	the manufacturing base of the Company located in the PRC
"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 Sole Sponsor and the Stock Exchange
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"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(ies)"	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(s)"	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)
"Sanctioned Trader"	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons
"SAT"	the State Administration of Taxation (國家税務總局)
"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

"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
"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)
"Strategy and ESG Committee"	the strategy and ESG 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, our legal advisor as to U.S. customs and international tariff laws and regulations
"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 and the four months ended April 30, 2026
"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. Legal Advisor"	DaHui Lawyers LLP, legal advisor to our U.S. subsidiaries as to U.S. laws in relation to our business operations in the United States
"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
"Vietnam Base"	the manufacturing base of the Company located in the Vietnam
"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
"%"	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
"AD" or "Anti-dumping Duty"	an antidumping duty imposed under Title VII of the Tariff Act of 1930, on imported merchandise sold, or likely to be sold, in the United States at less than fair value
"ASP"	average selling price
"ATV"	all-terrain vehicle
"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
"Base Customs Duty"	the customs duty imposed at the applicable rate in the "General" subcolumn of column 1 of the Harmonized Tariff Schedule of the United State, excluding any Section 301 Duties, AD, CVD or other additional duties or tariffs
"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
"CKD" or "Complete Knock-Down"	a production model under which vehicle parts and components are shipped separately to the destination market and assembled locally into finished vehicles
"CPSC"	Consumer Product Safety Commission, a historically-independent agency of the United States government which seeks to promote the safety of consumer products

GLOSSARY

"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
"CVD" or "Countervailing Duty"	a countervailing duty imposed under Title VII of the Tariff Act of 1930, on imported merchandise benefiting from a countervailable subsidy
"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 ATVs, 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
"floor plan financing"	a form of dealer inventory financing under which a financing provider extends credit to a dealer to fund purchases of inventory, with the financed inventory generally serving as collateral for the dealer's financing and the dealer repaying the financing
"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
"Import Duties"	the aggregate of the Base Customs Duty, Section 301 Duties, AD and CVD applicable to a particular import into the United States
"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

GLOSSARY

"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
"KBA"	Kraftfahrt-Bundesamt, a German federal authority for road traffic based in Flensburg, which is subordinate to the Federal Ministry of Transport
"large-displacement"	an internal combustion engine, having a relatively larger engine cylinder capacity, generally measured in cubic centimeters, or cc
"liquidation"	in the context of U.S. tariff, CBP's final computation or ascertainment of the duties payable on a particular import entry. It is a customs process concerning the final duty liability for goods that have already entered the United States; it does not refer to the winding-up of a company or determine whether the goods may be sold
"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
"PC"	polycarbonate, a durable, transparent, thermoplastic plastic known for its exceptional impact resistance, optical clarity, and heat resistance
"Section 301 Duties"	additional duties imposed pursuant to Section 301 of the Trade Act of 1974
"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
"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
"unliquidated entry"	in the context of U.S. tariff, an import entry for which the goods have generally already entered and been released into the United States but CBP has not yet completed the final computation or ascertainment of the duties payable. The goods may generally be sold in the ordinary course while the entry remains unliquidated
"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
- 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.

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

Global trade tensions, the initiation of AD and CVD investigations and increases in trade tariffs could adversely affect our business.

Our business is export-oriented, and substantially all of our products are sold to overseas markets including the United States. Shifts in global trade and investment policies, growing geopolitical tensions and increasingly intensive scrutiny by customs and regulatory authorities, particularly in relation to China and Chinese enterprises, could materially and adversely affect our operations, supply chain and financial results. Foreign governments may impose, adjust or remove tariffs, anti-dumping duties, countervailing duties and other trade restrictions at short notice, often in response to changes in economic or political conditions. This unpredictability makes it difficult for us to reliably forecast our costs, delivery schedules or margins.

During the Track Record Period, revenue generated from our PRC-origin products subject to U.S. tariffs amounted to RMB1,529.3 million, RMB2,275.3 million, RMB1,988.1 million and RMB389.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing approximately 71.3%, 76.4%, 50.4% and 24.5% of our total revenue for the respective periods. Our exposure to U.S. tariffs and trade-remedy measures arises in part from our multi-regional production and supply-chain arrangements. During the Track Record Period, a substantial majority of the products we sold in the United States were manufactured outside the United States, principally in the PRC and, beginning in 2024, Vietnam, and subsequently imported into the United States.

Our production and supply-chain arrangements expose us to risks relating to U.S. tariff classification, country-of-origin determinations, AD and CVD orders and customs enforcement. During the Track Record Period and up to the Latest Practicable Date, imports into the United States of our PRC-origin ATVs, off-road motorcycles, electric scooters, electric balance vehicles and electric bicycles were affected by multiple rounds of tariff adjustments, while imports of PRC-origin LSPTVs were subject to ordinary customs duties plus applicable CVD and AD rates. See "Business — Impact of U.S. Tariffs and Trade Measures."

Certain of our LSEVs have also been subject to U.S. anti-dumping and countervailing duty investigations relating to LSPTVs (including LSEVs) from the PRC and the resulting cash deposit requirements. On September 8, 2025, we commenced an action before the CIT challenging the critical circumstances determinations made in those investigations. The timing of the court's decision and the ultimate outcome of the proceedings remain uncertain. See "Business — Legal Proceedings and Compliance — Legal Proceedings — Dispute Relating to Anti-dumping and Countervailing Duty Cash Deposit Requirements."

As tariff rules and enforcement priorities continue to evolve, we may from time to time receive regulatory inquiries or become subject to investigations concerning tariff classification, country of origin and duty treatment. Such inquiries and investigations may take considerable time and management resources to resolve, and their timing, outcomes and impact on us may remain uncertain for an extended period.

Most recently, in March and April 2026, certain of our U.S. subsidiaries were notified by CBP of an investigation under the EAPA concerning allegations that certain LSEVs and rolling chassis, imported from Vietnam were of PRC origin. We deny these allegations and maintain that the manufacturing activities conducted in Vietnam were genuine. Based on the manufacturing operations conducted in Vietnam and its review of the supporting records and site-visit findings to the Vietnam Base, our Tariff Legal Advisor is of the view that the relevant products were manufactured at our Vietnam Base and that the likelihood of an adverse determination is low. However, the final determination rests with CBP.

In July 2026, one of our U.S. subsidiaries also received an information request from the DOJ in connection with a related investigation concerning the potential avoidance of import duties on LSEV imports. The DOJ may issue supplemental requests for information or documents before deciding whether to decline to pursue the matter, seek a settlement or unseal and pursue a civil complaint. The DOJ investigation is not itself an AD or CVD investigation and is procedurally separate from the EAPA investigation conducted by CBP. If the DOJ pursues the matter, it may seek potential penalties or duties in addition to any duties arising from the EAPA investigation. However, as advised by our Tariff Legal Advisor, the subject matter of the DOJ investigation is substantially coextensive with that of the EAPA investigation and appears to be based on substantially the same allegations concerning whether false statements were knowingly made to avoid payment of AD/CVD or other import duties. Our Tariff Legal Advisor is of the view that, absent new information, the DOJ investigation does not present a new basis for potential liability and that the relevant Group entities have complied with applicable laws and have not failed to declare any AD/CVD or other import duties due in respect of the relevant imports.

As of the Latest Practicable Date, both the EAPA and DOJ investigations remained ongoing, and no penalties had been imposed or proposed on any member of our Group in connection with either investigation, nor had any accounting provision been made. In relation to the EAPA investigation, CBP imposed interim measures under which it (i) suspended liquidation of entries of the products subject to the investigation made on or after December 30, 2025; and (ii) extended the liquidation period for entries of the products made before December 30, 2025. As a result of these interim measures, certain historical customs entries of the relevant merchandise imported into the United States during the approximately nine-month period from April 2025 to December 2025 remained unliquidated. The products underlying those entries had an aggregate entered value of approximately US$12.2 million. Such entered value represents only the value declared for U.S. customs purposes and does not constitute any cash deposit, assessed duty, penalty or other liability. CBP had not made any final evasion determination, assessed any final duties or asserted any quantified payment demand in respect of such entries. Based on the current circumstances and the views of our Tariff Legal Advisor described above, our Directors are of the view that the potential exposure in respect of such merchandise, including any potential duties or penalties, did not have and is not expected to have a material adverse impact on our Group's business operations. CBP has also required the relevant importers to use live entry for subsequent imports of the relevant merchandise from the PRC or Vietnam. As advised by our Tariff Legal Advisor, the live-entry requirement has had no practical impact on our Group, as we ceased importing finished golf carts and rolling chassis through those importers in January 2026 and now manufacture and assemble finished golf carts in the United States. In relation to the DOJ investigation, the matter remained at a preliminary stage. We continued to cooperate with CBP and the DOJ and, in consultation with our Tariff Legal Advisor, were considering the appropriate next steps in light of

further developments, including responding to any supplemental requests and, in the unlikely event of any adverse determination or enforcement action, pursuing available administrative or judicial remedies or defenses.

While any liability ultimately imposed on our U.S. subsidiaries could affect our Group's financial position, we are unable at this stage to reliably estimate our potential exposure or provide a meaningful estimate of the maximum potential liability. Based on the views of our Tariff Legal Advisor described above, including its view that, absent new information, the DOJ investigation does not present a new basis for potential liability, our Directors are of the view that the EAPA and DOJ investigations have not had and, based on the circumstances presently known, are not expected to have a material adverse impact on our Group's business operations. Nevertheless, there can be no assurance that the relevant authorities will agree with our position.

Investigations and proceedings of the kind described above, including the anti-dumping and countervailing duty proceedings, the EAPA investigation and the DOJ investigation, may result in additional duties, cash deposit requirements, penalties or other remedies, potentially with retroactive effect. Any such outcome could substantially increase our costs, disrupt our imports and supply-chain arrangements and reduce the competitiveness of our products in the U.S. market. An adverse ruling could also affect the treatment of our future imports and our ability to manage similar trade compliance matters. A prolonged investigation could consume significant management time and resources even if it does not ultimately result in an adverse determination. Any of these developments could materially and adversely affect our business, financial condition and results of operations.

The U.S. government has introduced multiple rounds of tariffs and related measures affecting numerous countries and industries. These policies are evolving rapidly, and future policy changes remain difficult to predict. 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, results of operations and ability to raise funds.

In a separate tariff-classification dispute, we initiated a litigation against CBP in the CIT, 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 results of operations.

Effective July 24, 2026, the United States imposed additional ad valorem tariffs of 12.5% under Section 301 on products originating from the PRC or Vietnam. As advised by our Tariff Legal Advisor, the additional 12.5% tariff applies to imports into the United States of our LSEVs, electric bicycles, electric scooters, electric balance bikes, ATVs and off-road motorcycles, as well as the frames, parts and components, in each case where they originate from the PRC or Vietnam. As of the Latest Practicable Date, the aggregate tariff rates applicable to our PRC-origin non-LSEV products ranged from approximately 20.0% to 40.0%, while the rate applicable to PRC-origin LSEVs was approximately 367.18%; the corresponding rates for our Vietnam-origin finished products ranged from approximately 12.5% to 27.5%. The validity of these tariffs is being challenged in litigation before the CIT. Because the new tariff action also applies to products originating from Vietnam, our use of Vietnamese-origin frames, parts and components for assembly in the United States may reduce our exposure to AD/CVD orders applicable to PRC-origin LSPTVs (including LSEVs) but may not eliminate our exposure to ordinary customs duties, Section 301 tariffs or other additional tariffs.

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.

Our fuel-powered powersports products are subject to evolving environmental and emissions requirements, and any failure to comply may adversely affect our business.

Our powersports products are fuel-powered and generate exhaust emissions that may contribute to air pollution. We sell these products in the United States, the European Union and other overseas markets, where applicable environmental, emissions, product approval and market access requirements may change or become more stringent over time. Certain of our powersports products may be subject to U.S. and EU laws and regulations governing pollutant emissions.

Compliance may require additional research and development, product modifications, testing and certification, which could increase our costs or delay product launches and sales. We may be unable to adapt our products or comply with new or amended requirements in a timely or cost-effective manner, or at all. Any non-compliance could result in penalties, restrictions on sales, loss of market access and reputational harm. In addition, growing environmental concerns and consumer preferences for lower-emission or electric products may reduce demand for our fuel-powered powersports products. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

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

We compete with domestic and international manufacturers and brands across the LSEV, electric two-wheeler and powersports markets. According to Frost & Sullivan, there were more than 50 competitors in each of the North American, EU, and Japan–South Korea LSEV markets. In 2025, we ranked first globally in the LSEV industry by revenue, with a market share of approximately 10.9%. We expect additional competitors to enter this market and as they do so, we expect that competition will intensify. 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. To compete, we may need to reduce prices, offer more favorable commercial terms or increase

our R&D, marketing and after-sales service expenditures. If we fail to compete effectively, we may lose customers, sales channels or market share, or experience lower sales and margins, which could materially and adversely affect our business, financial condition and results of operations.

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

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, we generated 98.9%, 99.0%, 97.6%, 97.4% and 97.7%, 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.

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 instability, 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.

We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, or we could experience greater product 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.

As of the Latest Practicable Date, Tao Motor was involved in two pending product liability lawsuits relating to our off-road motorcycles. The Missouri wrongful-death lawsuit arose from a traffic collision allegedly involving an off-road motorcycle, in which the plaintiff alleges negligence and a design defect in the motorcycle's fuel system. The plaintiff has not specified the amount of damages claimed, and settlement negotiations commenced in May 2026 remained ongoing as of the Latest Practicable Date. The separate New York personal-injury lawsuit relates to an alleged engine oil leakage from an off-road motorcycle, and the plaintiff seeks damages of more than US$75,000. Each lawsuit is covered by our product liability insurance policies with a coverage limit of US$1.0 million per occurrence. 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 a 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 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.

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

The industry in which our business operates is characterized by a large number of Third-party 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 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 and Shane Chen filed a complaint with the ITC against multiple respondents, including Golabs, 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.

We may be unable to renew our licences to use the "COLEMAN" and "MADDOG GEAR" brands, which could adversely affect our operations and financial performance.

We hold contractual rights to use the "COLEMAN" and "MADDOG GEAR" brands for specified products in the applicable territories. We do not own these trademarks. The initial term of the relevant licence agreement expires on December 31, 2028, and renewal is subject to the licensor's consent. We cannot assure you that the licences will be renewed on commercially acceptable terms, or at all. Any increase in royalties or more restrictive licensing conditions could increase our costs or limit our operations. If the licences are not renewed, we would no longer be entitled to use the relevant brands. This could disrupt sales and customer relationships, reduce revenue and result in inventory write-downs. We may also incur additional costs to develop and market products under alternative brands and modify packaging. Alternative brands may not achieve comparable market acceptance, and we may be unable to recover these costs or replace lost sales.

The estimated useful life of ten years adopted for the contractual licence rights takes into account anticipated renewals. If our renewal expectations are no longer supportable, we may need to shorten the remaining useful lives of these rights, resulting in higher amortization charges, and recognize impairment losses on the rights or other affected assets, including goodwill. These developments could materially and adversely affect our business, financial condition and results of operations.

We face exposure to foreign currency risks.

We recorded net foreign exchange gains of RMB17.8 million, RMB33.6 million and RMB20.0 million in 2023, 2024, and the four months ended April 30, 2025, respectively, and net foreign exchange loss of RMB36.7 million and RMB50.6 million in 2025 and the four months ended April 30, 2026, 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 net **[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 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 April 30, 2026, we had 11 KACs and 819 dealers. During the Track Record Period, our revenue from third-party dealers amounted to RMB262.5 million, RMB711.5 million, RMB1,848.0 million and RMB962.5 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing 12.2%, 23.9%, 46.9% and 60.5% of total revenue during the same periods. 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.

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 cash 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. 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, 2025 and the four months ended April 30, 2026 accounted for 49.7%, 48.9%, 34.8% and 20.0%, respectively, of our total revenue during the same 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 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, RMB3,941.4 million, RMB958.8 million and RMB1,591.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our gross profit amounted to RMB799.5 million, RMB1,032.0 million, RMB1,626.2 million, RMB366.4 million and RMB658.9 million during

the same periods, 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 and April 30, 2026, the carrying value of inventories was RMB714.8 million, RMB1,206.1 million, RMB1,705.8 million and RMB1,816.9 million, representing 18.9%, 26.6%, 28.9% and 29.4% 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, RMB14.3 million and RMB14.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. We have recorded relatively long inventory turnover days, and our inventory turnover days amounted to 199 days, 183 days, 232 days and 229 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. We employ a hybrid manufacturing approach integrating the BTS and BTO models. See "Business — Production — Our Manufacturing Models". Inaccuracies in sales forecasting under 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, 2025 and the four months ended April 30, 2026, our revenue from customers located in Russia amounted to approximately RMB112.9 million, RMB100.3 million, RMB46.6 million and RMB4.3 million, respectively, representing approximately 5.3%, 3.4%, 1.2% and 0.3% of our total revenue for the same periods. 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 business and ability to raise capital may be adversely affected by U.S. outbound investment restrictions and evolving regulatory requirements.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern, which became effective on January 2, 2025, to implement the Outbound Investment Rule ("**OIR**") established by Executive Order 14105. The OIR restricts direct and indirect investment by U.S. persons (as defined under the OIR) into "covered foreign persons," i.e., companies with specified connections to China that develop specific technologies of concern, including semiconductors, quantum computing and AI. See "Regulatory Overview – U.S. Outbound Investment Rule."

Uncertainty surrounding the interpretation and enforcement of these rules may dampen U.S. investor interest in our equity securities, potentially adversely affecting the trading price and liquidity of our H Shares. Any future changes to the rules or to our business could further limit our fundraising activities, and ongoing developments in foreign investment regimes across jurisdictions may adversely impact our strategic initiatives, financial performance and growth prospects.

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, RMB123.4 million, RMB27.3 million and RMB29.0 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, 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.

We may not be able to fulfill our obligations in respect of contract liabilities.

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we recorded contract liabilities of RMB26.0 million, RMB27.5 million, RMB57.0 million and RMB66.9 million, respectively. Failure to meet our obligations related to these contract liabilities could have a material 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 and April 30, 2026, our trade receivables amounted to RMB588.1 million, RMB698.2 million, RMB939.2 million and RMB1,081.9 million, respectively. In 2023, 2024 and 2025 and the four months ended April 30, 2026, our trade receivable turnover days were 79 days, 83 days, 80 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 amounted to RMB44.6 million, RMB49.3 million, RMB52.9 million and RMB62.0 million as of December 31, 2023, 2024, 2025 and April 30, 2026, 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, RMB47.7 million and RMB61.4 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, 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, 186 days and 183 days in 2023, 2024 and 2025 and the four months ended April 30, 2026, 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.

During the Track Record Period, our total purchases from our five largest suppliers accounted for 13.5%, 27.1%, 20.9% and 22.5% of our total purchase amount in 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively. Timely, cost-effective delivery from these suppliers is critical to our efficiency, competitiveness, and ability to execute our 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.

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 permit the grant of share awards, such as restricted A Shares, to our Directors, senior executives and other eligible persons, such as employees. For details, see note 9 to the Accountants' Report as set out 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, RMB7.5 million, RMB3.5 million and RMB1.3 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, 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 acceptance of our E-mobility products and powersports, attract and retain customers, maintain our current market position, and successfully differentiate our offerings from those of competitors. Our selling and marketing expenses amounted to RMB314.9 million, RMB313.4 million, RMB352.0 million, RMB110.9 million and RMB137.2 million, in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 14.6%, 10.6%, 8.9%, 11.7% and 8.7% 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 may not yield increased revenue.

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 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.

We rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights.

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, 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 and our patent rights may not protect us effectively.

As of the Latest Practicable Date, we owned 390 registered patents in China, 126 registered patents in the U.S., and 123 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 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 related accessories may fail to comply with applicable product-safety rules, standards or certification requirements, which could adversely affect our business.

Our products and related accessories are subject to product-safety, performance, emissions, labeling, testing and certification requirements that vary by product and jurisdiction. Depending on the relevant product and market, these include, among others, CCC requirements in China; CE marking, E-mark and ABE requirements in Europe; and applicable FMVSS, EPA, CARB and CPSC requirements in the United States. Certain products are also tested or certified to product-specific third-party standards, including UL 2849 and UL 2271. New product models, entry into new markets or material changes to product designs, components, suppliers or manufacturing arrangements may require additional testing, certification, approval or conformity assessment.

In addition, our products or components may fail applicable tests or be found not to comply with applicable requirements, or we may be unable to obtain, renew or maintain required certifications or approvals on a timely basis. We may consequently be required to delay or suspend the manufacture, importation or sale of affected products; redesign, retest, repair, replace or recall products; provide refunds; or pay fines or other liabilities. Any such event could increase our costs, disrupt our sales, result in claims or regulatory action and adversely affect our reputation, business, financial condition and results of operations. See "Business — Product Quality Control," "Business — Legal Proceedings and Compliance — Compliance — Administrative Penalty" and "Regulatory Overview."

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, 2025 and the four months ended April 30, 2026, the aggregate amount of third-party payments was approximately RMB123.2 million, RMB52.4 million, RMB73.9 million and RMB4.9 million, respectively, accounting for approximately 5.7%, 1.8%, 1.9% and 0.3% of our total revenue in the same periods, respectively. 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 inventory purchases by authorized dealers in the United States, may expose us to credit, liquidity and inventory repurchase risks. We generally bear the interest accrued during the first 60 days after the relevant financing is advanced. If a dealer defaults on its payment obligations, the relevant Financing Provider may repossess the financed inventory and require us to repurchase it. Upon any such repurchase, we may also be required to bear any unpaid interest accrued on the relevant financing, including interest accrued after the initial 60-day period. Any such repurchase would result in a reduction in the revenue previously recognized in respect of the relevant financed inventory. During the Track Record Period and up to the Latest Practicable Date, no dealer had defaulted on its payment obligations under these arrangements. These obligations

may increase our finance costs and adversely affect our profitability and liquidity. Any failure to effectively manage these risks, or any tightening 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 2025, and April 30, 2026, the closing balance of the financed amount under our floor plan financing arrangements was RMB32.6 million, RMB234.0 million and RMB304.0 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 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 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 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 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. Our contribution shortfalls amounted to RMB19.4 million, RMB25.9 million, RMB25.0 million and RMB7.6 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. 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. See "Business — Legal Proceedings and Compliance — Compliance — Social Insurance and Housing Provident Fund Contributions" for details. 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.

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 LSPTVs, 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. Golabs' prior dispute with CBP regarding the tariff classification of certain imported products was concluded in March 2026. 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.

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 and potential modifications to corporate income tax and value-added tax exemptions, which 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 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. See note 11 to the Accountants' Report as set out in Appendix I to this Document for details. 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.

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 our international operations, 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. 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 "— Global trade tensions, the initiation of AD and CVD investigations and increases in trade tariffs could adversely affect our business" in this section.

You should assess the legal protections you are entitled to under legal systems 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. 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 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 securities 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 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 **[REDACTED]** or **[REDACTED]** 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) (關於國税發1993045號文件廢止後有關個人所得税徵管問題的通知(國税函2011348號)) dated June 28, 2011 and issued by 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 IIT 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税的通知) 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 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税法) and its implementation regulations (collectively, the "**EIT Law**"), 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税有關問題的通知(國税函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, 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 remain uncertainties as to the outcome of any specific applications to recognize and enforce such judgments and arbitral awards in China.

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 Board 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 Board of the Shenzhen Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the ChiNext Board 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] 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 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 price 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]** 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 of part or all of the H Shares they hold immediately or within a 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.

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

As our A Shares are listed on the ChiNext Board 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, prospective **[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, forecasts and other statistics in this Document derived from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecasts and statistics in this Document are derived from official governmental publications and other publicly available sources. Such information from official government 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. Such information may have been compiled on a different basis or using different methodologies, assumptions or standards from similar information presented elsewhere and may not be directly comparable. Prospective **[REDACTED]** should therefore consider carefully the weight to be given to such information.

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 FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

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 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;

(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.

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 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 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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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 FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[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

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

As to International Sanctions laws:

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

As to U.S. customs and international tariff laws and regulations:

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

As to U.S. laws in relation to our business operations in the United States:

DaHui Lawyers LLP
1330 Avenue of the Americas
Suite 23A
New York
United States

As to U.S. intellectual property laws:

Panorama IP Group PLLC
8140 Walnut Hill Ln., Ste. 615
Dallas, Texas
United States

Legal Advisors to the Sole Sponsor and [REDACTED]

As to Hong Kong law:

Jingtian & Gongcheng LLP
Suites 3203–3209
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

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

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** *(the information contained on the website does not form part of this document)*
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)** *(associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 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) *(Chairperson)* Mr. CHEN Junze (陳軍澤) Mr. CAO Yuejin (曹躍進)
Remuneration and Appraisal Committee	Mr. ZHANG Jianxin (張建新) *(Chairperson)* Mr. CHEN Dongpo (陳東坡) Mr. SUN Yong (孫永)
Nomination Committee	Mr. CHEN Junze (陳軍澤) *(Chairperson)* 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) *(Chairperson)* 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

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 THE E-MOBILITY PRODUCTS AND POWERSPORTS MARKETS

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 transportation. They mainly comprise (a) LSEVs, which are typically designed with enclosed or semi-enclosed cabins, feature lower maximum speeds and shorter ranges, and meet multi-passenger short-distance travel needs; and (b) intelligent 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. Powersports principally comprise ATVs and off-road motorcycles and constitute a separate product market designed for outdoor and off-road scenarios.

Overview of the E-Mobility Industry Competitive Landscape

Among e-mobility manufacturers, those with annual revenue from e-mobility products exceeding US$300 million in 2025 are classified as top-tier players, while those with such revenue of US$50 million to US$300 million are classified as second-tier players.

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

Note: The US$300-million revenue benchmark for top-tier players is selected as this threshold denotes sufficient operational scale reflected by mature product commercialization, a sizable customer base and stable order intake; enterprises meeting this bar typically have full-fledged supply-chain capacity, R&D capabilities and global market reach, and it also creates a clear demarcation from the US$50-300-million second-tier bracket to enable practical revenue-driven peer grouping within the e-mobility industry.

OVERVIEW OF THE GLOBAL LSEV INDUSTRY

Definition and Classification of LSEV

LSEV means a four-wheeled motor vehicle that has an attainable speed of more than 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. LSEVs are subject to FMVSS No. 500, which requires each such vehicle to be equipped with headlamps, taillamps, stop lamps, front and rear turn signal lamps, reflex reflectors, a parking brake, windshield glazing, an exterior mirror on the driver's side, and either an exterior mirror on the passenger's side or an interior mirror. An LSEV must also be equipped with a lap belt for pelvic restraint or a seat belt that combines pelvic and upper-torso restraint.

LSEVs differ significantly from automobiles in terms of performance and functions, including intended use, road access, speed and operating characteristics. LSEVs are generally used in short-distance mobility scenarios, whereas automobiles are used for a broader range of travel needs, including medium- and long-distance travel. Accordingly, LSEVs and automobiles are not mutually substitutable. Rather, they may complement one another in meeting different mobility needs, with some households using LSEVs for routine local travel while retaining automobiles for longer journeys, group travel or cargo haulage that requires greater speed, range or carrying capacity. The table below sets forth a comparison between LSEVs and automobiles in these respects.

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	Broader road access
Speed	Low speed (20-25 mph)	High speed (>25mph)

Notes:

(1) *"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.*

(2) *"Low capacity, short range" refers to battery packs with small energy storage volume that support a single-charge driving distance below 20 km, while "high capacity, long range" means large-capacity batteries capable of delivering a single-charge mileage over 20 km.*

(3) *"Limited road access" means that, subject to applicable state and local road-use rules in the United States, LSEVs are generally permitted on roads with speed limits of 35 miles per hour or lower. "Broader road access" means that automobiles are generally permitted to operate on a broader range of public roads.*

The 20 km threshold has objective demand-side support. High-frequency daily trips including commuting, school runs and neighbourhood shopping are mostly within 20 km one-way. Travel patterns and vehicle preferences alter noticeably beyond this distance. The boundary effectively separates short-distance mobility demand from long-distance travel, and differentiates target users for low-range and high-range batteries.

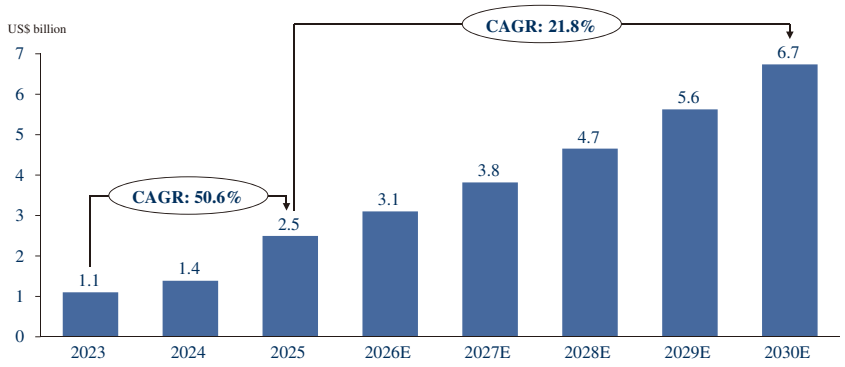
The 20 km threshold matches the product positioning of LSEVs. LSEVs are fundamentally designed to satisfy short-distance travel within 20 km, with vehicle and battery specifications optimised for short-range mobility. The threshold clearly distinguishes low-range battery solutions for short trips and high-range battery packages for longer journeys.

Source: Frost & Sullivan

Global LSEV Market Size

The global LSEV market increased from approximately US$1.1 billion in 2023 to approximately US$2.5 billion in 2025, representing a CAGR of approximately 50.6%. The global LSEV market is expected to further increase to approximately US$6.7 billion in 2030, representing a CAGR of approximately 21.8% from 2025 to 2030.

Global LSEV Market Size, 2023-2030E

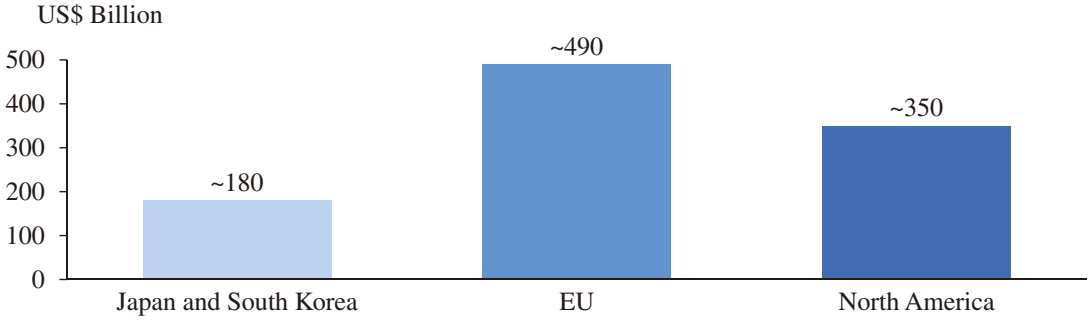


Source: Frost & Sullivan, IMF, expert interview, public filing

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 cover or serve. The aggregate SAM for LSEVs in the EU, North America, Japan and South Korea amounted to approximately US$1.02 trillion as of 2025, comprising approximately US$490 billion in the EU, approximately US$350 billion in North America and approximately US$180 billion in Japan and South Korea. The SAM estimates represent the potential addressable demand in the selected markets and are different from the actual historical or forecast market revenue of the global LSEV market.[1]

SAM Size for LSEV in Key Global Markets



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

Notes:

(i) Middle-class households refer to households with annual disposable income (purchasing power parity-adjusted) within the following ranges: US$48,000-110,000 for the United States, US$32,000-72,000 for the European Union, and US$29,000-64,000 for Japan and South Korea. Estimated middle-class households: 29 million in the US, 61 million in the EU, and 23 million in Japan and South Korea combined.

(ii) The income threshold is set based on consumer affordability to purchase LSEVs. Given gaps in local living costs and taxation, a uniform nominal income threshold has limitations. Purchasing power parity adjustment is adopted to improve cross-region comparability.

(iii) For serviceable addressable market (SAM) calculation, the theoretical penetration rate among target middle-class households is assumed to be 100%. The average selling price is modelled at US$8,000 per unit.

(iv) All underlying demographic and income data are sourced from Euromonitor, which is as of December 31, 2025.

Market maturity measures the penetration status of a target market: low market maturity indicates an emerging market at an early-stage penetration phase, while high market maturity represents a largely-penetrated market with limited further growth potential. In terms of relative market maturity among the selected regions, North America is the most developed, followed by the EU, while Japan and South Korea remain at an earlier stage of development. In terms of SAM size, the EU ranks first, followed by North America and Japan and South Korea. In terms of growth potential, measured by the estimated CAGR from 2026 to 2030, North America leads, followed by the EU, Japan and South Korea. There are more than 50 competitors in each of these key regional markets. Differences in relative market maturity, SAM size and growth potential are principally attributable to the intensity of short-distance travel demand, regulatory environment, consumer spending power and transportation use scenarios. The reference to market maturity is a relative assessment among the selected regions and does not represent the penetration rate of LSEVs.

Within the industry context, SAM refers to the market size derived under the assumption of 100% penetration of LSEVs among middle-class households. As SAM is estimated as of a specific point in time and does not reflect changes in market size over a period, CAGR and market maturity assessment metrics do not apply to SAM estimation.

LSEV INDUSTRY CHAIN

The LSEV industry chain comprises (i) upstream suppliers of batteries, motors, electronic control systems and other core components; (ii) midstream vehicle manufacturers and system integrators, including brand operators; and (iii) downstream distributors, service networks and end-use applications.

System integration, brand operation and downstream services generally represent higher-value-added areas within the LSEV industry chain. System integration refers to the technical integration of core components such as the battery, motor and electronic control system in compliance with applicable 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. The downstream service network refers to building a 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 is supported by pre-sales and after-sales services.

Factors Underpinning the Growth Potential of the LSEV Industry

Total Cost of Ownership Advantage

Cost advantage is a factor supporting LSEV market penetration, as LSEVs generally involve lower upfront costs (such as vehicle purchase price, mandatory insurance, registration-related fees and other one-time expenses upon acquisition) 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.

Over the product lifecycle, this cost advantage is also reflected in operating and maintenance costs. According to research by the U.S. Department of Energy cited by Frost & Sullivan, electric vehicles, the broader category to which LSEVs belong, save approximately 6 cents in fuel costs per mile compared with gasoline vehicles. LSEVs may also incur lower maintenance and repair costs than traditional automobiles because of their relatively simple mechanical structure and lower maintenance requirements, subject to applicable local requirements and usage scenarios.

Notably, LSEVs are not direct substitutes for traditional automobiles. Their cost advantages are material mainly in short-distance, low-speed travel scenarios such as intra-community commuting and neighborhood trips. In these use cases, the compelling cost-saving proposition may incentivise households to forgo owning a full-size traditional automobile altogether, since LSEVs can satisfy local mobility requirements adequately with a much lower total cost of ownership, avoiding the need to bear hefty vehicle-related expenses of conventional cars.

Adaptability to Short-Distance Travel and Usage Scenarios

LSEVs are designed for short-distance transportation and neighborhood mobility. Their compact size, low-speed design and relatively low operating and maintenance costs may make them suitable for certain short-distance scenarios, including neighborhood commuting, scenic area tours and transportation within campuses or communities, subject to applicable road-use rules. For purposes of this discussion, "adaptability to short-distance travel" refers to the practical advantages of LSEVs in terms of parking, maneuverability and day-to-day travel costs when used for low-mileage trips. "Short-distance mobility scenarios" refer to low-mileage travel within residential communities, urban neighborhoods and suburban towns that does not require the range or speed of full-size conventional vehicles. These scenarios include, among others, intra-community rides, local neighborhood trips and travel within communities, campuses or other permitted lower-speed environments, subject to applicable road-use rules. For these limited use cases, the higher speed and broader range of full-size automobiles may not be required, while LSEVs may involve lower energy and maintenance costs. The same product characteristics also limit their application beyond such scenarios. Accordingly, LSEVs generally serve as a supplementary mobility tool rather than a substitute for full-size automobiles.

Diversified Demand in Community Scenarios

Demand for stable transportation and short-distance shopping among elderly users, flexible transportation and convenient parking among younger users, and equipment transportation in daily community operations support demand for LSEVs in community settings. Lightweight vehicle designs, foldable designs and improved driving-range capabilities may further increase the suitability of LSEVs for community transportation scenarios. Foldable designs refer to designs that enable key components such as seats or the whole LSEV to be folded to reduce the vehicle's volume for storage or transportation.

Development of Outdoor Leisure Scenarios

The outdoor leisure economy covers activities relating to golfing, camping, cycling, hiking, mountaineering and suburban excursions. The development of outdoor leisure activities, such as scenic area tours and camping, has increased demand for mobility products that are convenient, quiet and suitable for outdoor usage scenarios. Compared with traditional fuel-powered transportation vehicles, LSEVs have no tailpipe emissions during operation, generate relatively quiet and are generally compact in size. These features may support their use in scenic areas, campsites and other outdoor leisure settings. Smart modules supporting functions such as navigation, Bluetooth connectivity and smart locks may further improve user convenience in these scenarios.

Growing B2B Market for Commercial Supporting and Campus Operation Scenarios

LSEVs enjoy stable and repeatable procurement demand in diversified closed-site commercial scenarios, forming a vital incremental B2B market. B2B (business-to-business) means sales to corporate and institutional fleet customers instead of individual consumers. Industrial parks, logistics zones, university campuses, resort hotels, senior care communities and large commercial complexes have consistent demand for standard low-speed vehicles to support on-site passenger shuttle, security patrol,

property maintenance and lightweight material transportation. Such institutional and corporate clients prefer standardized, cost-effective LSEV products, delivering steady bulk purchase demand that complements consumer-end market growth.

Scenario-Based Customization and Derivative Product

LSEVs feature universal and standardized chassis structures, supporting flexible lightweight customization to develop derivative models for niche commercial scenarios. Based on the basic vehicle platform, manufacturers can launch specialized inspection vehicles, scenic shuttle vehicles and auxiliary logistics delivery vehicles to meet segmented industrial and operational demands. Such customizable product attributes enable manufacturers to expand market coverage with existing production capacity, improve capacity utilization and tap into high-potential niche B2B segments beyond conventional personal mobility scenarios.

Key Competitive Factors for LSEV Enterprises

Production and Supply Chain Configuration

Certain established enterprises focus on the United States as a key market and have adopted production arrangements involving supply-chain hubs outside the United States, including Southeast Asian countries, and vehicle or core-component manufacturing capabilities in the United States. Such arrangements may enable the relevant enterprises to use local labor and raw material resources, control production costs and respond to demand in key markets. The production arrangements adopted by market participants may vary depending on their principal markets, supply chains and operating strategies.

Established Overseas Sales Network

Building distributor relationships and cultivating quality distributors are important for leading manufacturers in developing their overseas sales networks. Leading manufacturers focus on developing distributor systems and selecting and cultivating partners with financial capabilities and potential for deeper collaboration.

Continuous Product Iteration Capability

Established enterprises focus on users' needs and usage scenarios to drive product upgrades across hardware, functionality and user experience. Such user-oriented product iteration may help enterprises respond to market changes, differentiate their products and support sales and brand recognition.

LSEV INDUSTRY ENTRY BARRIERS

Technical Barriers

The LSEV industry has relatively high technical requirements. Enterprises must possess technical expertise in batteries, motors, electronic controls, vehicle chassis and system integration. Optimization of the chassis structure and integration of batteries, motors and electronic controls require continued research and development investment and engineering support. Furthermore, product iteration in the industry is rapid, making it difficult for new entrants to reach the required technical level within a short period of time. Significant time and capital must be devoted to research and development. These factors collectively constitute technical barriers.

Supply Chain Barriers

A well-established supply chain system is important for ensuring product quality and supply stability. Established enterprises have built cooperative relationships with suppliers, enabling them to support stable raw material supply and cost control. Certain enterprises may also benefit from regional production arrangements. For new entrants, building an efficient and stable supply chain system requires considerable time and effort to identify suitable suppliers and coordinate the various segments of the supply chain. Therefore, the supply chain constitutes an entry barrier within the industry.

Principal Industry Challenges

Regulatory Compliance Barriers

LSEVs face fragmented regulatory compliance barriers across different jurisdictions. Road-access permissions, speed limitations and vehicle certification standards vary widely by region, which restricts cross-regional deployment and market roll-out. Some regions impose strict requirements on vehicle safety performance and technical specifications, raising compliance costs for manufacturers. Continuous adaptation to local regulatory updates will be critical for LSEV market expansion.

Core-component Supply-chain Risks

Stable supply of core components represents a key challenge for the LSEV industry. Batteries, motors and electronic controls are essential building blocks for LSEV performance. Fluctuations in raw-material prices and supplier capacity constraints may cause supply volatility and pressure product quality consistency. Effective supplier management and multi-sourcing strategies can help mitigate such supply-chain risks.

End-user Usage Limitations

Inherent product attributes bring practical usage limitations for end-users. Restricted maximum speed and limited driving range constrain LSEVs from meeting long-distance and high-speed travel needs. Limited road-access scope also narrows applicable travel scenarios. In addition, LSEV battery performance is susceptible to extreme weather conditions; cold climates in northern U.S. regions substantially reduce vehicle range and operational stability, further restricting year-round usability. Technology upgrades targeting range enhancement and safety optimisation can help broaden LSEVs' real-world application boundaries.

Global LSEV Market Ranking

The following table sets forth the ranking and market shares of the five largest enterprises in the global LSEV market in terms of LSEV revenue in 2025. The Company ranked first with LSEV revenue of approximately US$271.9 million and a market share of approximately 10.9%.

Ranking	Company	LSEV revenue (US$million)	Market share
1	The Company	271.9	10.9%
2	Company A	240.3	9.6%
3	Company B	164.6	6.6%
4	Company C	106.4	4.3%
5	Company D	48.1	1.9%

Source: Frost & Sullivan, expert interviews and public filings

Notes:

(1) Company A is a non-listed company established in 2007, focusing on the research and development, production and sales of LSEVs.

(2) Company B is an operating subsidiary and core brand of a publicly listed group and is managed under the group's specialized vehicles division. Its core business comprises the research and development and manufacture of LSEVs.

(3) Company C was established in 1958, which was listed on Nasdaq in 1993 and subsequently delisted in 1995. Company C focuses on the research and development, production and global sales of LSEVs.

(4) Company D is a non-listed company founded in 2017, with its core business being the research and development and production of LSEVs.

OVERVIEW OF THE GLOBAL INTELLIGENT ELECTRIC TWO-WHEELER INDUSTRY

Definition and Classification of Intelligent Electric Two-Wheelers

Intelligent electric two-wheelers are two-wheeled transportation tools that integrate electronic information technology, intelligent control technology and electric drive systems. They are used in scenarios such as short-distance commuting and leisure activities. Based on product form and functional positioning, intelligent electric two-wheelers are generally classified into electric balance bikes, electric bicycles and electric scooters.

Classification of Intelligent Electric Two-Wheelers

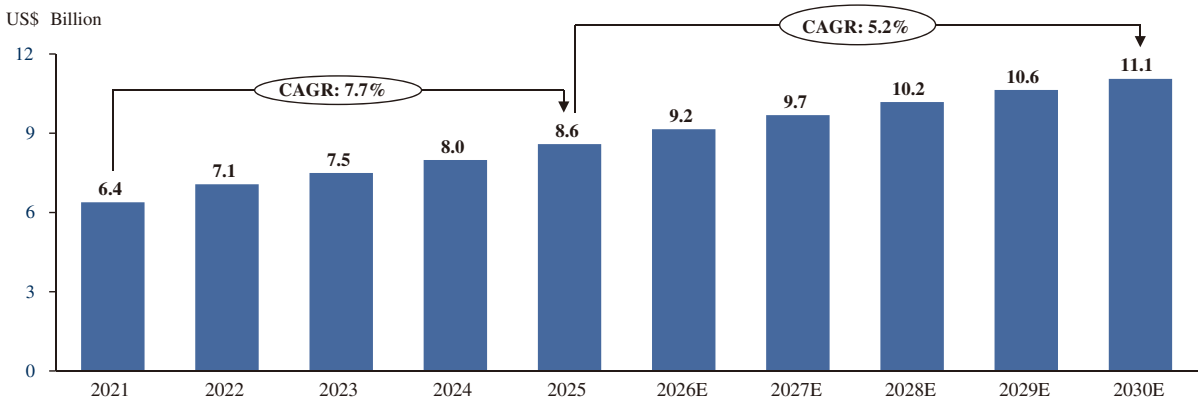
Product type	Key characteristics	Typical scenarios
Electric balance bikes	Rely on gyroscopes and acceleration sensors to achieve automatic balance and are mostly stand-on models	Short-distance transportation and leisure activities
Electric bicycles	Retain the pedal-cycling function of traditional bicycles and are equipped with motor-assisted drive, handlebars and seats	Daily commuting and shopping
Electric scooters	Use a scooter frame and are equipped with a motor, handlebars and small wheels; generally lightweight and foldable	Last-mile commuting

Source: Frost & Sullivan

Intelligent Electric Two-Wheeler Market Size

The global intelligent electric two-wheeler market increased from approximately US$6.4 billion in 2021 to approximately US$8.6 billion in 2025, representing a CAGR of approximately 7.7%. The market is expected to further increase to approximately US$11.1 billion in 2030, representing a CAGR of approximately 5.2% from 2025 to 2030.

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



Source: Frost & Sullivan, expert interview, public filing

North America and Europe, which are relatively mature markets, together account for more than 70% of the global intelligent electric two-wheeler market. These markets are expected to record CAGRs significantly below 5% from 2025 to 2030 as penetration is relatively high and consumer demand shifts toward replacement purchases. Emerging markets, including South America and Southeast Asia, account for less than 30% of the global market and are expected to record CAGRs close to 10% over the same period, supported by demand for short-distance transportation amid urbanization and rising consumer purchasing power. Because mature markets account for the majority of the global market, the overall global CAGR is expected to be approximately 5.2% from 2025 to 2030 notwithstanding the faster growth of certain emerging markets.

Selected Component and Upstream Material Price Trends

The manufacture of LSEVs and intelligent electric two-wheelers is affected by fluctuations in the prices of batteries and motors, while primary aluminum is used in vehicle frames and other components, while iron ore is an upstream input into steel production. The selected battery and below-500W hub motor specifications set out below illustrate component price trends relevant to intelligent electric two-wheelers. The following table sets forth the historical price ranges and principal pricing factors for the selected components and materials from 2023 to 2026E.

Selected input	Unit	2023	2024	2025	2026E	Key factors influencing pricing
Lithium iron phosphate batteries (24V 10AH)	RMB/unit	300-450	200-350	150-280	120-220	Fluctuations in lithium carbonate and iron phosphate prices affect battery costs. Expansion of raw-material and battery-cell capacity contributed to oversupply and downward pricing pressure.
Hub motor (below 500W)	RMB/unit	300-600	250-500	200-420	160-350	Price movements of praseodymium and neodymium affect permanent-magnet material costs. Optimization of magnet geometry may reduce material usage.
Primary aluminum	RMB/ton	17,000-20,000	18,000-22,000	17,500-21,000	17,000-20,500	Stable supply and demand from lightweight vehicle frames influenced prices in 2023 and 2024. Down-stream demand from lightweight vehicle frames represents a key source of primary aluminium consumption. Rising or moderating adoption of aluminium-based vehicle frames shifts overall market demand balance and drives primary aluminium price movements.
Iron ore	RMB/ton	700-950	700-850	680-820	650-780	Shipments from Australia and Brazil affected supply and volatility. Vehicle and construction demand influenced steel-related prices after 2023.

Source: Frost & Sullivan

Note: Methodology: For lithium iron phosphate batteries, we extrapolate the historical price decline driven by raw material cost reduction and capacity expansion, and adjust based on the expected supply-demand pattern; for hub motors, the price trend is linked to the cost fluctuation of rare earth raw materials and the progress of technical optimization that reduces material consumption; for primary aluminum and iron ore, we refer to the historical price volatility range, and derive reasonable price intervals by combining global supply-side changes and downstream demand expectations.

Source: *Mysteel and other mainstream commodity information agencies, industry association reports such as official releases by the China Automotive Battery Innovation Alliance (CABIA), the Australian Department of Industry, Science, Energy and Resources*

In particular, fluctuations in the prices of praseodymium and neodymium affect the material cost of permanent magnets used in hub motors; they do not directly reduce electricity costs. Electricity and other energy costs are instead relevant to the production cost of energy-intensive materials such as primary aluminum.

Drivers of the Intelligent Electric Two-Wheeler Market

Urbanization-driven and convenience-oriented lifestyle changes have increased demand for short-distance commuting, neighborhood travel and leisure mobility. Users may choose intelligent electric two-wheelers for certain short-distance trips due to lower costs, ease of access and adaptability to congestion and parking constraints. Such demand supports the global market for intelligent electric two-wheelers.

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 cooperation with key suppliers, supporting advantages in cost, consistency and reliability. New entrants generally lack the supply-chain maturity and verification cycles required to ensure product stability.

Distribution and Service Barriers

Intelligent electric two-wheelers are used frequently and require ongoing maintenance, which places demands on sales and after-sales service capabilities. Established players operate offline service networks, while new entrants must invest resources to build comparable capabilities. Limited channel coverage and after-sales capacity may constrain the ability of new entrants to achieve market penetration.

Principal Industry Challenges

Mature-market Incremental Demand Constraints

The intelligent electric two-wheeler industry faces limited incremental demand across North America and Europe, where market penetration is relatively high and demand is dominated by replacement purchases. Slow underlying market growth intensifies industry-wide competition as new market entrants keep joining. The whole industry is compelled to increase spending on performance, safety and intelligent functions to compete for limited market stock.

Industry-wide Core-component Matching Barriers

Safe and stable operation of intelligent electric two-wheelers requires effective coordination among batteries, motors, controllers and structural frames. From an industry perspective, inconsistent component specifications across the supply chain create widespread matching-and-calibration difficulties. Non-standard component interfaces may bring pervasive safety risks for the whole industry. Unified industry-level component interface standards can help ease such technical obstacles.

Industry-wide After-service Infrastructure Gaps

High-frequency daily usage of intelligent electric two-wheelers generates persistent after-service requirements across the whole industry. Many regions lack well-established supporting distribution and after-sales infrastructure to meet mass maintenance needs. Insufficient public service capacity restricts further market popularization. The development of shared industry service networks could help improve overall service capacity.

Global Intelligent Electric Two-Wheeler Market Competitive Landscape

The global intelligent electric two-wheeler market comprises established manufacturers, including certain leading Chinese manufacturers, with capabilities in technological research and development, compliance certification and supply-chain integration, while other market participants, which are generally smaller in scale, are relatively fragmented and principally provide regional OEM services.

Chinese manufacturers account for a significant share of global shipments, exceeding 50% of total global shipments, supported by integrated supply chains, production scale and broad product portfolios. Certain overseas local manufacturers operate at a smaller scale and may have narrower product portfolios or less integrated supply chains. The Company ranks among the top 30 players globally in the intelligent electric two-wheeler market, with a market share of 1.3%.

OVERVIEW OF THE GLOBAL POWERSPORTS INDUSTRY

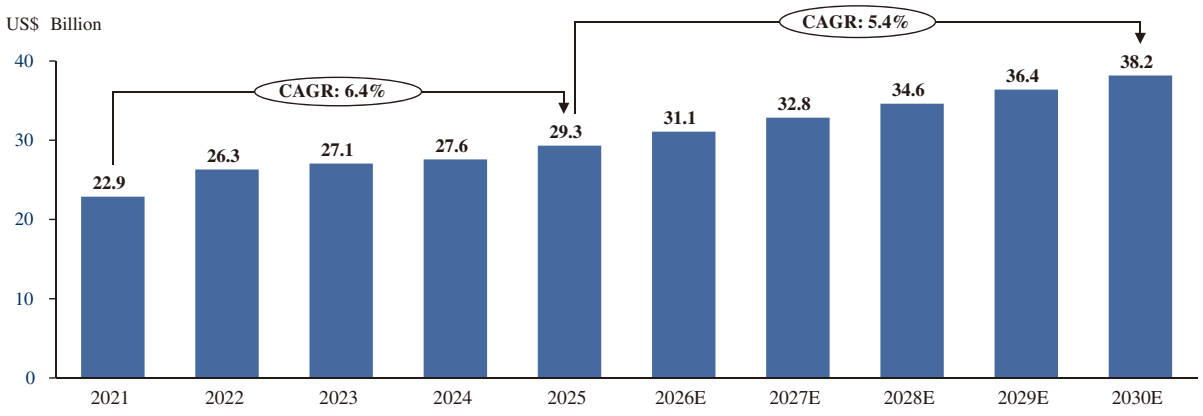
Definition and Classification of Powersports

Powersports are vehicles designed for demanding outdoor and off-road scenarios and to operate under varied terrain and environmental conditions. They principally comprise ATVs and off-road motorcycles. ATVs can traverse terrains such as rugged mountains, muddy areas and gravel surfaces and may be used in outdoor exploration, off-road competitions and certain outdoor work scenarios. Off-road motorcycles are relatively flexible and portable and may be used in outdoor areas requiring maneuverability, such as rural roads and roads around scenic areas, as well as in outdoor recreation and leisure activities.

Global Powersports Market Size

The global powersports market increased from approximately US$22.9 billion in 2021 to approximately US$29.3 billion in 2025, representing a CAGR of approximately 6.4%. The market is expected to further increase to approximately US$38.2 billion in 2030, representing a CAGR of approximately 5.4% from 2025 to 2030.

Global Powersports Market Size by Revenue, 2021-2030E



Source: Frost & Sullivan, expert interview, public filing

North America accounts for approximately half of the global powersports market due to its established outdoor recreation culture and is expected to record a CAGR of less than 5% from 2025 to 2030. Europe and the Asia-Pacific region together account for less than 40% of the global market and are expected to record a CAGR of approximately 5% over the same period. Emerging markets, including Latin America and Southeast Asia, account for approximately 10% of the global market and are expected to record a CAGR of approximately 10%, supported by agricultural mechanization, outdoor recreation demand and infrastructure construction.

Selected input	Unit	2023	2024	2025	2026E	Key factors influencing pricing
Iron ore	RMB/ton	700-950	700-850	750-900	720-880	Shipments from Australia and Brazil affected supply and volatility. Vehicle and construction demand influenced steel-related prices after 2022.
Hot rolled steel coil	RMB/ton	3,800-4,200	3,600-4,000	3,700-4,100	3,650-4,050	Raw material costs, downstream demand from automotive/construction sectors, and environmental production restrictions drive price fluctuations. In 2025, price was jointly affected by raw material cost support and demand recovery in the automotive and machinery industries; in 2026, the expectation of industry supply surplus increases, putting slight pressure on prices, with the core driver still coming from the upstream and downstream supply-demand matching.

Global Powersports Industry Drivers and Development Trends

Policy-Driven Green and Intelligent Development

Certain policies concerning special-purpose or non-road vehicles may influence the development of relevant powersports product categories toward lower emissions and increased use of intelligent technologies. For example, Regulation (EU) 2016/1628 governing emissions from non-road mobile machinery sets emission requirements and drives the standardisation of technical compliance for off-road vehicles. Such policies incentivise market participants to invest in R&D to enhance the environmental performance, electrification and intelligence of relevant vehicles.

The New Energy Vehicle Industry Development Plan (2021-2035) only applies to road-legal new energy vehicles and does not cover off-road powersports products such as ATVs and off-road motorcycles.

EU Regulation (EU) 2016/1628 applies only to fuel-powered ATVs rather than off-road motorcycles. It unifies EU environmental and market access standards for ATVs, eliminates backward low-end products and standardizes industry competition, effectively stimulating end-market

consumption. The regulation sets binding statutory limits on exhaust emissions, noise and engine technical specifications for ATVs placed on the EU market. To obtain EU-type-approval certification and maintain market access, powersports manufacturers have to upgrade their engine hardware, optimize combustion systems and adjust component configurations to meet tightened regulatory thresholds. Such mandatory compliance requirements drive the manufacturers' R&D iteration and product-upgrade activities.

Technological Innovation Enhances Product Performance and Functionality

Developments in battery technologies may improve the performance and functionality of powersports vehicles, including their driving range, operational convenience and safety. Solid-state batteries use a solid electrolyte as the medium for ion transmission and may offer higher energy density and longer driving range. However, the technology remains at an early stage and has not been widely adopted in powersports vehicles. The TLG Super Electric Y7 is an example of a vehicle using solid-state battery technology, which falls into powersports.

Powersports Industry Entry Barriers

Product Barriers

Powersports vehicles operate in demanding environments, including mountainous, muddy and gravel terrain, which impose stringent requirements on 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 reliability credentials that are difficult for new entrants to replicate within a short period of time.

Supply Chain Barriers

The powersports industry relies on coordinated supply-chain collaboration and requires manufacturers to build stable links across upstream components and downstream channels. New entrants that lack long-standing supplier integration and established channel resources face substantial challenges in building comparable systems, which constitutes an entry barrier.

Global Powersports Market Competitive Landscape

There were approximately 50 to 100 material participants in the global powersports market in 2025, with a material participant defined as a market participant generating annual revenue of more than RMB10 million from its powersports business. The market was concentrated among leading participants. The Company was not among the five largest participants but ranked within the top 30 globally in terms of powersports revenue, with an estimated market share of approximately 0.5% in 2025.

Notes:

(i) Solid-state batteries are currently and expected to be applicable to ATVs and off-road motorcycles.

(ii) Solid-state batteries improve vehicle range, safety and energy density to deliver enhanced product performance.

(iii) The core usage scenarios remain unchanged, while extended scenarios such as long-distance outdoor work and prolonged off-road riding can be unlocked.

(iv) Improved performance expands potential end-user demand, driving higher sales and revenue growth for manufacturers.

The scope covers global powersports vehicle manufacturers. The methodology integrates third-party industry reports, public financial statements and expert interviews. Data sources include authoritative market research institutions and public disclosures of listed companies.

Overseas manufacturers have a significant position in the global powersports market, supported by brand heritage, technological research and development, global supply chains, regulatory compliance and market positioning. Certain manufacturers further strengthen their positions through the integration of intelligent technologies.

The powersports industry originated in overseas mature markets. Supported by long-term technical accumulation, established brand recognition and comprehensive global dealership networks, overseas manufacturers occupy a dominant position worldwide. It is estimated that Chinese manufacturers collectively account for around 10% of the global market share in 2025. Leveraging cost advantages, electric product portfolios and continuous overseas channel development, Chinese players are expected to achieve steady market share growth over the medium and long term.

SOURCE OF INFORMATION

This section includes information from the F&S Report commissioned by us, as we believe such information facilitates an understanding of the global LSEV, intelligent electric two-wheeler and powersports industries. We believe that Frost & Sullivan has specialized research capabilities and experience in these industries. Frost & Sullivan is an independent market intelligence provider that provides market research, information and advice to companies in various industries, including the global LSEV, intelligent electric two-wheeler 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, including 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 United States 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 during the forecast period, and (4) there will be no extreme force majeure events or new industry regulations 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.

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 Announcement of the National Certification and Accreditation Administration on Issuing the Implementation Rules of Compulsory Product Certification of Electric Bicycles (《國家認監委關於發佈電動自行車強制性產品認證實施規則的公告》), promulgated by the National Certification and Accreditation Administration ("**CNCA**") on April 18, 2025 and came into effect on the same day, electric bicycles are subject to compulsory product certification ("**CCC certification**"). The manufacturers shall ensure that the certified products produced can continue to meet requirements of the 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.

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 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 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 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 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 (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology 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 stipulated, consignees and consignors of import and export goods may complete customs declaration and tax payment procedures on their own, or entrust customs declarant enterprises to handle such procedures on their behalf. All consignees and consignors of import and export goods as well as customs declarant enterprises shall complete filing formalities with Customs in accordance with the law when conducting customs declaration.

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 December 27, 2025, 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 import and export 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 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 EIT 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税法》) (the "**VAT Law**"), promulgated by the National People's Congress which is 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 People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds in Connection with Overseas Listings by Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and effective from April 1, 2026, the People's Bank of China, the State Administration of Foreign Exchange and their respective branches shall supervise, administer and inspect the business registration, opening and use of accounts, cross-border receipts and payments, currency conversion and other activities in connection with overseas listings by domestic enterprises. A domestic enterprise conducting an overseas listing shall, within 30 working days after the first trading day of its overseas listing or the completion of the exercise of the over-allotment option, submit the relevant materials to a bank within the jurisdiction of the provincial-level branch or branch in a city specifically designated in the state plan at the place of its registration to complete the 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 SCNPC 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.

Overseas Listing

On February 17, 2023, the CSRC promulgated 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 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 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 each such vehicle be equipped with headlamps, taillamps, stop lamps, front and rear turn signal lamps, reflex reflectors, parking brake, anti-glazing windshield and an exterior mirror on the driver's side and either an exterior mirror on the passenger's side or an interior mirror. A low-speed

vehicle also must have a lap seat belt for pelvic restraint or a seat belt that combines pelvic and upper-torso restraint. 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 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 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 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.

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 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 ("**HTS**") 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.

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 ("**Department of Commerce**") 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 Department of Commerce may initiate anti-dumping or countervailing duty investigations based on petitions filed by domestic manufacturers or on its own initiative. If the Department of Commerce determines that dumping or subsidization exists, and the ITC 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 Department of Commerce 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 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 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 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.

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.

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 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. The Foreign, Commonwealth and Development Office publishes the UK Sanctions List whereas OFSI has responsibility for civil enforcement of the UK's financial sanctions.

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.

U.S. OUTBOUND INVESTMENT RULE

On October 28, 2024, the Treasury released the OIR, implementing Executive Order 14105, prohibiting or requiring the notification of certain outbound foreign investments by U.S. persons into certain "countries of concern," currently defined to include only China (including Hong Kong and Macao). Effective January 2, 2025 and subject to certain exceptions, the OIR prohibits U.S. persons from, or requires notification to the U.S. government of, any (i) "covered transaction" involving (ii) a covered foreign person (iii) who is engaged in any "covered activity" involving the semiconductors and microelectronics, quantum information technologies and artificial intelligence sectors. A "covered transaction" includes equity investment. The OIR allows limited exceptions to the prohibition or notification requirement, including for U.S. investments in publicly traded securities, so long as such investments do not afford the U.S. person rights beyond "standard minority shareholder protections" with respect to the "covered foreign person." On December 18, 2025, the U.S. Congress enacted the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which codifies and expands the OIR and provides independent statutory authority for the program for at least seven years. The Treasury was given 450 days to amend the OIR to conform with the provisions set forth therein, and the existing OIR remains in effect until then.

OVERVIEW

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 off-road 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, TEKO, to further improve its marketing network for LSEV in North America;
	We acquired the entire issued share capital of Champion Holdings to expand our sales scale and enrich the portfolio of our own brands in the USA.

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

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
TransVolt Inc.	100%	Sales of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories	March 11, 2025, 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	400,000	0.49
Other Shareholders[(1)]	2,000,000	2.44
Total	**82,000,000**	**100.00**

Note:

(1) 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 April 16, 2026 (being the record date for the 2025 annual general meeting of the Company), save for two institutional Shareholders, no other Shareholders held any A Shares issued in the A Shares listing.

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. Ms. Cao, the sister of Mr. Cao, our executive Director and general manager, is the sole general partner of both Zhongjiu Investment and Zhongbang Investment. It is a common practice among A-share listed companies in the PRC for employee shareholding platforms to be managed by a family member of the director or controlling shareholder. Such arrangement is mainly adopted for commercial reasons, including: (i) ensuring the stability and continuity of the employee platform's management; (ii) maintaining alignment of interests with the Company's long-term development objectives; and (iii) providing a trusted and accountable individual to manage the platform on behalf of the employee participants.

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. 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 6.41% 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 held approximately 58.00% partnership interests in Zhongbang Investment, with the remaining interests held by 41 other current employees and 3 resigned employees of the Group, who were 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 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 Scheme	2,037,440	1.86
Other A Shareholders	27,296,160	24.97
Total	**109,333,600**	**100.00**

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	26.91
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 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 the **[REDACTED] [REDACTED]** of **[REDACTED]** per H Share, the Company's market value of H 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 (December 15, 2025, U.S. time), 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 Holdings (the "**Acquisition**"). Following the completion of the Acquisition in late December 2025, 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. 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 the applicable 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.

Relationship with Champion Holdings and Champion Motorsports

Background

Champion Motorsports Group, LLC. ("**Champion Motorsports**"), a wholly-owned subsidiary of Champion Holdings, is a U.S.-based sales and distribution platform for powersports and outdoor recreational mobility products. It is headquartered in Mesquite, Texas and maintains a branch warehouse in Lavonia, Georgia. We have established a stable business relationship with Champion Motorsports since 2023, and it was one of our five largest customers in each of 2023, 2024 and 2025. Prior to the Acquisition, Champion Motorsports was an Independent Third Party of our Company. It primarily purchased E-mobility products and powersports from us on an ODM basis for onward sale in the U.S. through its retail and dealer channels. Its products are positioned for the U.S. mass-market and specialty retail channels, targeting customers in the outdoor recreation, rural lifestyle and family leisure markets.

Commercial Rationale

We regard the Acquisition as being of positive value considering (i) Champion Holdings' established customer base, sales network covering more than 2,000 retail stores operated by TSC and certain of Champion Motorsports' other KACs, brand resources and after-sales service infrastructure; and (ii) the expected synergies from integrating its downstream sales and distribution capabilities with our product development and manufacturing capabilities. Champion Motorsports' relationships with these KACs are ongoing commercial relationships under standard KAC agreements rather than fixed-term purchase commitments.

Consideration and Valuation

The acquisition cost amounted to approximately RMB313.4 million, comprising (i) cash consideration of approximately RMB105.4 million (US$15.0 million); and (ii) trade receivables originally due from Champion Holdings and Champion Motorsports to our Group with a carrying amount of approximately RMB207.9 million. Such carrying amount represented gross trade receivables of approximately RMB219.0 million, net of an allowance for expected credit losses of approximately RMB11.0 million. The allowance was recognized before the Acquisition in accordance with our consistently applied accounting policy for trade receivables, taking into account primarily the aging profile, historical repayment pattern and expected recoverability of the relevant receivables, and did not arise from any commercial dispute or the subsequent waiver of the receivables.

Before agreeing to the cash consideration, we engaged external professional advisers to conduct legal, financial and valuation due diligence on Champion Holdings and arranged for its financial information to be audited. In assessing and negotiating the cash consideration, we considered, among other things, (i) the findings of such due diligence and audit; (ii) the commercial factors described under "— Commercial Rationale" above, including Champion Holdings' established U.S. sales network and customer relationships; (iii) the expected benefits of integrating Champion Holdings' downstream sales and distribution operations; and (iv) the potential to improve Champion Holdings' operating efficiency and financial performance following the Acquisition through the integration of its operations and more effective control over its selling, administrative and other operating costs, which we considered could support its path toward profitability. Following several rounds of arm's length commercial negotiations, the parties agreed on the cash consideration of US$15.0 million after taking into account the foregoing factors.

According to a valuation report dated December 16, 2025, which adopted September 30, 2025 as the valuation benchmark date and applied the asset-based approach, Champion Holdings had appraised identifiable assets of approximately US$86.8 million and appraised liabilities of approximately US$90.7

million, resulting in an appraised net liability position of approximately US$3.9 million as of September 30, 2025. Champion Holdings recorded revenue of approximately US$92.3 million for the year ended December 31, 2024 and approximately US$78.3 million for the nine months ended September 30, 2025. However, it recorded net losses of approximately US$12.0 million and US$9.3 million for the year ended December 31, 2024 and the nine months ended September 30, 2025. Following the Acquisition, we began implementing measures to improve Champion Motorsports' operating efficiency and financial performance, including (i) aligning its product planning, procurement and inventory management with our product development, manufacturing and supply chain capabilities; and (ii) applying our budgeting and expense-control procedures to reduce unnecessary or non-budgeted expenditures.

Intellectual Property of Champion Holdings

Through the Acquisition, we acquired control over (i) Champion Motorsports' ownership of the "Racka™" trademark and (ii) Champion Motorsports' contractual rights as licensee under a trademark licence agreement with The Coleman Company, Inc. in respect of the "COLEMAN™" and "MADDOG GEAR™" trademarks and trade names, including its exclusive rights to use the "COLEMAN" brand in the United States and Canada. During the term of the licence, through Champion Motorsports, we are entitled to use the "COLEMAN" brand in connection exclusively licensed products in the United States and Canada, and the "MADDOG GEAR" powersport accessories in the United States. The initial term of the licence agreement expires on December 31, 2028. Provided that Champion Motorsports complies with the terms and conditions and gives the licensor written renewal notice by December 31, 2027, the parties may enter into arm's length negotiations to extend the licence on mutually agreed terms.

As advised by our Reporting Accountants, under IAS 38, an expected renewal period may be taken into account in determining the useful life of contractual rights where there is evidence supporting renewal without significant cost. Subject to the licensor's consent, management expects the licence to continue beyond December 31, 2028 without significant cost relative to the expected future economic benefits and, taking into account such anticipated continuation, the applicable product life cycles, industry practice for comparable trademark licences and potential commercial obsolescence, determined an estimated useful life of ten years for the relevant contractual licence rights. In determining an estimated useful life of ten years, the senior management of our Company considered the applicable product life cycles, potential commercial obsolescence and industry practice for comparable trademark licences, under which licence terms generally range from five to 16 years, with ten years being the most common term. These considerations, together with management's assessment of anticipated renewals, formed the basis for management's estimate of the period over which the acquired contractual licence rights are expected to generate economic benefits. Accordingly, such rights are amortized on a straight-line basis over an estimated useful life of ten years, which represents the total expected period of economic benefit and does not imply an additional ten-year renewal term. For details, please refer to "Financial Information — Intangible Assets" and Note 18(d) to the Accountants' Report.

According to Frost & Sullivan, "COLEMAN" is a long-established outdoor recreation brand used by various licensees across multiple product categories and markets. Its established brand recognition and market position support the commercial value of Champion Motorsports' licensed rights.

If the licences are not renewed, we would no longer be entitled to use the relevant brands for the licensed products in the applicable territories following expiry, subject to any contractual sell-off rights. This could disrupt sales, reduce revenue and profitability, and result in inventory write-downs and additional rebranding and marketing costs. For details, see "Risk Factors — We may be unable to renew our licences to use the 'COLEMAN' and 'MADDOG GEAR' brands, which could adversely affect our operations and financial performance."

Champion Holdings' Sales Network

As of April 30, 2026, Champion Motorsports had five KACs and its products were distributed through a sales network covering over 2,000 TSC stores across the United States. Champion Motorsports also maintains U.S.-based after-sales service capabilities, including warranty processing, repair support, spare-parts supply and customer service.

Following the Acquisition, Champion Motorsports became one of our principal U.S. sales platforms. We considered the Acquisition strategically beneficial as it enabled us to gain direct access to Champion Holdings' established sales network in particular TSC, customer relationships, after-sales service infrastructure and brand resources, by integrating Champion Holdings' downstream sales and distribution capabilities with our upstream product development and manufacturing capabilities. We plan to use Champion Motorsports' existing retail channels to market and sell our products in the United States. We also plan to utilize Champion Motorsports' existing after-sales service infrastructure in connection with products sold through those channels. Supplies by our manufacturing entities to Champion Motorsports are consequently intra-group transactions and are eliminated upon consolidation, while sales by Champion Motorsports to downstream third-party customers are recognised as external sales of our Group.

For further details of the Acquisition, see "Financial Information — Discussion of Selected Items From the Consolidated Statements of Financial Position — Impairment Tests for Goodwill" and Note 18 to the Accountants' Report as set out in Appendix I to this Document.

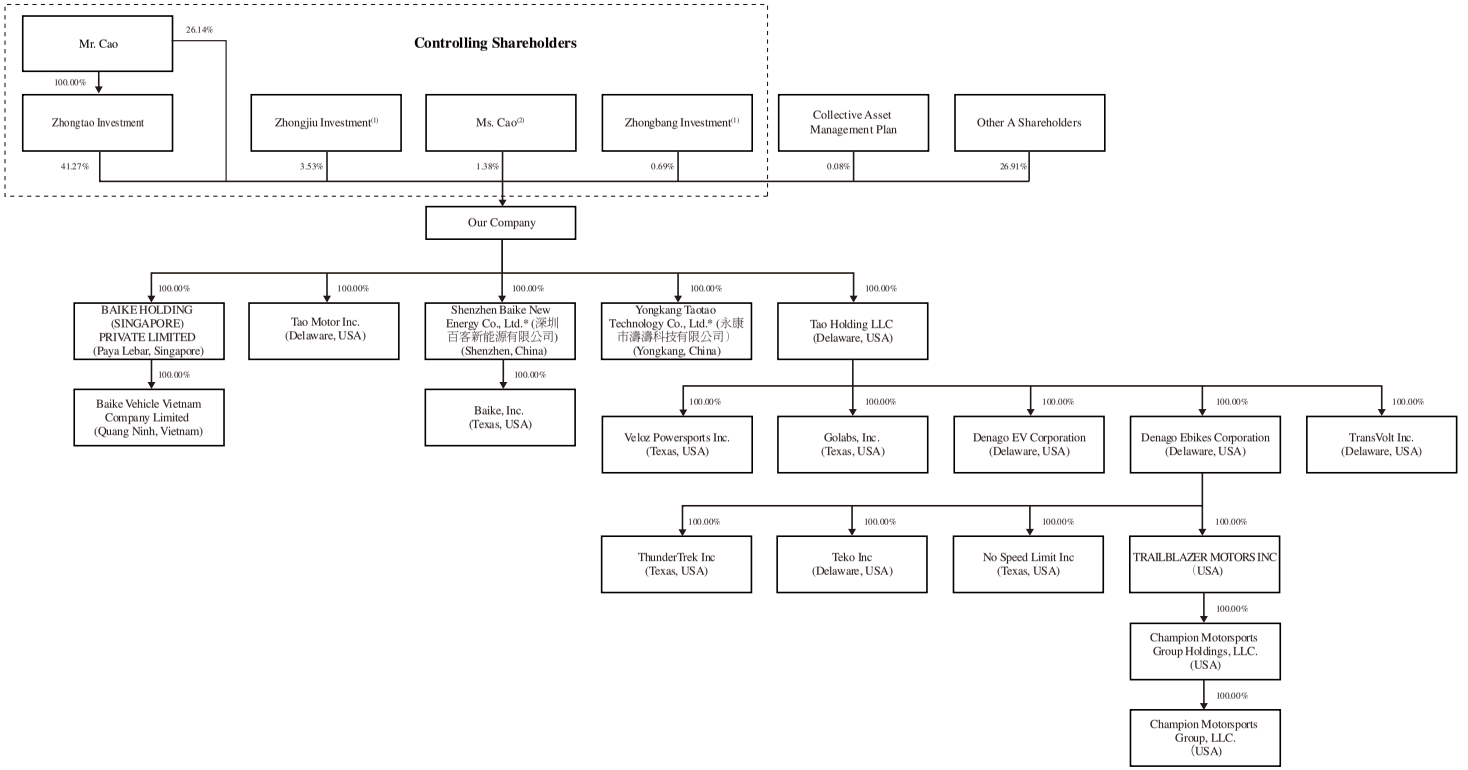
OUR LISTING ON THE CHINEXT BOARD OF THE SHENZHEN STOCK EXCHANGE AND THE REASONS FOR OUR [REDACTED] ON THE STOCK EXCHANGE

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 Advisor 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]**".

SHAREHOLDING STRUCTURE IMMEDIATELY BEFORE THE [REDACTED]

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



Notes:

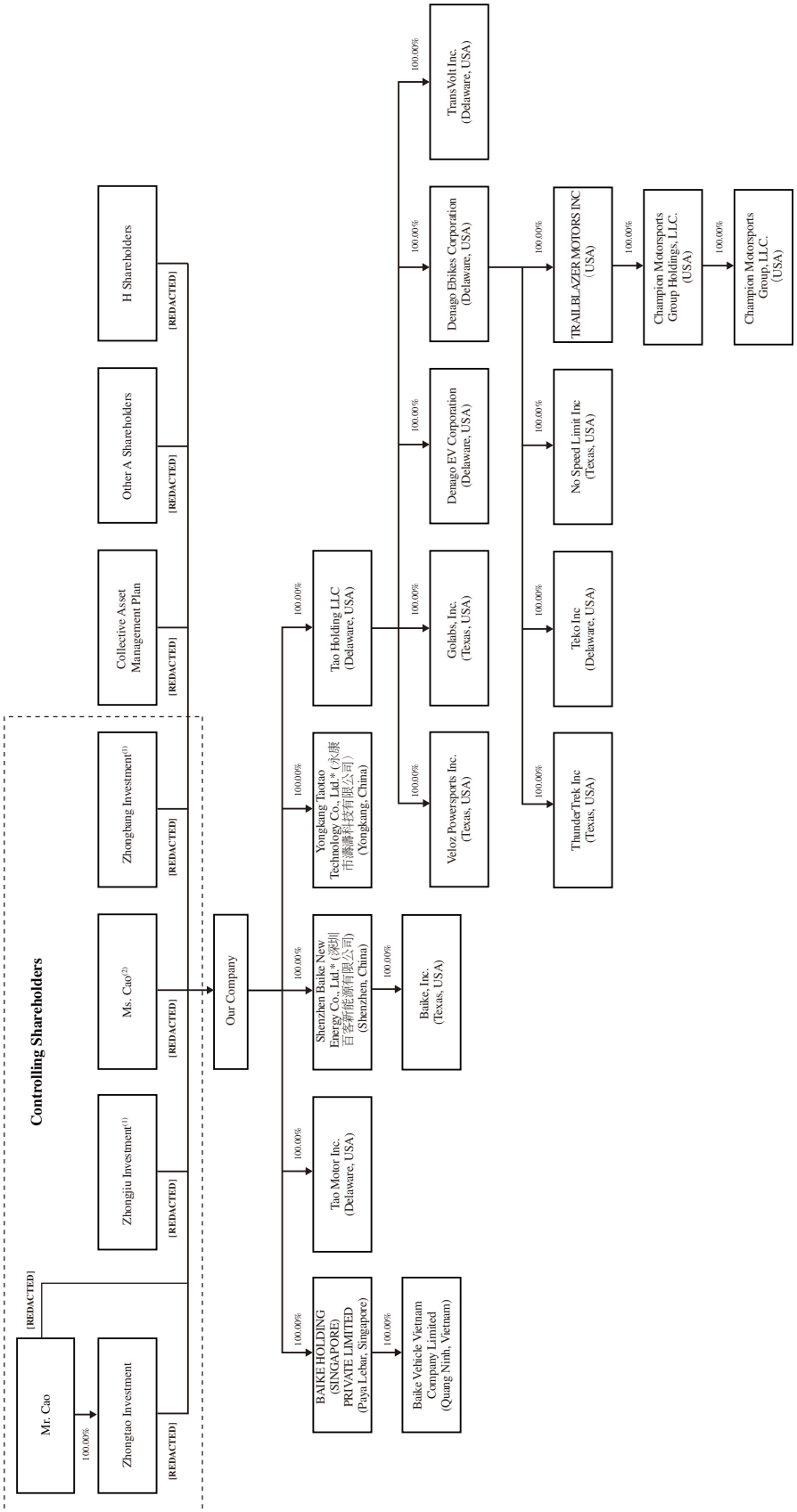
(1) See "— Major Shareholding Changes of the Company — Establishment of Employee shareholding platforms".

(2) Ms. Cao, the sister of Mr. Cao, as the sole general partner of each of Zhongjiu Investment and Zhongbang Investment, is responsible for management and exercising the voting rights attaching to the Shares held by each of Zhongjiu Investment and Zhongbang Investment, in accordance with the partnership agreement entered into among the general and limited partners of each of Zhongjiu Investment and Zhongbang Investment, respectively. Therefore, Ms. Cao, Zhongjiu Investment and Zhongbang Investment, together with Mr. Cao and Zhongtao Investment are considered as a Controlling Shareholder Group as defined under the Hong Kong Listing Rules. For further details, see "Relationship with Controlling Shareholders".

(3) The Company also directly and indirectly wholly owns 27 subsidiaries established in various jurisdictions.

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 **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



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

OVERVIEW

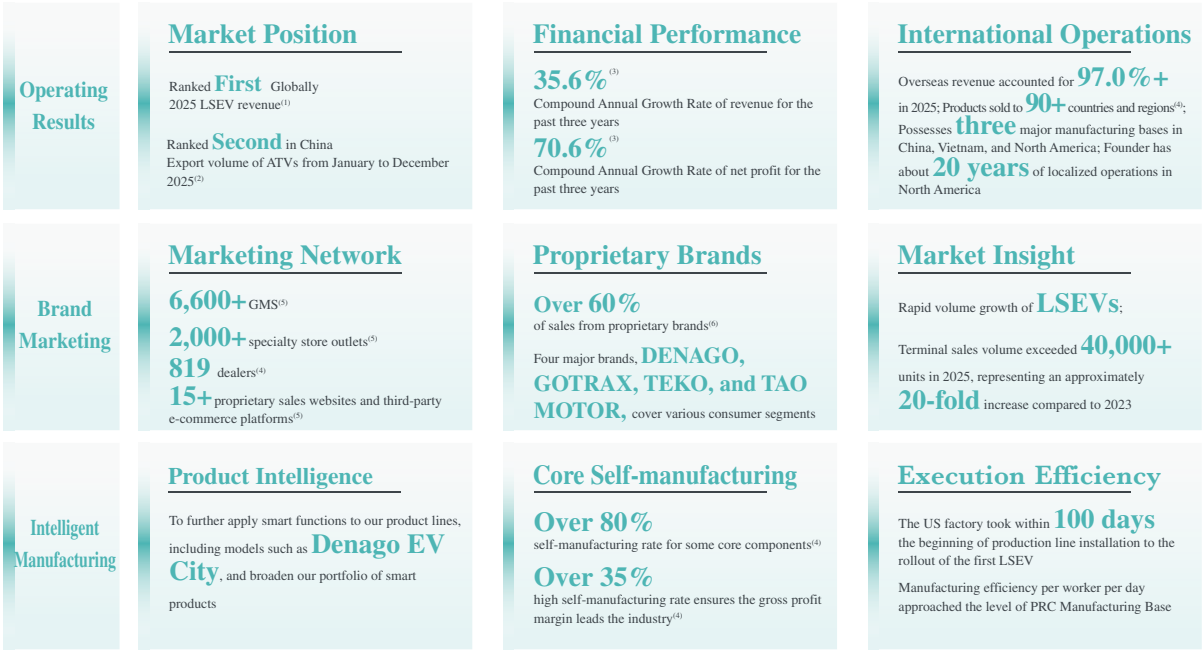
Who We Are

We are dedicated to designing, manufacturing and distributing outdoor leisure and electrified mobility products, with a leading position in the LSEV market. According to Frost & Sullivan, we ranked first by revenue in the global LSEV industry in 2025, with a global market share of approximately 10.9%. Our diversified product portfolio has enabled us to offer practical solutions for outdoor mobility and leisure. Our business spans two segments: (i) E-mobility products, consisting of (a) LSEVs, designed for community and on-site short-distance mobility, and (b) electric two-wheelers, including electric bicycles, electric scooters and electric balance bikes, and (ii) outdoor specialty vehicles, also known as powersports, including ATVs and off-road motorcycles. Our products are designed for short-distance travel within communities, recreational sports, intelligent mobility and specialized operations scenarios.

In 2025, over 97% of our revenue was derived from overseas markets, with the United States as our largest overseas market, contributing to 82.8% of the revenue. Our development is driven by expanding of product range, deepening of our sales network, and promoting brand value. Under 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 portfolio have supported the rapid growth of our LSEV business, with LSEV revenue increasing year on year from RMB78.5 million in 2023 to RMB812.3 million in 2024 and RMB1,957.5 million in 2025.

Since our inception, we have been building a production and operational network with a focus on the United States, with coverage across selected overseas markets. Drawing on more than two decades of our management team's international operating experience, we have established footprints 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 localized sales and after-sales support.

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



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 April 30, 2026

(5) As of the Latest Practicable Date

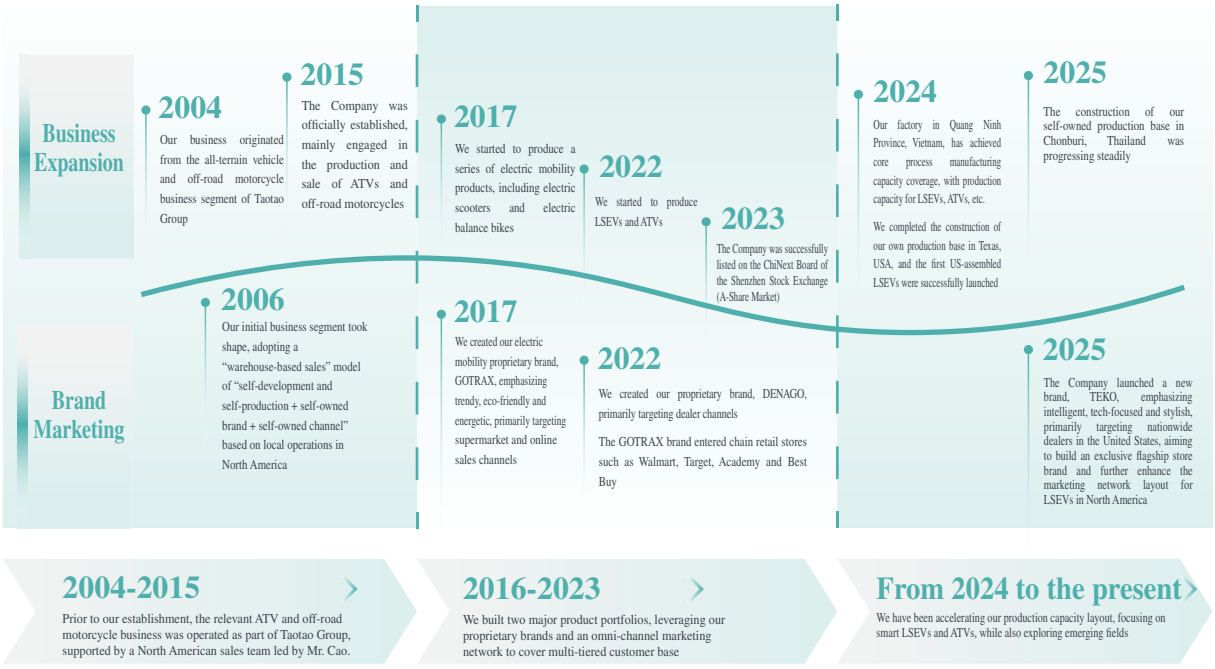
(6) For each year/period during the Track Record Period

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. 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 our LSEV products.

Over the course of our development, we have achieved a series of milestones in expanding our product portfolio, building our brand matrix and expanding our international operations, 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, TEKO 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 principal 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 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 consumer brands such as Jack Link's, enhancing brand recognition and customer loyalty.

- **GOTRAX — Trendy, Eco-Friendly, Energetic**. GOTRAX is our mass-market brand, primarily distributed through large GMS 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.

- **TEKO — Intelligent, Tech-Focused, Stylish**. Launched in September 2025, TEKO is our youngest brand, strategically designed to complement our existing portfolio and deepen our North American market penetration. TEKO targets national chain dealers through 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 market expansion and remains a practical choice for consumers seeking versatile and reliable mobility solutions.

Our Products

We currently operate two principal business segments: (i) E-mobility products, which consist of (a) LSEVs, (b) electric two-wheelers, comprising electric bicycles, electric scooters and electric balance bikes; and (ii) powersports, leveraging our experience in ATVs and off-road motorcycles. Our core product matrix is set out below:

Our International Footprint

We operate three principal manufacturing bases in the PRC, Vietnam and the United States. Building on this foundation, we are establishing a multi-regional manufacturing system that features regionalized production and localized supply.

Our three principal manufacturing bases 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 strategy to become 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.

- Our PRC facilities function as our 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 driven by international 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 transportation tool with advantages such as low carbon emission, reduced cost of ownership and ease of parking. Among the sub-categories within the E-mobility, the LSEV market, particularly in the United States, has experienced rapid growth.

LSEVs are a category of "micro-mobility" vehicles designed for specific scenarios such as short-distance community travel, commercial operations, and public services. These vehicles typically have a maximum speed exceeding 20 mph but not more than 25 mph, comply with relevant U.S. low-speed vehicle regulations, and are legally permitted to operate 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 products are intended to address the mobility needs of a range of consumers in the United States, including middle-income consumers and residents of senior communities. They are designed for use in 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 rapid 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 product. For recreational users, zero-emission and quiet operation of electric ATVs can make the outdoor experience more pleasant. 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%. This growth continued in the four months ended April 30, 2026, during which our revenue increased from RMB958.8 million for the corresponding period in 2025 to RMB1,591.4 million, while our net profit increased from RMB188.8 million to RMB292.1 million for the same period. During the Track Record Period, our net profit margin remained above 10%.

COMPETITIVE STRENGTHS

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

A company dedicated to providing outdoor leisure and electrified mobility solutions

We are a company dedicated to providing outdoor leisure and electrified mobility solutions, with products sold to more than 90 countries and regions. Our international presence is driven 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, sales network and supply chain capabilities, we intend to pursue these market opportunities and support the continued development of our business.

Extensive network supporting overseas market penetration

We distribute our products through a combination of online and offline sales channels. Depending on the relevant product and market, these channels are used to support product launches, market introduction, expansion into additional customer segments and ongoing sales. This multi-channel structure enhances brand visibility, broadens market coverage and supports deeper penetration into overseas markets.

- ***Key account customers.*** Sales through 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 3,400 Walmart stores, over 720 BestBuy stores, over 360 Academy stores, and over 2,000 TSC stores, and were also available in selected Lowe's stores, among other retail 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 TSC 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.

- ***DTC websites.*** We operate 14 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 international 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 principal brand targeting high-end consumers through our dedicated dealer network. It provides practical solutions for customers seeking superior quality, functionality, and performance.

- ***GOTRAX.*** Emphasizing a "Trendy, Eco-Friendly, Energetic" identity, GOTRAX targets the mass market through online platforms and large supermarkets. It offers E-mobility products in North America, and certain of its products have been displayed with the "Amazon Best Seller" or "Amazon's Choice" designation on Amazon's platform.

- ***TEKO.*** As our youngest brand, TEKO is built on the concept of "Intelligent, Tech-Focused, Stylish." It targets national chain dealers and dedicated brand principal 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 established an overseas operations team comprising personnel responsible for marketing and business development. Our overseas operations team conducts product marketing and engages with users through content posted on social media platforms, including Instagram and YouTube.

As a result of this successful brand strategy, revenue contribution from our proprietary brands accounted for over 60% of total revenue for each year/period 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 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, 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 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.

Multi-regional production footprint supporting deepened operations in core markets

We regard operating efficiency and overseas supply chain optimization as core competitive strengths. We use digital tools and lean management practices to coordinate product development, procurement, manufacturing and sales. These practices support production planning, cost management and order fulfillment and help us respond to changes in customer demand. 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. In North America, we continued to advance our localization strategy by completing the Texas facility and delivering the first locally assembled vehicle, underscoring our ability to execute cross-border 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 more than 800 employees as of April 30, 2026, 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. 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 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 industry insight of our management team, gained through years of experience in the European and U.S. markets, we have established a market-driven 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.

Based on our operating experience, we identified demand for LSEVs as short-distance mobility products for community and leisure use, particularly in light of automobile ownership costs and the prevalence of short-distance daily trips. 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 U.S. markets.

Forward-looking technology innovation driving value creation

Our R&D strategy is centered on electrification, intelligentization and iteration, with the goal of building a 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. We have developed an 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 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 Freelander 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 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 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 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 continue to develop and update our technologies and product performance in these markets.

- ***Development of powertrains and specialty vehicle products.*** While continuing to offer small-displacement ATVs of 300cc or below, we are developing larger-displacement models ranging from 350cc to 700cc, together with supporting engines with higher power output. We are also incorporating four-wheel drive systems, steering technologies and TFT digital displays, as well as functions such as OTA upgrades and smart displays, into certain ATV and UTV models to expand their functionality and our product offerings.

- ***Building future competitiveness for emerging technologies.*** Our approach is not simply to enter new industries, but to develop technologies 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 international talent and technology resources.

Experienced management team with relevant overseas experience

As we expanded our overseas operations, we adopted management practices and established a corporate governance framework to facilitate coordination across jurisdictions, clarify management responsibilities, and support the day-to-day operation, decision-making and oversight of our business.

Throughout our development, our founder and chairman, Mr. Cao, has demonstrated industry experience and insight into European and U.S. markets. He has set the direction of new product development and focused on building sales channels and developing markets. We have also established a core management team with extensive experience. The key members of our team have expertise in outdoor leisure and electrified mobility solutions, combining industry knowledge with a forward-looking international perspective. Together, they have experience in product R&D, international market expansion and supply chain management.

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 Iteration," to capture growth opportunities across diversified use scenarios. Our goal is to build a comprehensive product portfolio 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 portfolio.

Deepen and expand our sales network

We will continue to deepen our integrated sales network to enhance our 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 TSC, 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 resources in 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

By implementing our 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 brand exposure. Through celebrity endorsements, scenario-based marketing, and corporate social responsibility 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 international market.

Strengthen manufacturing footprint and deepen supply chain localization

We will continue to optimize our "China + Southeast Asia + North America" tripartite 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 market. Furthermore, we will leverage the highly efficient and replicable production models and management expertise developed at our China base to provide timely technical and operational support for our overseas 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

Our R&D activities will continue to focus on "Electrification, Intelligentization, and Iteration." In the near term, we plan to incorporate technologies such as IoT connectivity and OTA upgrades into selected existing products, including LSEVs, to expand their functionality. We also intend to develop technology platforms that may be applied across multiple product categories These platforms are intended to enable us to apply sensing and control algorithms across 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 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 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.

While continuing to develop our E-mobility products and powersports products, we plan to develop power generation equipment integration and service business, with a view to providing diversified power solutions to data centers, residential customers and other customers in North America. As of the Latest Practicable Date, this business remained at a nascent stage of development. We were developing related technical and operational capabilities in the United States and China and had purchased certain gas turbine engine cores, begun planning for production facilities in the United States and held preliminary discussions with certain cloud service providers and data center developers in North America. We had not commenced production or sales, generated any revenue from this new business or entered into any agreement or memorandum of understanding with potential customers. Going forward, we plan to continue to advance our R&D, component procurement, production capacity planning and market development activities.

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 leisure sports, smart mobility, and specialty operations. Our products exhibit certain consumer product features, characterized by short replacement cycles and rapid technology iteration. 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 align with end-user demand for continuous upgrades in exterior design, functional enhancements and intelligent configurations. Meanwhile, LSEVs, 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.

We have established a holistic brand matrix centered on four of our core proprietary brands: DENAGO, GOTRAX, TEKO and TAO MOTOR. For details, see "— Our Brands and Products."

Brand	DENAGO	GOTRAX	TEKO	TAO MOTOR
Introduction	Principal 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

In addition to our four core proprietary brands set out above, through our acquisition of Champion Holdings in December 2025, we obtained control over the "Racka" trademark owned by Champion Motorsports. As a result, Racka has become an additional proprietary brand owned by our Group following the Acquisition. We did not acquire ownership of the "COLEMAN" or "MADDOG GEAR" trademarks or trade names. Instead, we acquired Champion Motorsports' contractual rights, as licensee, to use the "COLEMAN" brand in connection with specified vehicles and related products in the United States and Canada and the "MADDOG GEAR" brand in connection with specified powersport accessories in the United States. Currently, the products marketed and sold by Champion Motorsports under these proprietary and licensed brands principally comprised golf carts and ATVs, together with related powersports accessories. We continue to focus primarily on developing our own proprietary brands, while the business conducted under the "Racka," "COLEMAN" and "MADDOG GEAR" brands, which accounted for 11.4% of our total revenue for the four months ended April 30, 2026, remains relatively limited in scale compared with our overall business.

The following table sets forth a breakdown of our revenue, sales volume and ASP by products for the periods indicated.

	Year ended December 31,									Four months ended April 30,					
	2023			2024			2025			2025			2026		
	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP
	RMB'000	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*	*RMB'000 (Unaudited)*	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*
E-mobility products:															
LSEVs	78,500	2,367	33.2	812,304	20,701	39.2	1,957,465	44,461	44.0	427,496	9,653	44.3	969,772	20,001	48.5
Electric bicycles	164,833	35,331	4.7	231,052	64,864	3.6	178,416	55,099	3.2	35,177	8,247	4.3	74,736	26,370	2.8
Electric scooters	718,092	450,990	1.6	600,884	392,084	1.5	474,318	375,033	1.3	120,492	74,420	1.6	103,639	71,216	1.5
Electric balance bikes	295,658	492,880	0.6	199,012	350,137	0.6	123,875	246,016	0.5	28,555	52,016	0.5	20,357	40,625	0.5
Other E-mobility[(1)]	21,519	6,393	3.4	44,571	13,764	3.2	53,185	25,172	2.1	20,826	6,749	3.1	24,257	9,183	2.6
Subtotal	**1,278,602**	**987,961**	**1.3**	**1,887,823**	**841,550**	**2.2**	**2,787,259**	**745,781**	**3.7**	**632,546**	**151,085**	**4.2**	**1,192,761**	**167,395**	**7.1**
Powersports:															
ATVs	620,427	121,090	5.1	737,818	127,173	5.8	754,722	129,748	5.8	221,201	40,758	5.4	262,534	41,528	6.3
Off-road motor cycles	122,560	42,977	2.9	186,796	62,520	3.0	187,881	62,089	3.0	69,360	23,482	3.0	79,948	19,071	4.2
Subtotal	**742,987**	**164,067**	**4.5**	**924,614**	**189,693**	**4.9**	**942,603**	**191,837**	**4.9**	**290,561**	**64,240**	**4.5**	**342,482**	**60,599**	**5.7**
Others[(2)]	122,657	753,426	0.2	164,192	1,523,533	0.1	211,568	2,625,751	0.1	35,738	339,282	0.1	56,180	445,722	0.1
Total	**2,144,246**	**1,905,454**	**1.1**	**2,976,629**	**2,554,776**	**1.2**	**3,941,430**	**3,563,369**	**1.1**	**958,845**	**554,607**	**1.7**	**1,591,423**	**673,716**	**2.4**

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 and helmets.

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 TEKO 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 gradually shifted our business focus toward LSEVs, which we believe offer 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, in response to intensified market competition and reductions in selling prices of comparable products by certain competitors, in order to maintain the competitiveness of our products and market share. In particular, revenue from LSEVs increased from RMB78.5 million in 2023 to RMB812.3 million in 2024 and further to RMB1,957.5 million in 2025, and from RMB427.5 million for the four months ended April 30, 2025 to RMB969.8 million for the corresponding period in 2026, resulting in LSEVs accounting for an increasing proportion of our total revenue. Accordingly, although revenue from powersports increased in absolute terms, its contribution to our total revenue decreased from 34.7% in 2023 to 31.1% in 2024 and 23.9% in 2025, and from 30.3% for the four months ended April 30, 2025 to 21.5% for the corresponding period in 2026. As a result of these changes, although our total sales volume did not increase in line with revenue, our blended ASP 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.

The following table sets forth a breakdown of our revenue, sales volume and ASP by proprietary brand and ODM products for the periods indicated.

	Year ended December 31,									Four months ended April 30,					
	2023			2024			2025			2025			2026		
	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP	Revenue Amount	Sale Volume	ASP
	RMB'000	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*	*RMB'000 (Unaudited)*	*units*	*RMB'000 per unit*	*RMB'000*	*units*	*RMB'000 per unit*
Proprietary brands	1,349,554	1,253,812	1.1	1,848,009	1,809,592	1.0	2,877,990	2,876,248	1.0	617,182	377,321	1.6	1,411,654	457,392	3.1
ODM	782,106	651,642	1.2	1,104,605	745,184	1.5	1,032,963	687,121	1.5	338,821	177,286	1.9	174,671	216,324	0.8
Others[(1)]	12,586	N/A	N/A	24,015	N/A	N/A	30,477	N/A	N/A	2,842	N/A	N/A	5,098	N/A	N/A
Total	**2,144,246**	**1,905,454**	**1.1**	**2,976,629**	**2,554,776**	**1.2**	**3,941,430**	**3,563,369**	**1.1**	**958,845**	**554,607**	**1.7**	**1,591,423**	**673,716**	**2.4**

Note:

(1) Others mainly includes sales of scrap materials and lease income.

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, partially offset by 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 reduced purchases of

helmets and accessories by certain ODM customers in Russia and Mexico as a result of intensified competition in their respective markets. The ASP of our ODM products increased from RMB1.2 thousand per unit in 2023 to RMB1.5 thousand per unit in 2024 and 2025, respectively. 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 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, due to the increase in sales volume of accessories. The ASP of our branded products increased from RMB1.6 thousand per unit in the four months ended April 30, 2025 to RMB3.1 thousand per unit in the four months ended April 30, 2026, while the ASP of our ODM products decreased from RMB1.9 thousand per unit to RMB0.8 thousand per unit during the same periods. These movements primarily reflected the increased contribution of higher-priced LSEVs to our branded-product sales and changes in the customer and product mix of our external ODM business following the Acquisition.

Prior to the Acquisition, Champion Motorsports was an external ODM customer, and our sales to Champion Motorsports, principally comprising LSEVs and powersports products, amounted to RMB179.5 million in the four months ended April 30, 2025. Following the Acquisition, supplies by our manufacturing entities to Champion Motorsports became intra-group transactions and were eliminated upon consolidation, while Champion Motorsports' onward sales to downstream third-party customers were recorded as external U.S. domestic sales under our branded products. Accordingly, Champion Motorsports' post-Acquisition revenue contribution was reflected in our branded-product revenue rather than our ODM revenue. As the eliminated sales comprised a substantial proportion of higher-priced ODM products, our remaining external ODM sales mix shifted toward lower-priced products. Consequently, despite an increase in ODM sales volume from approximately 177 thousand units in the four months ended April 30, 2025 to approximately 216 thousand units in the corresponding period in 2026, our ODM revenue and ASP decreased, primarily reflecting the change in product mix rather than a general decrease in the selling prices of comparable ODM products.

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 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. 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 LSEVs for daily mobility within residential and community environments, reflecting the growing trend of LSEVs 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, for detailed regulatory requirement under FMVSS No. 500, please see "Regulatory Overview — U.S. Laws Regulations and Policies". 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.

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; (v) energy system: mainly assembled lithium battery;
TEKO EV TRIUMPH	12,995	(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.

Electric Two-Wheelers

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

Electric Bicycles

Our electric bicycles mainly consist of the DENAGO and GOTRAX series, a trendy and energetic brand line. All DENAGO electric bicycle 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 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	Key specifications and features
	(US$)	
DENAGO EXC2	3,199	(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 COMMUTE1	1,799	(v) vehicle net weight: 20–40 kg; (vi) sensor type: cadence/torque sensors; (vii) functional features: support for manual riding without electric assistance.

Electric Scooters and Electric Balance Bikes

Our electric-scooter portfolio spans the full range from daily commuting to professional competition. As of December 31, 2025, we ranked 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; (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.
GOTRAX GX3	1,999	

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.

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

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

Powersports

Our powersports consist of ATVs 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 did not observe 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.

ATVs

Our ATV business serves North America and other overseas markets. 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. Core ATV 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.

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

Illustrations	Recommended retail price	Key specifications and features
	(US$)	
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: ≤ 5.9–7 m/s; and (v) reduced vehicle structural resonance frequency to approximately 40 Hz, effectively enhancing ride comfort.
TITAN 250	—	

Note: As of the Latest Practicable Date, 350CC ATV and TITAN 250 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. 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	Key specifications and features
	(US$)	
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) KACs 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.

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

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distribution Network:								
KACs[(1)]	748,004	34.9	837,075	28.1	652,030	16.5	328,233	20.6
Dealers[(2)]	262,482	12.2	711,528	23.9	1,847,925	46.9	962,520	60.5
Wholesale customers[(3)]	29,897	1.4	75,373	2.6	114,720	2.9	69,135	4.3
Direct Sales:								
ODM[(4)]	782,106	36.5	1,104,605	37.1	1,032,963	26.2	174,671	11.0
DTC Websites[(5)]	321,757	15.0	248,048	8.3	293,792	7.5	56,864	3.6
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**1,591,423**	**100.0**

Notes:

(1) Our KACs primarily include (i) general merchandise stores ("**GMS**"), such as Walmart, Target, Academy and TSC 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) ODM refers to sales of products manufactured by us under brands owned by our ODM partners under the BTO mode based on purchase orders placed by such ODM partners according to their sales needs.

(5) DTC websites refer to our self-operated online stores. Revenue generated through our DTC websites amounted to RMB321.8 million, RMB248.0 million, RMB293.8 million, RMB52.8 million and RMB56.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 15.0%, 8.3%, 7.5%, 5.5% and 3.6% of our total revenue for the respective periods. The relatively lower proportions recorded in the four months ended April 30, 2025 and 2026 primarily reflected the seasonality of our electric two-wheelers, which constituted the principal products sold through our DTC websites. Sales of our electric two-wheelers generally peak in the fourth quarter, mainly driven by holiday-season demand in the United States, including Thanksgiving and Christmas holidays. See " — Seasonality."

Key Account Customers

Our KACs consist of GMSs and third party e-commerce platforms. As of the Latest Practicable Date, GMSs network included over 3,400 Walmart stores, over 720 Best Buy stores, over 360 Academy stores and over 2,000 TSC stores, and our products were also available in selected Lowe's stores, among other retail 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, RMB652.0 million and RMB328.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing 34.9%, 28.1%, 16.5% and 20.6% of our total revenue in the same periods. 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.

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,			Four months ended April 30,
	2023	2024	2025	2026
Number at the beginning of the year/period	12	13	13	11
Number of new KACs	4	2	—	—
Number of terminated KACs	(3)	(2)	(2)	—
Number at the end of the year/period	13	13	11	11
Turnover rate of KACs[(1)]	25.0%	15.4%	15.4%	—

Note:

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

- ***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.

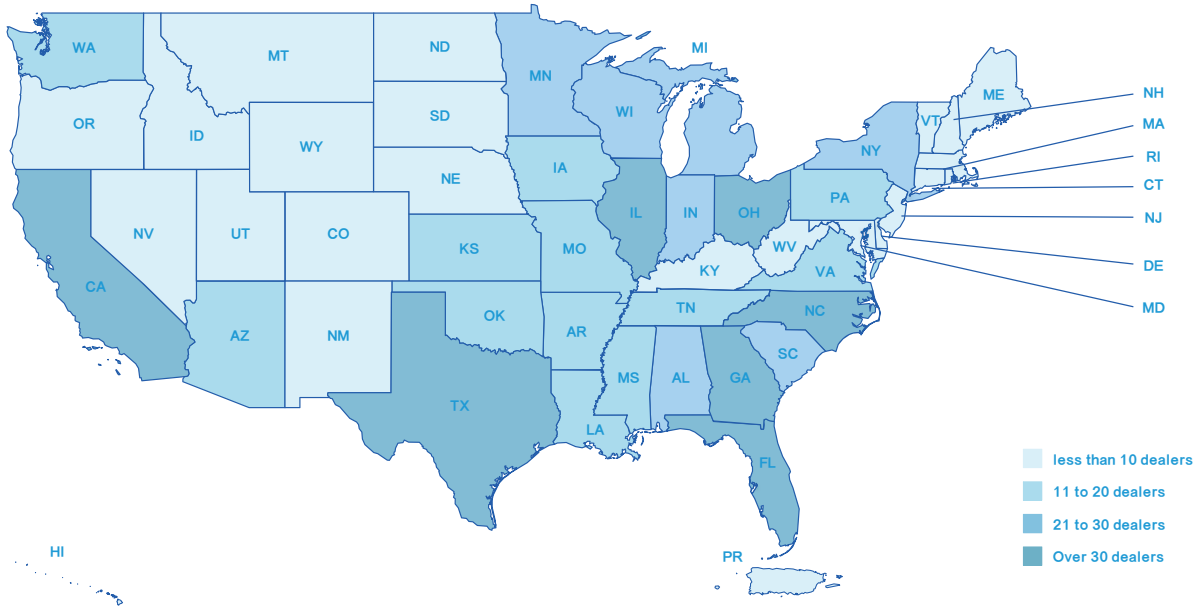
- ***Termination.*** Such agreements can be terminated typically with prior written notice, but we shall honor all accepted orders prior to the effective termination date. The applicable notice period varies depending on the relevant KAC's standard terms or separate commercial arrangements and generally 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 was RMB262.5 million, RMB711.5 million, RMB1,847.9 million and RMB962.5 million, in 2023, 2024, 2025 and the four months ended April 30, 2026, representing 12.2%, 23.9%, 46.9% and 60.5% 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 April 30, 2026, the number of our active dealers increased to 819. In particular, the LSEV dealer network has achieved rapid progress, with successful onboarding of several leading dealers in the U.S.

The following map is an illustration of the geographic coverage and the number of our dealers as of April 30, 2026.



Dealer Management

We believe that by engaging dealers, we are able to leverage their experience and knowledge of the target local markets as well as their existing sales networks and resources, which may help us expand our market reach over a wider geographical area and to achieve deeper market penetration than if we were to proceed with direct sales and marketing alone, without incurring substantial sales and marketing costs.

Our relationship with our dealers is a buyer and seller relationship, as our dealers acquire ownership of the products we deliver to them. Distribution through our dealers is in line with industry norm, according to Frost & Sullivan. We do not accept returns and only allow exchanges for limited circumstances such as quality defects or damages during transportation. We recognize sales revenues from distributors when control over our products is transferred to them. We designate pre-determined distribution areas for our dealers as defined in their respective distribution agreements to avoid unnecessary competition among themselves. Our dealers must receive our authorization to sell our products to sub-distributors and we generally do not allow our dealers to engage sub-distributors. During the Track Record Period, there was no revenue directly generated from the sub-distributors.

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 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 floor plan financing period (calculated based on the days between invoicing to a dealer and dealer repayment) was approximately 45.3 days, 42.6 days and 40.4 days in 2024, 2025, and the four months ended April 30, 2026, respectively.

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 TEKO, with distinct positioning and target customer groups. In particular, TEKO 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 our 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 generally regard a dealer as a 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 did not have any sub-distributors engaged by dealers and no dealer was 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,			Four months ended April 30,
	2023	2024	2025	2026
Number at the beginning of the year/period	402	582	721	776
Number of new dealers	321	319	353	134
Number of terminated dealers	(141)	(180)	(298)	(91)
Number at the end of the year/period	582	721	776	819
Turnover rate of dealers[(1)]	35.1%	30.9%	41.3%	11.7%

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 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.

- ***Financing support***. We generally bear the financing interest for the first 60 days after the financing is advanced. See "— Floor Plan Financing Arrangement."

- ***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. Dealers separately approved by a Financing Provider may elect to finance their purchases under the Floor Plan Financing Arrangement. 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 periods, we did not have any material disputes with our dealers that had a significant impact on our business.

Floor Plan Financing Arrangement

Since May 2024, our wholly-owned U.S. subsidiary has maintained separate dealer inventory financing programs with First Community Bank and Northpoint Commercial Finance LLC, a non-bank financial institution (collectively, the "**Financing Provider(s)**") to facilitate purchases of our products by authorized dealers in the United States that have been separately approved for financing by the relevant Financing Provider, thereby reducing their upfront cash outlay (the "**Floor Plan Financing Arrangement**"). The Floor Plan Financing Arrangement is implemented through: (i) a sales arrangement between us and the participating dealer, under which the dealer purchases products from us; (ii) a separate financing arrangement between the dealer and the relevant Financing Provider; and (iii) separate cooperation arrangements between the relevant U.S. subsidiaries and the respective Financing Providers governing, among other things, payment to us, interest support and our inventory repurchase and related credit-support obligations. We do not directly provide loans or credit facilities to the dealers.

A dealer may elect to finance its purchase of our products through one of the Financing Providers. After we deliver the relevant products and submit the invoice and supporting documents required by the Financing Provider, such as order information, delivery documents and VIN information, the Financing Provider pays the full purchase price directly to us from the dealer's approved credit facility, generally within ten days after completing its review of the supporting documents. The dealer is then required to repay the financed amount to the Financing Provider in accordance with its financing agreement.

Term and Termination. Neither cooperation agreement has a fixed expiry date or requires periodic renewal. The agreement with Northpoint Commercial Finance LLC is evergreen and may be terminated by either party upon 30 days' prior written notice, while First Community Bank may cease offering financing under its agreement upon 90 days' prior written notice by either party.

Aggregate Programme Limit. Each Financing Provider independently determines and periodically reviews the programme limit made available to participating dealers collectively under its programme. The aggregate programme limit is independently determined and reviewed from time to time, without a fixed review schedule, by the Financing Providers based on their respective internal risk management policies and commercial judgment. Each Financing Provider may reduce its programme limit without our prior consent. The aggregate programme limit is not determined under a fixed formula and cannot be unilaterally determined or increased by us. The aggregate programme limit increased from approximately US$80.0 million in October 2025 to US$105.0 million as of the Latest Practicable Date.

The increase primarily reflected the continued expansion of our business and dealer network and the corresponding growth in dealers' demand for inventory financing. The aggregate programme limit does not automatically increase or decrease by reference to the amount of our trade receivables, the value of individual financed purchases or the outstanding financed amount. Rather, drawdowns and repayments by participating dealers affect the amount utilized and the available headroom within the aggregate programme limit, while any change to the aggregate programme limit itself is subject to a separate review and approval by the relevant Financing Provider. We have no authority to determine, increase or decrease the aggregate programme limit.

Dealer Appointment and Credit Assessment. In developing our dealer network, we assess potential dealers in accordance with our ordinary commercial criteria, including their operating scale, sales capabilities, and regional market coverage. Such assessment is conducted solely to determine whether a potential dealer satisfies our commercial criteria to become an authorized dealer. However, we do not conduct an assessment of a dealer's creditworthiness or repayment capacity for inventory-financing purposes. An authorized dealer wishing to use the Floor Plan Financing Arrangement must directly apply to the Financing Providers. We do not participate in or influence the Financing Provider's credit approval, credit-limit determination or adjustment, or ongoing credit monitoring. To manage the risk that a dealer's financial condition may deteriorate after its initial approval, before accepting each order under the Floor Plan Financing Arrangement, our sales department verifies that the dealer's financing approval from the relevant Financing Provider remains valid.

Interest Rate. The applicable interest rate benchmark differs by Financing Provider. For floor plan financing provided by Northpoint Commercial Finance LLC, the annual interest rate is calculated by reference to the Secured Overnight Financing Rate ("**SOFR**") plus a contractual margin under the relevant financing arrangement. During the Track Record Period and up to the Latest Practicable Date, the SOFR ranged from approximately 3.50% to 5.40% per annum, while the contractual margin ranged from approximately 5.75% to 10.00% per annum, resulting in an all-in annual interest rate ranging from approximately 9.25% to 15.40%. For floor plan financing provided by First Community Bank, the annual interest rate is calculated by reference to the prime rate published by The Wall Street Journal (the "**WSJ Prime Rate**") plus 2.00% per annum. During the Track Record Period and up to the Latest Practicable Date, the applicable WSJ Prime Rate ranged from approximately 8.75% to 10.50%, resulting in an all-in annual interest rate ranging from approximately 10.75% to 12.50%.

Our Obligations and Financial Exposure. The approval by a Financing Provider of a credit facility for a dealer does not, by itself, require us to fund the facility or satisfy the dealer's repayment obligations. Our transaction-specific exposure arises when the dealer uses the approved facility to purchase products from us and the Financing Provider pays the full purchase price to us. In the ordinary course, the dealer sells the financed products and repays the relevant Financing Provider in accordance with its financing agreement. We generally bear the interest accrued during the first 60 days after the relevant financing is advanced. The interest expenses incurred by us in connection with the Dealer Floor Plan Financing amounted to RMB1.5 million, RMB11.3 million and RMB6.8 million for the years ended December 31, 2024 and 2025 and the four months ended April 30, 2026, respectively. If the financing remains outstanding thereafter, the dealer is responsible for the interest accruing until repayment. However, if a dealer is unable to sell the financed products upon expiry of the initial 60-day period or otherwise defaults on its payment obligations, we would liaise with the dealer and the relevant Financing Providers on the repayment plan. We may be required to repurchase the financed inventory and bear the interest incurred by the dealer. Any such repurchase would result in a reduction in the revenue previously recognized in respect of the relevant financed inventory. Any repurchase payment would be made directly to the relevant Financing Provider, rather than through the dealer, and applied toward settlement of the dealer's outstanding financed amount. During the Track Record Period and up to the Latest Practicable Date, there were no instances of such defaults or repurchases. We maintain a standby letter of credit in favor of the Financing Providers to secure our obligations to pay interest and repurchase financed inventory.

According to Frost & Sullivan, floor plan financing, including brand owners bearing the interest accrued during the first 60 days for the dealers, 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 amounted to 53, 181 and 275 as of December 31, 2024 and 2025 and April 30, 2026, respectively, mainly because the arrangement was expanded in 2025 to cover TEKO products in addition to DENAGO products and an increasing number of eligible dealers elected to use the arrangement to finance their inventory purchases. As of the Latest Practicable Date, the number of participating dealers under the Floor Plan Financing Arrangement had remained unchanged at 275 since April 30, 2026. 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, further increased to RMB304.0 million as of April 30, 2026, primarily due to the increase in the number of participating dealers and the growth in sales scale of our dealers. As of August 27, 2026, RMB246.6 million, approximately 81.1%, of the financed amount outstanding as of April 30, 2026 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, 42.6 days and 40.4 days in 2024, 2025 and the four months ended April 30, 2026, respectively. Taking into account the foregoing, our Directors are of the view that the credit risk associated with such remaining balance was not material as of the Latest Practicable Date. See "Financial Information — Financial Risk Management."

For a prospective new dealer with no prior trading history with us, we first assess whether it satisfies our ordinary commercial requirements for appointment as an authorized dealer, taking into account its operating scale, sales capabilities, regional market coverage and business development potential. This assessment forms part of our ordinary dealer onboarding and trade credit management process. For the avoidance of doubt, it is separate from, and does not constitute or replace, the Financing Provider's independent credit assessment for inventory financing purposes.

Before accepting an order under the arrangement, our sales department verifies that the dealer has been approved by the relevant Financing Provider. The Financing Provider pays the full purchase price directly to us after delivery and review of the relevant supporting documents, and the financed inventory serves as collateral for the dealer's financing, and our related trade receivables are also deemed as collateral under the 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, RMB114.7 million and RMB69.1 million in 2023, 2024, 2025 and the four months ended April 30, 2026, representing 1.4%, 2.6%, 2.9% and 4.3% of our total revenue during the same periods, respectively.

DTC Websites

As of the Latest Practicable Date, we had 14 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 have enhanced our capabilities 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 geographic positioning of these sites, and (b) the centralized management of pricing, we consider that any cannibalisation among the 14 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 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 90 countries and regions.

In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our ODM business amounted to RMB782.1 million, RMB1,104.6 million, RMB1,033.0 million and RMB174.7 million, respectively, representing 36.5%, 37.1%, 26.2% and 11.0% of our total revenue for the respective periods. The sales volume of our ODM products amounted to 651.6 thousand, 745.2 thousand, 687.1 thousand and 216.3 thousand in 2023, 2024, 2025 and the four months ended April 30, 2026. During the Track Record Period, all of our ODM products were sold under brands owned by our ODM partners. The following table sets forth a breakdown of our revenue from ODM by products for the relevant periods indicated.

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
E-mobility products	181,687	23.2	302,021	27.3	258,396	25.0	12,510	7.2
Powersports	554,016	70.9	759,200	68.9	735,722	71.2	152,442	87.3
Others	46,403	5.9	43,384	3.9	38,845	3.8	9,719	5.5
Total	**782,106**	**100.0**	**1,104,605**	**100.0**	**1,032,963**	**100.0**	**174,671**	**100.0**

Our revenue from ODM products 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 decrease in revenue was mainly attributable to lower sales volumes of higher-priced ATVs, while the decrease in overall sales volume was mainly attributable to fewer lower-priced helmets and accessories sold to these customers. Our revenue from ODM products decreased as a percentage of our total revenue from 26.2% in 2025 to 11.0% in the four months ended April 30, 2026, primarily because sales to Champion Motorsports ceased to be recorded as external ODM sales following the Acquisition. Sales to Champion Motorsports amounted to RMB179.5 million

in the four months ended April 30, 2025, whereas sales to Champion Motorsports in the corresponding period in 2026 were eliminated as intra-group transactions, with its onward sales recorded as branded product sales.

Prior to the Acquisition, Champion Motorsports had historically been one of our five largest ODM customers, and our sales to Champion Motorsports were recorded as external export sales under our ODM business. Following the Acquisition, supplies by our manufacturing entities to Champion Motorsports became intra-group transactions and were eliminated upon consolidation, while Champion Motorsports' onward sales to downstream third-party customers within the United States were recorded as external U.S. domestic sales under our branded products. Champion Motorsports' onward sales to TSC and other large U.S. GMS customers are classified as KAC sales. Sales to customers that have entered into dealer agreements with Champion Motorsports are classified as dealer sales, while sales to commercial customers that are neither KACs nor parties to formal dealer agreements with Champion Motorsports are classified as wholesale sales. The following table sets forth a breakdown of our revenue from ODM by geographical location for the relevant periods indicated.

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Americas	453,691	58.0	813,649	73.7	730,857	70.8	85,296	48.8
Europe	261,757	33.5	224,040	20.3	125,993	12.2	34,693	19.9
Asia	64,302	8.2	61,591	5.6	172,638	16.7	54,568	31.2
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	114	0.1
Total	**782,106**	**100.0**	**1,104,605**	**100.0**	**1,032,963**	**100.0**	**174,671**	**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.

During the Track Record Period, all of our ODM products were sold under brands owned by our ODM partners. Our ODM partners may choose to sell our products, primarily including LSEVs, ATVs and off-road motorcycles under their own brands, 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. Separately, our ODM partners may purchase products bearing our proprietary brands for resale in their capacity, which was not included in our revenue from ODM customers. 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.

- ***Warranty obligations.*** We generally support ODM customers' after-sales services by providing free spare parts or replacement parts as agreed with the relevant ODM customers. ODM customers are generally required to raise any quality objection within one month after receipt of goods. Quality-related disputes are to be resolved through negotiation.

Major Customers

As of April 30, 2026, we have built up a broad and geographically diverse customer base globally, spreading across over 90 countries and regions. During the Track Record Period, our customers primarily included GMS, 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, 2025 and the four months ended April 30, 2026, our aggregate revenue from the five largest customers in each year/period during the Track Record Period was RMB1,065.4 million, RMB1,454.9 million, RMB1,370.4 million and RMB318.3 million, respectively, accounting for 49.7%, 48.9%, 34.8% and 20.0% of our total revenue, respectively. In the same periods, our revenue from the single largest customer in each year/period during the Track Record Period amounted to RMB327.3 million, RMB489.6 million, RMB520.9 million and RMB141.3 million, accounting for 15.3%, 16.5%, 13.2% and 8.9% of our total revenue, respectively. The following tables set forth the details of our top five customers during the Track Record Period.

Customers	Credit term	Sales Channel	Products provided from us	Payment method	Year of commencement of business relationship	Revenue amount	Percentage of total revenue
						(RMB'000)	*(%)*
For the year ended December 31, 2023							
Customer A	90 days	KAC	E-mobility products	Bank Transfer	2019	327,285	15.3
Champion	90 days	ODM	E-mobility products; 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
						1,065,351	49.7
For the year ended December 31, 2024							
Champion	90–120 days	ODM	E-mobility products; powersports	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
						1,454,924	48.9
For the year ended December 31, 2025							
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
						1,370,414	34.8

Customers	Credit term	Sales Channel	Products provided from us	Payment method	Year of commencement of business relationship	Revenue amount	Percentage of total revenue
						(RMB'000)	*(%)*
For the four months ended April 30, 2026							
Customer G .	30 days	KAC	LSEV, Powersports	Bank Transfer	2023	141,315	8.9
Customer A . .	90 days	KAC	E-mobility products	Bank Transfer	2019	57,003	3.6
Customer C . .	20% advance payment, remaining 80% settled after delivery in 120 days	ODM	Powersports	Bank Transfer	2020	46,290	2.9
Customer F . .	20 days	Dealer	E-mobility products	Bank Transfer	2024	38,507	2.4
Customer B . .	90 days	KAC	E-mobility products	Bank Transfer	2019	35,220	2.2
						318,335	20.0

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 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.

(7) Customer G is a company listed on Nasdaq, which is among the largest rural lifestyle retailers in the United States with an extensive network of retail stores and e-commerce channels. We mainly sell LSEVs and powersports to Customer G. Customer G was an existing major customer of Champion Motorsports prior to the Acquisition and, as a result of the Acquisition and the consolidation of Champion Holdings into our Group, became our largest customer for the four months ended April 30, 2026.

Save for Champion Motorsports, a subsidiary of Champion Holdings, all of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. 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. In 2023, 2024, 2025 and the four months ended April 30, 2026, the aggregate amount of third-party payments was approximately RMB123.2 million, RMB52.4 million, RMB73.9 million and RMB4.9 million, respectively, accounting for approximately 5.7%, 1.8%, 1.9% and 0.3% of our total revenue, in the same periods, respectively. During the Track Record Period, the number of Relevant Customers amounted to 46, 48, 58 and 9, representing 6.3%, 5.7%, 5.0% and 1.0% of our total customers in 2023, 2024, 2025 and the four months ended April 30, 2026, 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.

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/period 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 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 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 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) ***Tripartite agreement requirements:*** for Relevant Customers who are unable to directly settle payments, they are required to sign a standard tripartite 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.

As of May 31, 2026, we still had outstanding trade receivable balance due from eight Relevant Customers under legacy contracts, and such balance amounted to approximately RMB2.4 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%, 1.9% and 0.3% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2026, 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 RMB2.4 million as of May 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, 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 800 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.

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 provisions 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 to this Document. 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, RMB39.2 million and RMB19.1 million, as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively.

The amount of returned goods amounted to RMB61.9 million, RMB93.5 million, RMB76.0 million and RMB19.4 million in 2023, 2024, 2025 and the four months ended April 30, 2026, representing 2.9%, 3.1%, 1.9% and 1.2% of our total revenue during the respective periods. 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, RMB52.0 thousand and RMB240.2 thousand, respectively, in 2023, 2024, 2025 and the four months ended April 30, 2026, 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.

The aggregate purchases from our top five suppliers in 2023, 2024, 2025 and the four months ended April 30, 2026 were RMB172.9 million, RMB785.5 million, RMB514.1 million and RMB166.3 million, respectively, representing 13.5%, 27.1%, 20.9% and 22.5% of our total purchase amount in the same periods, respectively. The purchases from our largest supplier in 2023, 2024, 2025 and the four months ended April 30, 2026, were RMB44.7 million, RMB389.6 million, RMB171.9 million and RMB43.9 million, respectively, representing 3.5%, 13.4%, 7.0% and 6.0% of our total purchase amount in the same periods, 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. During the Track Record Period and up to the Latest Practicable Date, we did not purchase U.S.-origin raw materials or components from third-party suppliers in the United States. 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, TEKO and TAO MOTOR. Through optimized and differentiated operations, we continue to amplify our brand synergies. Our four core brands feature clear positioning and complementary strengths, as summarized below. For more information regarding our proprietary brands and self-branded products, see "— Our Brands and Products."

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 two million. 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 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 social-media platforms, through which we have built a large and highly-engaged user community, constituting a significant intangible brand asset.

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.

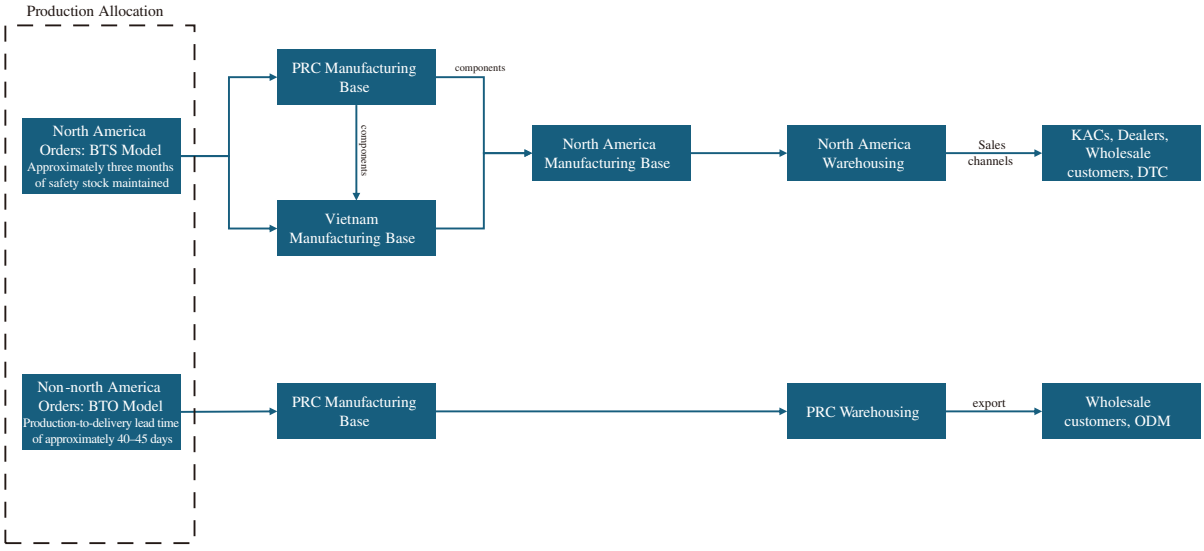
For our LSEV products, our key technologies include front-wheel dual-drive assemblies, drive assemblies for golf carts and linkage-shaft configurations. These technologies are designed to improve load distribution, power transmission and heat dissipation, while enhancing vehicle stability, durability 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.

PRODUCTION

We operate a multi-regional production network across China, Southeast Asia, and United States to actively support our international operations. Our production model combines (i) in-house R&D and design, (ii) in-house production of certain core components and (iii) international supply chain management, enabling us to coordinate key stages of product development and manufacturing across regions.

The following flowchart shows our entire business flow from production to delivery as of the Latest Practicable Date.



Our Manufacturing Bases

To address changes in international trade and supply chain conditions, we have developed a multi-regional manufacturing network featuring regionalized production and localized sourcing across our three manufacturing bases. We plan to allocate our production capacity based on market demand, tariff policies and supply chain arrangements. Our North America Base is expected to focus on the local assembly of LSEVs for the U.S. market, while our Vietnam Base is expected to focus on the production of LSEV frames and selected components, as well as finished ATVs, for the U.S. market. 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	Number of Facilities	Site Area	Principal products	Production Status	Target Market	Property Interest
			(sq.m.)				
North America Base	U.S.	Four	124,004	LSEV	Commenced production in 2024	U.S. market	Self-owned/leased
Vietnam Base	Vietnam	Two	36,208	LSEV and ATV	Commenced production in 2024	U.S. market	Leased
PRC Base	Zhejiang, China	Two	234,896	All E-mobility products and Powersports	Commenced production in 2015	Global market	Self-owned

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

	Year ended December 31,									Four months ended April 30,					
	2023			2024			2025			2025			2026		
	Production Capacity[1]	Production Volume	Utilization Rate[2]	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate
	(units)	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*
North America Base															
E-mobility products:															
LSEVs	—	—	—	—	—	—	20,000	14,663	73.3	4,000	2,619	65.5	20,000	17,830	89.2
Vietnam Base															
E-mobility products:															
LSEVs[6]	—	—	—	20,000	10,023	50.1	20,000	27,605	138.0	6,667	2,704	40.6	6,667	—	—
Powersports:															
ATV	—	—	—	6,000	2,196	36.6	12,000	7,898	65.8	4,000	5,020	125.5	4,000	2,134	53.4
Overall — Vietnam Base[2]	—	—	—	26,000	12,219	47.0	32,000	35,503	110.9	10,667	7,724	72.4	10,667	2,134	20.0
PRC Base															
E-mobility products:															
LSEVs[5]	5,000	4,475	89.5	33,000	34,171	103.6	33,000	1,193	3.6	11,000	325	3.0	1,000	737	73.7
Electric Two-wheelers:															
Electric Scooters	N/A[4]	379,433	N/A	N/A	384,521	N/A	N/A	434,013	N/A	N/A	72,185	N/A	N/A	70,679	N/A
Electric Balance Bikes	N/A	410,495	N/A	N/A	279,518	N/A	N/A	288,780	N/A	N/A	65,375	N/A	N/A	51,485	N/A
Electric Bicycles	N/A	62,769	N/A	N/A	51,012	N/A	N/A	58,066	N/A	N/A	8,572	N/A	N/A	24,829	N/A
Subtotal	1,210,000	852,697	70.5	1,210,000	715,051	59.1	1,182,000	780,859	66.1	394,000	146,132	37.1	394,000	146,993	37.3
Powersports[5]:															
ATV	N/A	89,518	N/A	N/A	139,686	N/A	N/A	137,080	N/A	N/A	42,866	N/A	N/A	42,840	N/A
Off-road Motorcycles	N/A	49,293	N/A	N/A	73,872	N/A	N/A	73,592	N/A	N/A	17,657	N/A	N/A	23,327	N/A
Subtotal	239,580	138,811	57.9	233,580	213,558	91.4	233,580	210,672	90.2	77,860	60,523	77.7	87,860	66,167	75.3
Others:[3]	990,000	269,280	27.2	990,000	506,258	51.1	990,000	341,591	34.5	330,000	91,338	27.7	330,000	76,627	23.2
Overall — PRC Base[2]	2,444,580	1,265,263	51.8	2,466,580	1,469,038	59.6	2,438,580	1,334,315	54.7	812,860	298,318	36.7	812,860	290,524	35.7
Aggregate — all production bases and all production lines[2]	2,444,580	1,265,263	51.8	2,492,580	1,481,257	59.4	2,490,580	1,384,481	55.6	827,527	308,661	37.3	843,527	310,488	36.8

Notes:

(1) Our capacity calculation for each period is based on an assumed standard working schedule of eight hours per employee per day. The production-capacity figures for the four months ended April 30, 2025 and 2026 have not been annualized.

(2) Utilization rate is calculated by dividing production volume by the production capacity for the same periods. The overall utilization rate for each production base is calculated by dividing the aggregate production volume of all production lines at that production base by the aggregate production capacity of all such production lines. The aggregate utilization rate for all production bases and all production lines is calculated by dividing the aggregate production volume of all production lines at all three production bases by the corresponding aggregate production capacity.

(3) Others mainly consisted of helmets, which were manufactured on production lines separate from those used for the E-mobility and powersports products. The relevant production capacity was established before the Track Record Period on higher historical sales volume of helmet. As customer orders for helmets during the Track Record Period were lower than the historical level, actual production volume remained below production capacity, resulting in relatively low utilization rates.

(4) The production capacity and utilization rate for certain non-LSEV products manufactured at our PRC Base are shown as "N/A" on an individual product category basis because such products are manufactured on shared production lines. At our PRC Base, electric scooters, electric balance bikes and electric bicycles are manufactured on shared electric two-wheeler production lines, while ATVs and off-road motorcycles are manufactured on shared powersports production lines. Accordingly, capacity and utilization are calculated and presented on a combined basis for the electric two-wheeler and powersports product groups, respectively, and are not separately allocated to individual product categories within each product group. The actual production volume of each individual product category is presented separately. The utilization rate for the four months ended April 30, 2026 was lower than the full-year utilization rate of 66.1% in 2025, primarily due to (i) seasonally lower demand during the first four months of the year, as sales of electric two-wheelers generally peak in the fourth quarter; and (ii) reduced production activity during the Chinese New Year holiday.

(5) 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 in 2025, in early 2026, we reallocated most of the relevant PRC LSEV production capacity to powersports. At our PRC Base, ATVs and off-road motorcycles are manufactured on shared production lines. Accordingly, their production capacity and utilization rate are calculated and presented on a combined basis for the powersports product group, rather than separately for each product category. As a result of such reallocation, the production capacity allocated to LSEVs at our PRC Base decreased from 11,000 units for the four months ended April 30, 2025 to 1,000 units for the corresponding period in 2026. As the utilization rate is calculated by dividing actual production volume by the production capacity allocated to the relevant product category, the utilization rate increased from 3.0% to 73.7%, primarily reflecting the substantial reduction in the capacity allocated to LSEVs, while actual LSEV production volume increased from 325 units to 737 units over the same periods.

(6) The utilization rate of the Vietnam Base decreased from 138.0% in 2025 to nil in the four months ended April 30, 2026, primarily because, since early 2026, we have reallocated our finished LSEV assembly activities from the Vietnam Base to our North America Base, with the Vietnam Base focusing primarily on the production of LSEV frames and selected components for U.S. local assembly.

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 the plant buildings and related infrastructure had been substantially completed, and we expect to complete the remaining construction work in November 2026. With respect to the new production lines at our PRC Base, we expect to install automated production lines, robotic equipment and testing equipment, complete commissioning and commence trial production in 2026, with production capacity expected to increase progressively thereafter. Separately, as part of our overseas production capacity expansion, we are developing our Thailand facility in phases. The Thailand facility is expected to be fully completed by 2030, with a total investment of approximately US$34.1 million. Upon full operation, it is expected to have a designed annual production capacity of approximately 30,000 ATVs and 40,000 LSEVs. Although the Thailand facility had not commenced production as of the Latest Practicable Date, if ATVs and LSEVs manufactured at the facility were exported to the United States and qualified as Thailand-origin products, such Thailand-origin ATVs and LSEVs would be subject to aggregate U.S. tariff rates of approximately 15.0% and 27.5%, respectively, the same as those applicable to the corresponding Vietnam-origin products. Our planned Thailand facility is expected to provide a relative tariff advantage by enabling our products that satisfy U.S. rules of origin to qualify as Thailand-origin rather than PRC-origin, thereby further reducing our tariff exposure specifically to PRC-origin products. In addition, our Vietnam Base commenced production in 2024 and operates from leased premises. While we currently have no plans to terminate our lease in Vietnam, our self-built Thailand facility is expected to provide greater long-term control over our production premises and reduce our exposure to lease-related risks. It is also expected to complement our U.S. operations by providing an additional overseas manufacturing location and greater flexibility to adjust production allocation in response to changes in market demand, tariff policies and supply chain conditions.

Manufacturing Reallocation

In response to changes in market demand, tariff policies and supply chain arrangements, we have been reallocating our production and assembly of our products from our PRC Base to Vietnam Base and North America Base. During the Track Record Period, our revenue generated from PRC-origin products that were subject to U.S. tariffs accounted for 71.3%, 76.4%, 50.4% and 24.5% of our total revenue, respectively. Such reallocation mainly relates to U.S.-bound LSEV, including reallocation of final assembly, selected component production and supply arrangements, while our PRC Base continues to serve as our principal manufacturing, component supply and technical support base across all product lines.

The relevant LSEV production process is modular and assembly-oriented. Our Vietnam Base produces LSEV frames and selected components, while our North America Base undertakes local assembly of such frames and components, quality control, pre-delivery inspection and delivery for U.S.-bound LSEV products. As of the Latest Practicable Date, we had three CKD assembly lines in the United States. Under the CKD model, vehicle parts and components are shipped separately to the destination market and assembled locally into finished vehicles. These assembly lines are primarily used for assembling U.S.-bound LSEV products from CKD component sets and selected components. We also provide standardized operating procedures and training to production staff at our overseas facilities, with process and quality-control support from our PRC Base. We plan to further enhance our U.S. localized manufacturing and assembly capabilities by adding one CKD assembly line in 2026, installing equipment for chassis frame processing, including cutting, bending and welding, and recruiting and training relevant production, engineering and quality control personnel. The combined LSEV production capacity of our Vietnam Base and North America Base in the four months ended April 30, 2026 was sufficient to cover our LSEV sales in the North America market during the same period. In addition, the monthly LSEV production capacity of our North America Base continued to increase, from an average of approximately 5,000 units in the four months ended April 30, 2026 to over 8,000 units in June 2026. Taking into account our existing production lines, trained production staff, standardized procedures and production ramp-up, our Directors believe that our Vietnam Base and North America Base have the capacity and practical manufacturing capabilities to undertake the relevant U.S.-bound LSEV orders reallocated from our PRC Base.

The following table sets forth our target production mix for our current and planned manufacturing bases as of the Latest Practicable Date:

Manufacturing base	Status	Target production mix
PRC Base	Operational	Finished non-LSEV products and related components; finished LSEV products and related components for markets outside the U.S.; selected components only for U.S.-bound finished LSEV products; and development, trial production, testing and small-batch production of selected models
North America Base	Operational	Local assembly of finished LSEV products for the U.S. market, primarily through CKD assembly lines, together with quality control, pre-delivery inspection and delivery
Vietnam Base	Operational	LSEV frames and selected components of E-mobility products, such as electric bicycles, and finished ATV products
Planned Thailand facility . . .	Under construction	Finished ATV products and finished LSEV products

The actual production allocation among our manufacturing bases may be adjusted from time to time based on market demand, tariff policies, production ramp-up, supply chain arrangements and customer requirements.

Our production reallocation has effectively mitigated the impact of tariffs and AD/CVD primarily in respect of U.S.-bound LSEV products. In particular, for LSEV products sold in the United States, we have shifted from exporting PRC-origin finished LSEV products to the United States to assembling LSEV products at our North America Base using, among others, CKD component sets, including Vietnamese-origin components. This has reduced our exposure to AD/CVD applicable to PRC-origin finished LSPTV products. For non-LSEV products manufactured in Vietnam and sold in the United States, we label the country of origin of the relevant products as Vietnam where the relevant manufacturing process in Vietnam satisfies the applicable substantial transformation standard under U.S. customs rules. For components and products manufactured in our Vietnam Base, we have obtained country of origin certification from the Agency of Foreign Trade of Vietnam.

Following the production reallocation, the utilization rate of our LSEV production line at our PRC Base decreased. To address the lower utilization of our PRC facilities, we reallocated the relevant PRC LSEV production lines to powersports products, non-LSEV E-mobility products and selected component production in January 2026. We also plan to improve utilization through production scheduling, equipment and tooling adjustment, and process standardization. The shift from LSEV production to powersports product manufacturing at our PRC Base is expected to help improve utilization rate because certain production processes, equipment and quality-control procedures are shared or adaptable across vehicle categories. However, such shift is primarily a facility-utilization measure and does not by itself eliminate tariff exposure for PRC-origin powersports products exported to the U.S. The overall impact of such tariff exposure for PRC-origin powersports is expected to be limited because our PRC Base also supports products and components for markets outside the U.S., and we may allocate U.S.-bound production among our PRC Base, Vietnam Base and North America Base based on prevailing market demand, tariff policies and supply chain arrangements.

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.

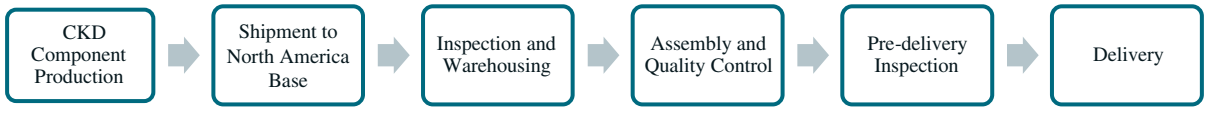
Our Production Process

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.

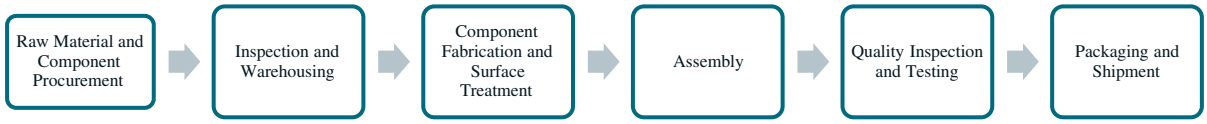
We allocate production and assembly work among our PRC, Vietnam and the U.S. manufacturing bases. Our PRC manufacturing base serves as a principal manufacturing and component supply base, our Vietnam production facility serves as an overseas manufacturing and selected component supply base, and our North America Base 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 manufacturing base,

while for North America orders, CKD component sets and selected components sourced from China and Vietnam are generally shipped to our North America Base 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 electric two-wheelers 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.

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 April 30, 2026, we collaborated with 61 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 international 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 international 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, 232 days and 229 days in 2023, 2024, 2025 and the four months ended April 30, 2026, 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

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 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.

Save for the administrative penalty of RMB6,000 relating to certain helmet products procured from a third-party supplier that were found not to conform in testing in 2024, as disclosed under "— Legal Proceedings and Compliance — Compliance — Administrative Penalty," our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, the products manufactured and sold by our Group complied in all material respects with the applicable product-safety standards and mandatory certification requirements. During the Track Record Period, we did not experience any product recall. Following the helmet incident, we ceased selling the relevant products, terminated cooperation with the relevant supplier and strengthened our supplier qualification.

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.

- ***Procurement of Key Components.*** We procured essential components, notably electric motors and lithium battery packs, primarily from our wholly-owned 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 periods indicated:

Cash Transferor	Cash Transferee	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025	Four months ended April 30, 2026	Aggregate Amount	Percentage of Total Related Party Transactions
		RMB'000	*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	56,697	3,229,825	63.5
Vietnam subsidiaries	Our Company	—	23,198	328,291	12,136	363,625	7.1
Canada subsidiaries	Our Company	57,790	66,535	108,736	68,653	301,714	5.9
PRC subsidiaries	Our Company	63,290	15,858	8,471	7,966	95,585	1.9
Other overseas subsidiaries	Our Company	1,652	955	926	180	3,713	0.1
Subtotal		1,036,843	1,887,523	924,464	145,632	3,994,462	78.5
Procurement of key components							
Our Company	PRC subsidiaries	270,089	312,574	364,133	129,214	1,076,010	21.1
Our Company	Other overseas subsidiaries	351	—	16,316	4,150	20,817	0.4
Subtotal		270,440	312,574	380,449	133,364	1,096,827	21.5
Receipt of services							
Our Company	PRC subsidiaries	557	133	133	33	856	—
Total		**1,307,840**	**2,200,230**	**1,305,046**	**279,029**	**5,092,145**	**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 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 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, 2025 and the four months ended April 30, 2025 and 2026, our research and development expenses amounted to RMB87.7 million, RMB125.5 million, RMB123.4 million, RMB27.3 million and RMB29.0 million, respectively. Our research and development strategy 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 1,000 cc ATV program, which involves the integration and optimization of our in-house 1,000 cc engine, chassis calibration, steering tuning, E/E system optimization and safety and handling enhancements. The 1,000 cc ATV program is currently between the R&D validation testing 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 390 registered patents in China, 126 registered patents in the U.S., and 123 registered patents in other countries around the world. Through the Champion Holdings Acquisition, we also acquired control over Champion Motorsports' ownership of the "Racka" trademark, which became an additional proprietary brand of our Group. We also acquired control over Champion Motorsports' contractual rights as licensee to use the "COLEMAN" and "MADDOG GEAR" trademarks and trade names. 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 our 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 Relating 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 by revenue in the global LSEV industry in 2025, 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 April 30, 2026, we had 3,222 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	208
Research and development	291
General administration and management	344
Production	2,379
Total	3,222

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.

INSURANCE

We consider our insurance coverage adequate and in accordance with the commercial practices in the industry in which we operate. We maintained product liability insurance for our E-mobility and powersports products, covering third-party claims for bodily injury, death and property damage. We also maintained export-related insurance covering losses arising from overseas customers' failure to pay amounts due, with a maximum coverage limit of US$16.0 million. 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 evaluates 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. In respect of personal information collected through our U.S. sales operations, such information is stored in the U.S., and we do not

transfer such information outside the United States for storage or processing. Separately, in connection with our rental services for sightseeing vehicles in scenic areas and our e-commerce websites outside the U.S., we collected, processed and stored limited personal information in the Chinese Mainland, Japan and Canada, which was stored locally in the jurisdiction where it was collected. Such personal information was collected with the relevant individuals' consent as required under applicable laws and regulations. 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.

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, and the **[REDACTED]** does not fall within the circumstances requiring a mandatory application for cybersecurity review under the Cybersecurity Review Measures, on the bases that: (i) we and our major PRC subsidiaries are not network platform operators holding personal information of more than one million users; (ii) the **[REDACTED]** is not a listing on a foreign stock exchange (國外上市) to which Article 7 of the Cybersecurity Review Measures applies; (iii) we and our major PRC subsidiaries have not received any inquiry or notice from any national or local cyberspace administration authority or other regulatory authority requiring us to undergo or apply for cybersecurity review under the Cybersecurity Review Measures; and (iv) we and our major PRC subsidiaries have not received any notice or requirement from the competent authorities responsible for the protection of critical information infrastructure identifying any of our PRC entities as a critical information infrastructure operator.

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, our legal advisors of all relevant jurisdictions and 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. TARIFFS AND TRADE MEASURES

Our Exposure to U.S. Tariffs

The United States is our largest market, accounting for 71.2%, 76.9%, 82.8%, 80.9% and 84.9% of our revenue in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. During the Track Record Period, a substantial majority of the products we sold in the United States were manufactured outside the United States, principally in the PRC and, from August 2024, Vietnam, and imported into the United States.

During the Track Record Period and up to the Latest Practicable Date, imports of our PRC-origin E-mobility products (LSEVs in particular) and powersports into the U.S. were subject to several rounds of tariff adjustments as a result of successive U.S. trade actions of general application, as well as trade remedy proceedings specific to certain of our product categories. During the Track Record Period, our revenue generated from all PRC-origin products that were subject to U.S. tariffs amounted to RMB1,529.3 million, RMB2,275.3 million, RMB1,988.1 million and RMB389.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing 71.3%, 76.4%, 50.4% and 24.5% of our total revenue, respectively.

For the U.S. market, we primarily adopt a BTS model, where our products exported to the United States are sold in intra-group transactions to our U.S. subsidiaries, which pay the applicable tariffs upon importation into the country. Accordingly, the applicable tariffs are incurred and initially absorbed by our U.S. subsidiaries as part of the landed cost of the imported products, regardless of whether and to what extent our U.S. subsidiaries subsequently make market-driven pricing adjustments in sales to third-party customers. Our Group therefore incurs tariff costs before the products are sold to our customers within the United States.

Tariff levels remain subject to change, and further changes may be announced at short notice. The following table sets forth applicable general tariff rates to our PRC-origin products, including powersport products, namely ATVs, off-road motorcycles, and E-mobility products, namely electric scooters, electric balance vehicles and electric bicycles during the Track Record Period and up to the Latest Practicable Date.

Period	ATVs	Off-road motorcycles	Electric scooters & electric balance vehicles	Electric bicycles
		(in percentages)		
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 3, 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 — Nov 9, 2025	57.5	37.5	55	55
Nov 10, 2025 — Feb 20, 2026	47.5	27.5	45	45
Feb 21, 2026 — June 7, 2026	37.5	17.5	35	35
June 8, 2026 — July 23, 2026	40	17.5	35	35
July 24, 2026 — up to the Latest Practicable Date	40	20	37.5	37.5

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) CVD rates, and (iii) AD rates. Several rounds of adjustments were implemented between late 2024 and 2025, resulting in temporary spikes in the effective duty burden.

The following table sets forth applicable tariff rates to our PRC-origin LSEV products during the Track Record Period and up to the Latest Practicable Date.

Period	Customs duty	CVD rate	AD rate	Total
		(in percentages)		
Jan 1, 2023 — Dec 31, 2023	10	—	—	10
Jan 1, 2024 — Dec 6, 2024	10	—	—	10
Dec 6, 2024 — Dec 31, 2024	10	25.55	—	35.55
Jan 1, 2025 — Jan 29, 2025	10	25.55	—	35.55
Jan 30, 2025 — Feb 3, 2025	10	25.55	248.16	283.71
Feb 4, 2025 — Feb 18, 2025	20	25.55	248.16	293.71
Feb 19, 2025 — Mar 4, 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 — Nov 9, 2025	42.5	41.14	291.04	374.68
Nov 10, 2025 — Feb 20, 2026	30	41.14	291.04	362.18
Feb 21, 2026 — June 7, 2026	40	41.14	291.04	372.18
June 8, 2026 — July 23, 2026	20	41.14	291.04	352.18
July 24, 2026 — up to the Latest Practicable Date	35	41.14	291.04	367.18

Note: We had ceased shipping finished PRC-origin LSEVs to the United States by the end of 2024. Certain shipments dispatched before such cessation entered the United States by January 3, 2025. Accordingly, the tariff rates set out in the table above for periods commencing on January 4, 2025 did not apply to any imports of finished LSEVs by our Group thereafter.

The following table sets forth applicable tariff rates to our Vietnamese-origin products during the Track Record Period and up to the Latest Practicable Date.

Period	ATVs	Off-road motorcycles	Electric scooters & electric balance vehicles	Electric bicycles	LSEVs
			(in percentages)		
Jan 1, 2023 — Dec 31, 2023.	2.5	—	—	—	2.5
Jan 1, 2024 — Dec 31, 2024.	2.5	—	—	—	2.5
Jan 1, 2025 — April 1, 2025.	2.5	—	—	—	2.5
April 2, 2025 — Aug 6, 2025	12.5	10	10	10	12.5
Aug 7, 2025 — Feb 23, 2026	22.5	20	20	20	22.5
Feb 24, 2026 — June 7, 2026. . . .	12.5	10	10	10	12.5
June 8, 2026 — up to the Latest Practicable Date	15	12.5	12.5	12.5	27.5

How We Manage Tariff Costs

We manage tariff costs primarily through manufacturing reallocation, and to a lesser extent, through procurement and pricing adjustments. Our manufacturing reallocation and procurement reduce the tariff costs that would otherwise be incurred upon importation, while, where market conditions permit, our U.S. subsidiaries may make upward adjustments to prices to partially offset the tariff costs already incurred. These measures are not mutually exclusive. In response to the U.S. trade restrictions, we have therefore combined partial pricing adjustments with the procurement and manufacturing arrangements described below:

- **Manufacturing Reallocation**. Further to our existing PRC Base, we established and ramped up our Vietnam Base and invested in our North America Base to serve the North American market. The North America Base performs final assembly and customization for local customers in the U.S. See "— Production — Manufacturing Reallocation."

- **Procurement Adjustment**. We increased "near-plant" sourcing of steel, aluminum and key components in Vietnam 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;

- **Pricing Adjustment**. The pricing of our products is primarily market-driven. We generally do not adjust product prices immediately in response to changes in tariff rates, as our pricing decisions take into account various factors, including prevailing market conditions and the prices of competing products. In particular, the tariff rates applicable to PRC-origin LSEV products are at levels that cannot practicably be passed on in full to customers. During the Track Record Period, in instances where our U.S. subsidiaries absorbed the tariff costs as part of the landed cost of the imported products, the aggregate tariff rates applicable to such PRC-origin LSEV products ranged from approximately 10% to 35.55%. Our clearance and shipping costs, which included tariff costs absorbed by us, accounted for 10.4%, 12.8%, 13.4%, 13.3% and 13.2% of our total cost of sales in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Notwithstanding the tariff costs absorbed by us, our LSEV products were not loss-making on a gross profit basis in each year/period during the Track Record Period, with gross profit margins ranging from approximately 30% to 50%. We periodically review our product pricing and profit margins, balancing the need to cover operating costs, including tariffs, against market competitiveness. In doing so, we assess whether a further pricing adjustment would cause the retail price of the relevant product to

lose competitiveness against comparable products in the relevant market. Where it would, it is no longer commercially feasible to further pass tariff costs on to customers. If prevailing tariff costs cannot be sustainably absorbed through market-based pricing, we may adjust our production arrangements or temporarily suspend sales of certain affected products.

These procurement and manufacturing adjustments have related principally to our LSEV products; on the other hand our powersports and other E-mobility products exported to the United States remain principally PRC-origin, reflecting the lower tariff rates applicable to those categories. Although these adjustments reduce our exposure to tariffs applicable to PRC-origin products, they do not eliminate our tariff exposure, as Vietnam-origin products remain subject to applicable U.S. customs duties and tariffs.

Reallocation of our LSEV manufacturing

For tariff purposes, the frame is the core component of an LSEV in determining its country of origin. A finished LSEV is produced by installing batteries, tires and other components onto the frame and completing the relevant assembly processes. We implemented our manufacturing reallocation in three stages to progressively reduce our exposure to the risk that our LSEVs or the core component of our LSEVs would be considered PRC-origin.

2024 — Establishment of overseas production. We obtained the investment registration certificate for our Vietnam Base on January 4, 2024, and the base commenced production in August 2024, undertaking complete vehicle production of certain LSEVs and ATVs. This established the manufacturing foundation for the vehicle frames and finished vehicles produced at the facility to qualify as Vietnamese-origin products. Our North America Base commenced production in October 2024, performing final assembly and customization for the U.S. market.

2025 — Cessation of PRC-origin finished LSEV shipments and transition to Vietnam. In June and July 2024, AD and CVD investigations were initiated in the United States in respect of LSPTVs of PRC origin, a category which covers our LSEV products. Following the Department of Commerce's preliminary countervailing duty determination on December 6, 2024, which imposed cash deposit requirements on covered imports, we ceased shipping finished LSEVs from the PRC to the United States by the end of 2024. Thereafter, our sales of LSEVs in the United States were served principally by finished vehicles manufactured at our Vietnam base. Vietnamese-origin finished LSEVs accounted for 27,026 units, or 62.6%, of our U.S. LSEV sales volume in 2025.

2026 — Transition to U.S. local assembly using imported frames and other components. Since early 2026, we have adjusted the production arrangements of our Vietnam Base from the production of finished LSEVs to the production of LSEV frame parts and selected components for shipment to the United States for local assembly. Instead, we expect to import LSEV frame parts and selected components from Vietnam for local assembly in the United States. At our North America Base, LSEVs are assembled using CKD component sets and selected components sourced from China and Vietnam. As the vehicle frame is the key component in determining the country of origin of an LSEV, all LSEVs sold by us in the United States during the first four months of 2026 were considered to be of Vietnamese-origin.

The following table summarizes our manufacturing reallocation that was implemented from 2024 to 2026.

Year	China	Vietnam	United States
2024	Production of vehicle frames, finished LSEVs and other components	Commenced production of vehicle frames, finished LSEVs and other components	—

Year	China	Vietnam	United States
2025	Production of other components	Large-scale production of vehicle frames and finished LSEVs, as well as other components	Commenced assembly of finished LSEVs
2026	Production of other components	Large-scale production of vehicle frames and other components	Large-scale assembly of finished LSEVs

For more details of our manufacturing reallocation, see "— Production — Manufacturing Reallocation."

Impact on Our Business

Despite the increasing tariff and evolving trade restrictions, our revenue and profit continued to rise during the Track Record Period. Notwithstanding the impact of tariffs, our gross profit margin remained stable, amounting to 37.3%, 34.7%, 41.3% and 41.4% in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

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 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.

The reallocation of our LSEV manufacturing is being implemented in stages and requires an extended period of time to complete. During the transition toward final assembly of LSEVs in the United States, we may remain subject from time to time to the impact of changes in, and the interpretation and enforcement of, U.S. tariffs and trade policies, including those giving rise to the dispute in connection with AD/CVD deposit demand and the tariff classification dispute. See "— Legal Proceedings and Compliance — Legal Proceedings."

As described above, we have reallocated manufacturing capacity to Vietnam and the United States to reduce our exposure to tariffs and AD/CVD, and made market-based pricing adjustments to pass on part of the tariff costs to customers. We continue to monitor changes in trade policies and adjust these measures. These activities have required our management team to devote additional time and resources to tariff-related matters.

Our BTS model has contributed to higher inventory levels. We have historically adopted this model primarily for the North American market, maintaining inventories based on historical sales patterns and anticipated demand in advance of customer orders. We have also increased stocking levels to meet growing demand for our LSEVs and support timely delivery.

Our manufacturing reallocation across multiple countries has added production and transportation stages and lengthened the time required to move materials, components and products through our supply chain. These arrangements require us to maintain inventories across production facilities, in transit and in overseas warehouses for a longer overall period, contributing to longer inventory turnover days during the Track Record Period. See "— Financial Information Discussion of Selected Items from the Consolidated Statements of Financial Position Inventories."

Trade Compliance Measures

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 13 properties with an aggregate gross floor area of approximately 262,546 square meters in China and the U.S. We have obtained title certificates for all properties. As of the Latest Practicable Date, we leased 11 properties relating to our business operations in total with an aggregate gross floor area of approximately 182,905 square meters, which have been mainly used as production, storage, office and research and development in China, the United States, Canada and Vietnam.

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 April 30, 2026, 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.

The following table sets out a list of material licenses, permits and approvals 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	the Company	March 3, 2026	July 6, 2027

License/permit	Entity holding the license/permit	Grant date	Expiration date
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 Department of Commerce[(1)] and ITC[(2)], the United States imposed AD/CVD orders on LSPTVs originating from the PRC, which cover certain products[(3)] previously imported by Tao Motor, a subsidiary of our Company. The written scope of the AD/CVD orders uses the term LSPTVs for the covered product category, which are generally open-air, four-wheeled vehicles. LSEVs and golf carts that meet the physical and functional characteristics set out in the scope of the orders fall within the broader LSPTV category under the AD/CVD order.

(1) The Department of Commerce determines whether subject merchandise is sold in the United States at less than fair value or benefits from countervailable subsidies and determines the applicable AD/CVD margins and cash deposit rates.

(2) The ITC determines whether imports of the subject merchandise have materially injured, or threaten material injury to, the relevant U.S. domestic industry.

(3) The "certain products" refer to Tao Motor's 79 import entries of covered PRC-origin LSPTVs made between November 1, 2024 and January 3, 2025 during the 90-day critical circumstances period preceding the publication of the Department of Commerce's preliminary determination, in respect of which CBP had not completed its final computation and assessment of duties.

To put the U.S. federal institutions in context, the Department of Commerce, the ITC and CBP are separate U.S. federal agencies with different roles in the AD/CVD process. The Department of Commerce determines whether imported goods are sold at less than fair value or benefit from countervailable subsidies, calculates the applicable margins and cash-deposit rates and instructs CBP on the treatment of covered entries. The ITC separately determines whether the relevant U.S. industry is materially injured or threatened with material injury and, where applicable, makes a critical-circumstances determination. CBP administers import entries and carries out the applicable instructions, including suspending liquidation and collecting cash deposits. These agencies do not form a chain of command; each performs the role assigned to it by law. DOJ represents the Department of Commerce and CBP in court challenges but does not make the underlying administrative determinations, while the ITC is represented by its own counsel. The CIT is an independent federal court that reviews challenged administrative determinations and actions.

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 the Department of Commerce and ITC on June 20, 2024, alleging that certain 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 Department of 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	The Department of Commerce published its preliminary affirmative determination in the CVD investigation on December 6, 2024, pursuant to which a preliminary cash deposit rate of 25.55% was applicable to Tao Motor, The preliminary CVD cash deposit rate was revised to 28.16% on February 19, 2025. The Department of Commerce issued preliminary affirmative determinations in AD investigations on January 30, 2025. In the AD investigation, the Department of Commerce preliminarily determined an estimated weighted-average dumping margin of 248.19% and a cash deposit rate of 248.16% applicable to our Company. The Department of Commerce also made preliminary affirmative critical circumstances[(1)] determinations in the AD and CVD investigations.

(1) "Critical circumstances" refer to a statutory remedy intended to prevent foreign shippers and importers from stockpiling covered merchandise for the period of 90 days before publication of preliminary AD/CVD determinations, by suspending liquidation and collecting cash deposits at the applicable rates for import entries made during such 90 day period.

(2) CBP administers import entries at the direction of the Department of Commerce. Its role includes suspending liquidation of covered entries and collecting cash deposits where applicable.

(3) "Liquidation" refers to CBP's final computation and assessment of duties payable on an import entry. "Suspension of liquidation" means that CBP's final computation and assessment of duties are suspended pending the outcome of the AD/CVD proceedings and subsequent review.

(4) The relevant "unliquidated entries" refer to Tao Motor's 79 import entries of covered PRC-origin LSPTVs made during the 90-day critical circumstances period (from November 1, 2024 to January 3, 2025) preceding the publication of the Department of Commerce's preliminary determination, for which CBP had not completed final computation and assessment of duties.

(5) The final "all others" subsidy rate refers to the final CVD rate applied by the Department of Commerce to companies that were not assigned a company-specific subsidy rate.

Date	Events
January 2025	Following the Department of Commerce's preliminary affirmative AD determination that covered PRC-origin LSPTVs were being sold in the United States at less than fair value, Department of Commerce instructed CBP[2], pursuant to U.S. antidumping law and the critical circumstances determination, to suspend liquidation[3] and collect cash deposits at the applicable rates for new entries of covered PRC-origin LSPTVs made on or after the publication date. Such suspension and collection of cash deposits has retrospective effect of relevant unliquidated entries[4] of covered PRC-origin LSPTVs made during the 90-day period before publication of the preliminary determination with retrospective effect, which included Tao Motor.
June to August 2025.	The Department of Commerce published its final determinations in the AD and CVD investigations in June 2025. In the AD final determination, the Department of Commerce determined a final dumping margin of 291.04% applicable to separate rate companies, including our Company. In the CVD final determination, the Department of Commerce determined a final "all others" subsidy rate[5] 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 to September 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[1], which was calculated by multiplying the customs value of the relevant import entries by the applicable AD/CVD deposit rates. Tao Motor declined to pay such deposits. CBP subsequently issued liquidated-damages claims, and Tao Motor petitioned for remission of those claims on the ground that CBP lacked statutory authority to require the deposits or impose the related liquidated damages. CBP denied the petition, in substance rejecting Tao Motor's position. The denial left the liquidated-damages claims outstanding but did not constitute a final assessment of AD/CVD duties. As of the Latest Practicable Date, CBP had not taken enforcement action to collect the claims. On September 8, 2025, Tao Motor filed a lawsuit in the CIT challenging the ITC's affirmative injury and critical circumstances determinations.
March 2026 to the Latest Practicable Date	Tao Motor and the other plaintiffs filed their opening briefs with the CIT on March 18, 2026. The U.S. government filed its confidential reply brief on June 16, 2026. The domestic producers, which joined the proceedings in support of the U.S. government, filed their initial brief on July 31, 2026, and Tao Motor and the other plaintiffs are expected to file their reply briefs by September 30, 2026. Oral argument is expected to be held in late October or early November 2026, and the court's decision is expected by the end of 2026, subject to any appeal.

Pursuant to 19 U.S.C. §1673b(e), on the 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 retrospective 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. As a result of our declination, CBP thereafter issued claims for liquidated damages of US$9,018,889.31, which was calculated with reference to the estimated cash deposits for AD and CVD duties demanded in respect of the critical-circumstances period. Such cash deposit amount represents the amount of AD/CVD duties estimated by CBP to be payable by Tao Motor relating to the relevant imports, subject to final determination. The final payment under the AD/CVD orders will be offset by any liquidated damages and cash deposit previously paid by Tao Motor. However, as advised by our Tariff Legal Advisor, instead of US$9,018,889.13, the amount of liquidated damages should be capped at US$1,200,000, which was the amount of customs surety bond purchased by Tao Motor as required by the CBP to secure Tao Motor's obligation in respect of the relevant liquidated damages. Tao Motor purchased such bonds from a third party surety provider. Under the relevant surety arrangements, Tao Motor is required

(1) The demand related only to Tao Motor's 79 imports made during the 90-day critical circumstances retroactive period because the retroactive effect of the critical circumstances determinations applied to covered unliquidated entries made within such 90-day period before publication of the Department of Commerce's preliminary determination.

to reimburse the surety provider if the surety provider makes a payment to CBP under the bonds. Tao Motor has placed US$600,000 in cash collateral with the surety provider as security for such reimbursement obligations. The posting of the US$600,000 cash collateral does not increase our maximum exposure in respect of the relevant claims beyond US$1,200,000. Rather, the cash collateral may be applied toward Tao Motor's reimbursement obligations if the surety provider makes a payment under the bonds and, to the extent not so applied, may be released or refunded in accordance with the relevant surety arrangements. However, as the relevant claims remain pending, the cash collateral is conditionally refundable, and the timing and amount of any refund cannot currently be determined.

On September 8, 2025, Tao Motor filed a lawsuit in the CIT challenging the ITC's affirmative injury and "critical circumstances" determinations. The CIT may uphold the challenged determination or return it to the relevant agency for further consideration. Only the CIT may hear cases arising under U.S. international trade and customs laws. No other routinely available dispute-resolution process applies. Although the CIT's rules allow court-annexed mediation, our Tariff Legal Advisor advises that it is rarely used in AD/CVD matters. A final judgment of the CIT may be appealed to the U.S. Court of Appeals for the Federal Circuit, after which review by the U.S. Supreme Court is discretionary. The outcome of the CIT proceedings remains uncertain and subject to the court's determination.

Our Tariff Legal Advisor is of the view that Tao Motor is 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 Department of Commerce 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. The liquidation of such entries remains on hold as required by law, and CBP has no lawful basis and is beyond the authority conferred on CBP to liquidate such entries or make an actual assessment of duties at this stage;

(2) Tao Motor has set out this position in its petitions filed with CBP in response to CBP's liquidated damages claims. While CBP has asserted liquidated damages claims, it has not taken enforcement action to collect such claims as of the Latest Practicable Date. If CBP were to take enforcement action, Tao Motor would be able to seek relief from the CIT to preserve the status quo and would assert that CBP's attempt to collect estimated AD/CVD deposits is unlawful and beyond the authority conferred on CBP. On this basis, Tao Motor does not consider its non-payment of the demanded AD/CVD deposits to constitute a breach of applicable U.S. customs or tariff laws; and

(3) the fact that CBP's demand for payment was made after the ITC issued its final injury and critical circumstances determinations does not change Tao Motor's position, because the ITC's affirmative critical circumstances determination has been challenged before the CIT and is currently under judicial review. Such judicial review concerns whether the ITC's affirmative critical circumstances determination should be sustained. By contrast, the annual reviews under 19 U.S.C. §1675 are administrative proceedings conducted by the Department of Commerce to determine the final AD/CVD assessment rates based on a review of sales and other transactions during the relevant review periods. The two processes address different matters but are related because their respective outcomes affect whether, and at what rates, AD/CVD may ultimately be assessed on the relevant entries. As advised by our Tariff Legal Advisor, the initial annual reviews of the AD/CVD orders concerning LSEVs

from the PRC are expected to be initiated in late 2026. Such initial reviews are expected to take approximately one year from initiation to completion, and their final results are unlikely to be issued before late 2027.

As advised by our Tariff Legal Advisor, the relevant determination being challenged by Tao Motor is the ITC's affirmative critical circumstances determination, rather than any finding by CBP. Our Tariff Legal Advisor is of the view that, for the reasons disclosed above, Tao Motor has substantive legal and factual grounds to challenge such determination. While the likelihood of a favorable outcome cannot be assessed with precision at this stage, if Tao Motor succeeds in the CIT proceedings or on remand, the basis for CBP's demand for estimated AD/CVD deposits and related liquidated damages claims in respect of the 90-day critical circumstances retroactive period may be removed or the scope or amount of such demand and claims may be reduced. The outcome of the CIT proceedings remains uncertain and subject to the court's determination.

As advised by our Tariff Legal Advisor, there would be no penalty for failing to deposit estimated AD/CVD duties. In the unlikely event that CBP seeks to recover any amount in excess of the amounts disclosed above in respect of the AD/CVD duties and liquidated damages, we may take appropriate measures, including but not limited to engaging in further negotiations with CBP, making any additional payment that may ultimately become due and payable, and taking other actions deemed necessary by us.

The merchandise covered by 79 unliquidated entries has already entered and been released into the United States. Suspending or extending liquidation does not prevent the merchandise from being sold in the ordinary course and does not require it to be recalled. Instead, it postpones CBP's final calculation of the duties payable and preserves the U.S. government's ability to assess and collect any unpaid duties later. Our Group cannot presently determine the final amount, if any, because it will depend on the outcome of the CIT proceedings, the Department of Commerce's annual review and any related litigation, including the final rates ultimately applied to each entry.

To mitigate risks relating to AD/CVD regulations, Tao Motor ceased shipping finished LSEVs products from the PRC to the United States by the end of 2024, and the final import entries of those products were made in early January 2025. The 79 relevant entries described above covered the period through January 3, 2025. As such, import entries made after January 3, 2025 were not subject to AD/CVD payment demands. As advised by our Tariff Legal Advisor, our continued sales in the U.S. after CBP's demand of PRC-origin LSEVs previously imported into the United States would not subject the Group to further AD/CVD payment demands as a result of such sales, because AD/CVD cash deposit obligations are triggered by import entries of covered merchandise, rather than by subsequent domestic sales in the United States. In 2025, an aggregate of 27,026 LSEVs sold by us in the United States comprised finished LSEVs imported from Vietnam and LSEVs assembled at our North America Base using Vietnam-origin frames and other imported parts and components. These LSEVs were treated as Vietnam-origin and represented 62.6% of our total U.S. LSEV sales volume for the year. The remaining 37.4% comprised PRC-origin finished LSEVs imported into the United States before 2025 and subsequently sold from existing inventory in the United States during 2025. Since early 2026, we have adjusted the production arrangements of our Vietnam plant from the production of finished LSEVs to the production of LSEV frame parts and selected components for shipment to the United States for local assembly. Accordingly, we do not expect any LSEVs to be sold by us in the United States in 2026 to be imported from Vietnam as finished vehicles. Instead, we expect to continue to import LSEV frame parts and selected components from Vietnam for local assembly in the United States. Our Directors believe that such adjustment reflects the flexibility of our multi-regional supply chain and is expected to help mitigate our exposure to AD/CVD orders applicable to PRC-origin finished LSPTVs.

Under U.S. customs rules, the country of origin of an imported article is generally determined by where it is manufactured or substantially transformed.[1] To satisfy this standard, we adjusted our production arrangements so that substantive manufacturing steps for the relevant finished LSEVs were carried out in Vietnam. These steps included manufacturing vehicle frames, conducting surface treatment, assembling key vehicle systems, and completing final vehicle assembly and testing in Vietnam. Taken together, these operations turned the relevant parts and components into finished LSEVs in Vietnam and went beyond minor processing or merely routing PRC-origin finished vehicles through Vietnam. As advised by our Tariff Legal Advisor, these manufacturing processes satisfied the applicable substantial-transformation requirements. Accordingly, the relevant finished LSEVs imported from Vietnam in 2025 were Vietnam-origin products rather than PRC-origin LSPTVs transshipped through Vietnam.

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 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) our LSEV assembly capacity in the United States enables us to supply the U.S. market through local assembly without relying on imports of PRC-origin LSPTVs subject to the relevant AD/CVD orders. As advised by our Tariff Legal Advisor, because the AD/CVD cash deposit exposure at issue arises from import entries of PRC-origin LSPTVs that are subject to the relevant AD/CVD orders, rather than from domestic sales or local assembly in the United States, such U.S. assembly capacity helps mitigate our future exposure to AD/CVD cash deposit obligations applicable to PRC-origin LSPTV imports and limits our overall tariff-related risk profile. For details of our manufacturing reallocation and its effect on our tariff exposure, see "Business — Manufacturing Reallocation."

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 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 CIT 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.

[1] "Substantial transformation" occurs when manufacturing carried out in a country turns materials or components into a new and different product, rather than involving only minor processing or merely routing the product through that country. This is assessed based on the manufacturing process as a whole and not solely by the origin of individual components.

As of the Latest Practicable Date, the tariff classification dispute had been formally concluded. Although Golabs disagreed with CBP's tariff classification, it paid approximately US$39,000 in disputed duties, representing the amount assessed by CBP and set out in the duty bills received by Golabs in respect of the relevant entry, before commencing the lawsuit because, under 28 U.S.C. §2637(a), such payment was required before the CIT could hear its challenge to CBP's denial of the relevant protest. As advised by our Tariff Legal Advisor, this statutory requirement cannot be waived, and the payment did not constitute Golabs' acceptance of CBP's tariff classification.

On March 9, 2026, the CIT entered a stipulated judgment based on the parties' agreement. Instead, the parties agreed that the relevant entry was eligible for duty-free treatment under an applicable temporary Section 301 tariff exclusion, even under the tariff classification applied by CBP. As a result, CBP was required to reliquidate the relevant entry and refund the duties previously paid. As of the Latest Practicable Date, the approximately US$39,000 of duties previously paid had been refunded.[(1)]

Our Tariff Legal Advisor is of the view that the lawsuit has been concluded without any further outstanding liability to the Group in respect of the relevant entry.

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 (the "**Relevant Products**"), infringed U.S. Reissue Patent Nos. RE46,964 and RE49,608 (collectively, the "**Asserted Utility Patents**") and U.S. Design Patent No. D739,906 (the "**Asserted Design Patent**" and, together with the Asserted Utility Patents, the "**Asserted Patents**"). The ITC investigation is identified as Investigation No. 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 Relevant Products in the United States.

(1) As advised by our Tariff Legal Advisor, because the parties agreed that no duty was payable for the relevant entry and the paid duties would be refunded, the court did not need to decide whether the hoverboards should be classified as "toys" under HTS subheading 9503.00.90.

After considering the nature of the ITC proceeding as a Section 337 proceeding, the trade remedies sought by the complainants and the current status of the proceeding, as advised by our IP Counsel, our Directors are of the view that the Group's maximum exposure under this proceeding is limited to potential trade remedies against the Relevant Products if the complainants prevail, and does not include monetary damages. Such potential trade remedies may include a limited exclusion order, which would prohibit the accused products from being imported into the United States, and cease-and-desist orders, which would restrict the sale of the accused products in the United States after importation. The principal timeline of the ITC proceeding is summarized below:

Timeline	Events
January 2025	Razor USA LLC and Mr. Shane Chen filed a complaint with the U.S. ITC commencing a Section 337 investigation. The complaint covered all three Asserted Patents.
January 2025 to April 2026	The parties completed the principal stages of the investigation, including pleadings, fact and expert discovery, the evidentiary hearing and post-hearing briefing.
August 2025	On July 30, 2025, Razor USA LLC sent a patent infringement notice letter to certain KACs in relation to the Relevant Products, which Golabs received in August 2025. The letter covered all three Asserted Patents; no separate complaint was filed in August 2025.
December 2025	At the beginning of the hearing, the complainants withdrew their claim relating to the Asserted Design Patent because the figures published with the patent were an earlier version that the U.S. patent examiner had rejected; a certificate of correction was later issued to replace them with the figures approved by the examiner, but it was submitted too late and was not admitted as evidence. Without that certificate, the claim could not proceed. No separate complaint was filed in December 2025.
As of the Latest Practicable Date	The remaining claims relating to the Asserted Utility Patents remained unresolved and under review by the Commission. No final determination, limited exclusion order or cease-and-desist order had been issued against Golabs.
Around September 2026	Final determination is expected to be issued by the Commission.

Golabs disputes the allegations and has asserted defenses including non-infringement and patent invalidity, in particular, on the grounds of incorrect inventorship and the failure of certain asserted claims to satisfy applicable written description and enablement requirements. In simple terms, the written description requirement asks whether the patent explains the claimed invention in enough detail, while the enablement requirement asks whether a person with the relevant technical knowledge could make and use the invention without excessive trial and error. Golabs argues that the relevant patent does not meet these requirements. If accepted, either argument could result in the relevant patent claims being found invalid. Golabs contends that Mr. Daniel Wood, a developer of self-balancing vehicle technology, contributed to the conception of the claimed control logic and other claim elements of the Asserted Utility Patents and therefore should have been named as a co-inventor. To support its defenses, Golabs entered into a Patent Assignment Agreement with Mr. Wood on April 24, 2025, during the ITC proceeding, under which Golabs acquired all of Mr. Wood's rights, title and interest of Mr. Wood, if any, in the Asserted Utility Patents; the assignment did not cover the Asserted Design Patent. Since the ITC proceeding does not seek monetary damages, if the complainants prevail, our potential exposure would be limited to orders prohibiting or restricting the importation or sale of the Relevant Products in the United States. Revenue attributable to the Relevant Products amounted to approximately RMB123.9 million in 2025, representing approximately 3.1% of our total revenue for that year, and approximately RMB20.4 million for the four months ended April 30, 2026, representing approximately 1.28% of our total revenue for that period. If we are unable to continue importing or selling the Relevant Products in the United States without using the relevant patented technology, the impact would therefore be confined to our U.S. sales of the Relevant Products. Given their limited contribution to our revenue, our Directors consider that the Asserted Patents and the Relevant Products are not material to our Group and that such restrictions would not have a material adverse impact on our overall business, financial condition or results of operations. Against this backdrop, the acquisition was a precautionary measure to

support Golabs' inventorship and ownership defenses and was commercially reasonable because its cost was substantially lower than the potential exposure from an adverse ITC determination. The acquisition formed part of Golabs' litigation strategy to strengthen its inventorship and ownership defenses and did not constitute an admission of infringement or liability.

Razor USA LLC is the complainant and exclusive licensee of the Asserted Patents, and Shane Chen is the named inventor of the Asserted Patents. Daniel Wood is not a complainant in the ITC proceeding, but is the person from whom Golabs acquired rights, title and interest, if any, in the Asserted Utility Patents. Golabs is named as one of the respondents based on its importation and sale of the accused products. The allegations concern the importation into, and sale within, the United States of certain electric self-balance products alleged to infringe the Asserted Patents.

Following the withdrawal of the design patent infringement allegations in December 2025, the unresolved claims relate only to the Asserted Utility Patents. As of the Latest Practicable Date, the parties had engaged in settlement discussions from time to time, but no settlement agreement had been reached. Based on the current procedural schedule, the Commission is expected to issue its final determination in or around August 2026.

Based on the current status of the Razor ITC proceeding and as advised by our IP Counsel, considering that (i) no final determination, exclusion order, cease-and-desist order, injunction, final judgment, settlement or other order prohibiting or restricting the importation, sale or distribution of our products in the United States had been issued or entered against our Group as of the Latest Practicable Date; (ii) the proceeding does not seek monetary damages; (iii) no settlement had been reached and settlement discussions remained ongoing; (iv) we have asserted substantive defenses including incorrect inventorship, our ownership interests in the Asserted Utility Patents and patent invalidity because the relevant patent does not, in our view, sufficiently explain the claimed invention or how to make and use it, as elaborated above; (v) the proceeding relates only to certain GOTRAX branded electric balance bikes; (vi) the proceeding 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 (vii) we have adopted enhanced internal control measures, our Directors are of the view that the Razor ITC proceeding has not had, as of the Latest Practicable Date, and is not expected to have, a material adverse impact on the Group's sales in the United States.

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 which was related to our off-road motorcycle products, leading to spillage of gasoline and subsequent burn injuries. The plaintiff, mother of the decedent, has not specified the amount of damages claimed. 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. As of the Latest Practicable Date, the service validity issue had not resulted in a final judgment against Tao Motor or the PRC manufacturer, and the lawsuit remained pending, and there had been no material development in the Missouri wrongful-death lawsuit. 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, which was related to our off-road motorcycle products. 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. As of the Latest Practicable Date, the lawsuit remained pending and was being defended by counsel appointed by Tao Motor's product liability insurer.

Defense Basis and Potential Exposure

As advised by our U.S. Legal Advisor, Tao Motor's defense in both lawsuits is that the relevant products were not defective. Such defense is based on Tao Motor's position that (i) the relevant products were altered or modified without authorization and were not in their original condition before the accidents after leaving Tao Motor's control, (ii) the conduct of the relevant injured persons caused or contributed to the accidents, (iii) the products were misused or operated inconsistently with the product manuals and warning labels, and (iv) the injury or death was also caused by the conduct of intervening third parties.

We have referred both lawsuits to our product liability insurers for defense, claim handling and indemnity, and counsel appointed by the insurers are defending the cases. Each lawsuit is covered by our product liability insurance policies with a coverage limit of US$1.0 million per occurrence. As advised by our U.S. Legal Advisor, based on the current status of the proceedings, the available insurance coverage and the fact that ordinary single-claim product liability cases involving covered bodily injury claims are generally resolved within insurance coverage in the United States, no uninsured exposure has been identified for either lawsuit as of the Latest Practicable Date. In particular, the Missouri wrongful death lawsuit has not specified the amount of damages claimed, and the New York personal injury lawsuit seeks damages of more than US$75,000, with no amount in excess of the applicable insurance coverage having been specified. Accordingly, our U.S. Legal Advisor is of the view that the likelihood of uninsured exposure exceeding the applicable insurance coverage is low.

Based on the current status of the product liability claims and as advised by our U.S. Legal Advisor, considering that (i) no uninsured exposure had been identified for either claim as of the Latest Practicable Date; (ii) there had been no final judgment or settlement against the Group; (iii) the claims had not resulted in any product recall, suspension of sales, termination of major customer relationship or cancellation of purchase orders in the United States; and (iv) we have adopted enhanced internal control measures, our Directors are of the view that the product liability claims have not had, as of the Latest Practicable Date, and are not expected to have, a material adverse impact on the Group's sales in the United States.

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.

Our Directors are of the view, and the Sole Sponsor concurs, that our past and ongoing legal proceedings have not given and will not give rise to material adverse impact on our business operations and financial performance.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. Save as disclosed under "— Administrative Penalty" and "— Social Insurance and Housing Provident Fund Contributions" below, during the Track Record Period and as of the Latest Practicable Date, we complied with applicable PRC laws and regulations in all material respects, and were not subject to any material non-compliance incident, in the opinion of our Directors, had or was reasonably 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

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. Our shortfall of social security insurance and housing provident fund contribution amounted to RMB19.4 million, RMB25.9 million, RMB25.0 million and RMB7.6 million in 2023, 2024, 2025, and the four months ended April 30, 2026, respectively. The increase in shortfall in 2024 was primarily due to the increase in the number of our employees. 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 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 July 14, 2026, Jinyun County Taxation Bureau of the State Taxation Administration (國家税務總局縉雲縣税務局) dated July 14, 2026, Jinyun County Medical Security Bureau (縉雲縣醫療保障局) dated July 14, 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 July 16, 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 Advisor is of the view that these authorities are the competent authorities for making the confirmations, and the likelihood of us being subject to penalty, retrospective imposition of penalties, 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 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 its 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 support 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 Advisor 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.

- ***Proactive rectification.*** We will adopt the rectification plan described below and proactively liaise with the relevant local authorities in relation to our current social insurance and housing provident fund contribution.

We aim to progressively adjust the contribution bases for social insurance and housing provident fund contributions to comply with applicable regulatory requirements. Given that such contribution bases are generally subject to annual adjustment during prescribed windows determined by the relevant local authorities, we intend to apply for adjustments during the upcoming annual adjustment windows and, subject to the applicable local policies and requirements. We intend to progressively adjust the applicable contribution bases and use our best efforts to complete the rectification by the end of 2028. To this end, we will (i) review and adjust the contribution bases during the earliest available adjustment windows, and (ii) proactively seek guidance from and liaise with the relevant local authorities and, in accordance with their requirements, apply to make supplemental contributions in respect of the historical contribution shortfalls.

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, three unregistered 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, including establishing our internal control system and reviewing its effectiveness. We have established and maintain risk management and internal control systems comprising policies and procedures appropriate to our business operations, and we review and update these systems regularly 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 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 intellectual property 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.

To monitor regulatory developments and requirements in the jurisdictions where we sell our products, such as FMVSS No. 500, we have adopted the following measures: (i) where necessary, we communicate with external local legal advisers, product testing agencies or certification consultants; (ii) our relevant teams arrange necessary testing, certification or supporting compliance documentation before shipment or commercial sale prior entering into a new jurisdiction, launching a new model or making material changes to an existing model; and (iii) where material regulatory changes, customer complaints, regulatory inquiries or product safety issues are identified, we assess the potential impact

on the relevant products and, where necessary, update product specifications, labels, manuals, testing arrangements, shipment plans, sales terms or after-sales policies, or suspend shipment or sale pending further review.

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 have engaged an independent Internal Control Consultant to review the adequacy and effectiveness of our internal control framework and the Internal Control Consultant has conducted an initial review and a Follow-up Review on our internal control measures, and no material defect was identified by the Internal Control Consultant.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Strategy

ESG responsibilities are a core pillar of our Group's long-term strategy. We have 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 and (ii) electric two-wheelers, comprising electric bicycles, electric scooters and electric balance bikes; and (2) powersports, including ATVs and off-road motorcycles.

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.

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 oversees 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.

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 April 30, 2026, 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.

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

		Year ended December 31,			Four months ended April 30,
	Unit	2023	2024	2025	2026
Total water consumption	Tonnes	92,574.00	133,872.33	204,340.33	93,399.53
Water consumption intensity	Tonnes per RMB10,000 of revenue	0.43	0.45	0.52	0.59

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 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:

		Year ended December 31,			Four months ended April 30,
	Unit	2023	2024	2025	2026
Waste packaging barrels	Tonne	8.66	13.53	17.89	5.78
Paint sludge	Tonne	29.38	75.91	80.98	30.77
Waste filter cotton	Tonne	0.2	1.6	3.12	0.77
Waste activated carbon	Tonne	6.21	1.49	8	0
Sludge	Tonne	5.4	3.6	5.97	0

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.

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:

		Year ended December 31,			Four months ended April 30,
	Unit	2023	2024	2025	2026
Scope 1 emissions	tCO_2e	1,051.53	1,801.70	1,850.87	723.65
Scope 2 emissions	tCO_2e	4,914.13	8,456.69	10,616.99	3,471.66
Total	tCO_2e	5,965.66	10,258.39	12,467.86	4,195.31
Emission intensity	kg of CO_2 equivalent per RMB10,000 of revenue	27.82	34.46	31.63	26.36

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 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:

		Year ended December 31,			Four months ended April 30,
	Unit	2023	2024	2025	2026
Purchased electricity	MWh	9,263.05	15,931.35	22,319.10	7,519.64
Electricity density	kWh per RMB10,000 of revenue	43.20	53.52	56.63	47.25
Natural gas	10,000 cubic metres	39.19	69.63	70.6	34.05
Natural gas density	m3 per RMB10,000 of revenue	1.83	2.34	1.79	2.14
Gasoline	10,000 litres	5.09	8.69	11.27	3.32
Diesel	10,000 litres	3.26	3.54	3.97	1.57
Propane	10,000 litres	—	0.1	0.27	0.04

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 Group's natural gas consumption intensity has generally fluctuated. Between 2023 and 2024, intensity increased, primarily due to new production sites being in the initial ramp-up phase, which led to a corresponding rise in natural gas demand. In 2025, intensity declined compared to 2024, reflecting the gradual stabilization of operations across all sites and improvements in energy management efficiency. For the four months ended April 30, 2026, natural gas consumption intensity increased to 2.14 m^3 per RMB10,000 of revenue, compared with 1.79 m^3 in 2025. The increase primarily reflected changes in production timing and volume during the period, as the Chinese New Year holiday reduced the number of production days at our production facilities in the PRC. It was not attributable to changes in natural gas prices or costs. We will continue to monitor our energy consumption and energy management efficiency.

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

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.

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 April 30, 2026, the Vietnam factory had a total of 155 employees. We place high importance on workplace diversity and gender equality, and actively promotes local employment. Currently, female employees account for 45.8% 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 development and exchange 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. In 2025, we donated RMB2.0 million to the Jinyun County Charity Federation, of which RMB1.8 million was allocated to the Jinyun education fund and RMB200,000 was designated for the development of the education undertakings of Jinyun County Bichuan Primary School, continuing to facilitate the optimisation of local educational resources and

the cultivation of talent, in the same year, we donated RMB1.0 million to the Yongkang Charity Federation to support the development of local charitable and public welfare undertakings.

(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. In 2025, we donated RMB50,000 to the Yongkang Rixing Yishan Public Welfare Association to support local public welfare and charitable activities and give back to the community.

(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 the Track Record Period and up to the Latest Practicable Date, our Group, our 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 Sanctions 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, who primarily settled payments with us through Third-Party Payors under the Third-Party Payment Arrangements. See "— Our Sales Network and Customers — Third-party Payment Arrangements" for details. As advised by our International Sanctions Legal Advisor, Russia is not a Sanctioned Country. 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, RMB46.6 million and RMB4.3 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing approximately 5.3%, 3.4%, 1.2% and 0.3% of our total revenue for the corresponding periods. We sold products to 10, 10, 11 and 6 customers located in Russia in 2023, 2024,

2025 and the four months ended April 30, 2026, 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 Sanctions 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 Activity or Secondary Sanctionable Activity that would pose material sanctions risk to the Relevant Persons. We continue to conduct business with these non-sanctioned customers in Russia without any Russia-specific commercial restriction or transaction cap and are not required to cease such business. 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 Sanctions Legal Advisor, our acceptance of third-party payments from certain Russian customers does not constitute sanctions evasion under the applicable sanctions regimes. This is because our International Sanctions Legal Advisor's review has 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 Sanctions Legal Advisor, our sales in other overseas jurisdictions also do not involve any Sanctioned Countries or Sanctioned Targets or otherwise contravene international sanctions, and thus do not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities.

During the Track Record Period, we did not export any parts or products from the U.S. to China or a third country. Moreover, our products manufactured outside the U.S. did not incorporate any U.S.-origin parts, technologies or software. Our main suppliers were all Chinese domestic entities and the raw materials we procured from these suppliers were predominantly basic industrial products, which are in large supply in China and are more competitively priced. Namely, we had no business necessity to procure U.S.-origin materials instead. We also do not rely on U.S. technology to develop or manufacture our products. Based on the foregoing, our Sanctions Legal Advisor is of the view that our products would not be subject to the EAR and our business activities during the Track Record Period would not trigger U.S. export control restrictions.

In light of the foregoing, our International Sanctions Legal Advisor is of the view that the Group's sales activities would not result in violations of applicable international sanctions or export controls. Taking into account the relatively low transaction amounts from our Group's sales of products to Russia and the advice from our International Sanctions 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. The relevant personnel in our sales and finance departments receive regular training on sanctions compliance and possess the requisite knowledge and capabilities to collect and verify sanctions-related counterparty 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.

U.S. OUTBOUND INVESTMENT RESTRICTIONS

On October 28, 2024, the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern, which became effective on January 2, 2025, to implement the OIR established by Executive Order 14105. The OIR restricts direct and indirect investment by U.S. persons (as defined under the OIR) into companies with specified connections to China that use specific technologies of concern, including semiconductors, quantum computing and AI.

The rules regarding U.S. outbound investment remain subject to further development. On December 18, 2025, the U.S. President signed into law the National Defense Authorization Act for Fiscal Year 2026, which includes the COINS Act. Although the existing OIR regulations remain in effect, the COINS Act requires the Treasury to propose revisions within 450 days of enactment. Those revisions will include, among other changes, an expansion of the countries of concern and covered technologies (to include "high-performance computing and supercomputing" and "hypersonic systems"), revisions to key defined terms, and the establishment of a formal non-binding feedback process on the applicability of the OIR on specific transactions.

Evaluation of the OIR's Impact on the [REDACTED]

As advised by our International Sanctions Legal Advisor, our Directors are of the view that we are not a "covered foreign person," because we do not engage in any "covered activities" under the OIR. **[REDACTED]** will be able to participate in the **[REDACTED]**, and will not be subject to the prohibitions or notification requirements under the OIR. Additionally, an exception in the OIR provides that a U.S. person's "over-the-counter" purchase of any publicly traded security are neither prohibited nor subject to notification to Treasury, provided that such U.S. persons are not afforded rights beyond standard minority shareholder protections with respect to our Company ("**Publicly Traded Securities Exception**").

Furthermore, as advised by our International Sanctions Legal Advisor, our Directors are of the view that the OIR is not expected to materially affect our **[REDACTED]** prospects because: (i) **[REDACTED]** are generally not subject to the OIR; (ii) in any case, **[REDACTED]** are generally expected to be able to **[REDACTED]** our publicly **[REDACTED]** H Shares under the Publicly Traded Securities Exception without any notification or prohibition requirement; and (iii) ordinary **[REDACTED]** and advisory services relating to the **[REDACTED]** are generally not restricted by the OIR. However, we cannot guarantee that future changes to the OIR, related regulations or government guidance will not broaden its scope, change the Publicly Traded Securities Exception, or increase compliance obligations for **[REDACTED]**, which could adversely affect our future **[REDACTED]** prospects with respect to **[REDACTED]**. See "Risk Factors—Risks Relating to Our Business—Our business and ability to raise capital may be adversely affected by U.S. outbound investment restrictions and evolving regulatory requirements."

In light of the foregoing and as advised by our International Sanctions Legal Advisor, our Directors are of the view that the impact of the OIR on the **[REDACTED]** is generally limited and manageable.

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".

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.

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 ("**Corporate Governance Code**"), 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";

- 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]**.

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
Executive Directors						
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 strategies for the Company's long-term development	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 overseeing the Company's daily operations and management	N/A
Non-executive Directors						
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

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Independent non-executive Directors						
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)	42	Independent non-executive Director	November 10, 2025	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

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 with effect from the **[REDACTED]**. Mr. Cao is primarily responsible for formulating and implementing strategies for the Company's long-term development. 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 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. He 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 in October 2025 with effect from the **[REDACTED]** and appointed as one of the joint company secretaries in September 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 with effect from the **[REDACTED]**. Mr. Yao is primarily responsible for assisting in production and operations management to ensure progress and overseeing the Company's daily operations and management.

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).

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 with effect from the **[REDACTED]**. 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 in October 2025 with effect from the **[REDACTED]**. He has also been an employee representative Director of the Company since October 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.

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(特殊普通合夥)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 with effect from the **[REDACTED]**. 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 also served 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)).

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 with effect from the **[REDACTED]**. 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. Chen has also been serving as an independent director of Zhejiang Orient Gene Biotech Co.,Ltd. (浙江東方基因生物製品股份有限公司) since November 2025.

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. He was re-designated as an independent non-executive Director in October 2025 with effect from the **[REDACTED]**. 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. Chen has also been responsible for financial management of Zhejiang Keteng Precision Machinery Co., Ltd. (浙江科騰精工機械股份有限公司) since January 2026. He has 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) from May 2022 to November 2025.

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'anshan 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 Director in October 2025 (effective from November 10, 2025). She was also re-designated as an independent non-executive Director in October 2025 with effect from the **[REDACTED]**. 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.

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 strategies for the Company's long-term development	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

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. 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 overseeing the Company's daily operations and management	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.

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).

CHANGES IN DIRECTORS DURING THE TRACK RECORD PERIOD

The changes in Directors during the Track Record Period were as follows:

In October 2024, Mr. Wu Guoqiang (吳國強), who was appointed as a Director in October 2021, resigned due to end of term.

In October 2024, three former independent Directors, Mr. Ye Xiaoping (葉曉平), Mr. Lou Hang (娄杭), and Ms. Mei Yabao (梅亞寶) resigned in compliance with the applicable laws and regulations which require that independent directors serve no more than six consecutive years. Mr. Zhang Jianxin (張建新), Mr. Chen Dongpo (陳東坡) and Mr. Chen Junze (陳軍澤) were appointed as independent Directors in October 2024.

For biographical details of Mr. Zhang Jianxin (張建新), Mr. Chen Dongpo (陳東坡) and Mr. Chen Junze (陳軍澤), please refer to the paragraphs headed " Board of Directors" in this section.

To the best of the knowledge of the Directors, our Group had and has no material disputes or disagreements with the aforementioned Directors. Since the majority of the Directors involved in the day-to-day management of the Group remained unchanged, our Company is of the view that, these changes in Directors did not have any adverse impact on our Group's operations or financial position.

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 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 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.

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, 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 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.

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, 2025 and the four months ended April 30, 2026 were RMB3.1 million, RMB4.1 million, RMB3.9 million and RMB1.5 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, 2025 and four months ended April 30, 2026, were RMB9.5 million, RMB8.7 million, RMB8.3 million and RMB2.9 million, respectively.

It is estimated that remuneration equivalent to approximately RMB3.7 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.

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:

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of interest	Description of Shares	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:

1. All interests stated are long positions in the Shares.

2. The calculation is based on the total number of 109,049,071 A Shares in issue as of the Latest Practicable Date.

3. 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.

4. 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.

5. 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 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]** for 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 Investors

The H Shares shall be **[REDACTED]** to **[REDACTED]**, other overseas **[REDACTED]** who meet the relevant requirements, qualified domestic **[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 **[REDACTED]** 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.

(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.

*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 Accountants' 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 dedicated to designing, manufacturing and distributing outdoor leisure and electrified mobility products, with a leading position in the LSEV market. According to Frost & Sullivan, we ranked first by revenue in the global LSEV industry in 2025, with a global market share of approximately 10.9%. Our diversified product portfolio has enabled us to offer practical solutions for outdoor mobility and leisure. Our business spans two segments: (i) E-mobility products, consisting of (a) LSEVs, designed for community and on-site short-distance mobility, and (b) electric two-wheelers, including electric bicycles, electric scooters and electric balance bikes, and (ii) outdoor specialty vehicles, also known as powersports, including ATVs and off-road motorcycles. Our products are designed for short-distance travel within communities, 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%. This growth continued in the four months ended April 30, 2026, during which our revenue increased from RMB958.8 million for the corresponding period in 2025 to RMB1,591.4 million, while our net profit increased from RMB188.8 million to RMB292.1 million for the same period. During the Track Record Period, our net profit margin remained above 10%.

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 an alternative transportation tool with advantages such as low carbon emissions, 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 rapid 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 is expected to reach US$6.7 billion in 2030, representing a CAGR of 28.2%. LSEVs serve the needs of a range of users 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 in our revenue from E-mobility products. We expect that further market penetration and particularly in the U.S., which is our largest overseas market, supported by favorable consumer trends will continue to drive our revenue growth going forward.

Brand Recognition and Pricing Power

Our brand strength and pricing power have a direct impact on our ASP 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, TEKO and TAO MOTOR. See "Business — Brands and Products." 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, RMB2,878.0 million and RMB1,411.7 million, representing 62.9%, 62.1%, 73.0% and 88.7% 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, RMB352.0 million and RMB137.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, 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.

Sales and Distribution Network

We have established a 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 established presence in this key market. The U.S. contributed 84.9% of our revenue in the four months ended April 30, 2026. 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 KACs, dealers, wholesale customers, ODM sales and DTC website sales. See "Business — Our Sales Network and Customers." In 2023, 2024, 2025 and the four months ended April 30, 2026, our aggregate revenue from KACs and dealers, amounted to RMB1,010.5 million, RMB1,548.6 million, RMB2,500.0 million and RMB1,290.8 million, respectively. The expansion of our dealer network and partnerships with KACs has thus materially boosted our sales volume, as these channels enable us to reach a wider customer base than would be possible through our ODM business and DTC websites alone.

As of April 30, 2026, we had built a network of 819 dealers across the United States, supplemented by partnerships with GMSs and third-party e-commerce platforms, which form part of our KAC channel. This channel coverage has expanded our customer reach 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 e-commerce platforms through our KAC channel alongside brick-and-mortar channels, we have captured both traditional retail consumers and e-commerce shoppers.

Our sales model, including whether products are sold under our proprietary brands through our distribution network and DTC websites or manufactured for ODM customers, affects our pricing and gross profit margins. In general, our proprietary-brand products generate higher gross profit margins than our ODM products, which are manufactured for sale under brands owned by our ODM customers.

During the Track Record Period, gross profit margin from our proprietary brands amounted to 41.4%, 37.4%, 45.8% and 44.0% in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, while gross profit margin from our ODM amounted to 29.7%, 30.1%, 28.9% and 20.5% during the same periods.

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 April 30, 2026, the self-manufacturing rate for some 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 production layout, which spans multiple regions and is designed to optimize cost efficiency. We maintain manufacturing bases in China, Vietnam, 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, 2024, 2025 and the four months ended April 30, 2025 and 2026, our raw material and consumables used amounted to RMB984.5 million, RMB1,354.9 million, RMB1,562.3 million, RMB413.4 million and RMB637.1 million, representing 73.2%, 69.7%, 67.5%, 69.8% and 68.3% 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. 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 steady supply of raw materials at reasonable prices to support our production is crucial to our operations.

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, RMB33.6 million and RMB20.0 million in 2023, 2024 and the four months ended April 30, 2025, respectively, and net foreign exchange loss of RMB36.7 million and RMB50.6 million in 2025 and the four months ended April 30, 2026, 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. 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 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 policies; (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 policies, 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 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 periods 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,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Revenue	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100.0	1,591,423	100.0
Cost of sales	(1,344,740)	(62.7)	(1,944,650)	(65.3)	(2,315,223)	(58.7)	(592,403)	(61.8)	(932,501)	(58.6)
Gross profit	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**
General and administrative expenses	(109,041)	(5.1)	(152,873)	(5.1)	(179,804)	(4.6)	(45,872)	(4.8)	(79,909)	(5.0)
Selling and marketing expenses	(314,924)	(14.6)	(313,398)	(10.6)	(351,981)	(8.9)	(110,934)	(11.7)	(137,162)	(8.7)
Research and development expenses	(87,654)	(4.1)	(125,467)	(4.2)	(123,371)	(3.1)	(27,257)	(2.8)	(29,039)	(1.8)
Net impairment losses on financial assets	(16,786)	(0.8)	(4,766)	(0.2)	(24,952)	(0.6)	6,324	0.7	(11,303)	(0.7)
Other income	19,026	0.9	23,888	0.8	26,971	0.7	5,593	0.6	6,200	0.4
Other gains, net	13,626	0.6	32,786	1.1	(39,361)	(1.0)	19,878	2.1	(50,120)	(3.1)
Operating profit	**303,753**	**14.2**	**492,149**	**16.5**	**933,709**	**23.7**	**214,174**	**22.3**	**357,589**	**22.5**
Finance income	42,959	2.0	44,147	1.5	40,893	1.0	13,957	1.4	6,082	0.3
Finance costs	(12,263)	(0.6)	(23,070)	(0.8)	(27,347)	(0.7)	(6,170)	(0.6)	(8,019)	(0.5)
Finance (costs)/ income, net	30,696	1.4	21,077	0.7	13,546	0.3	7,787	0.8	(1,937)	(0.2)
Profit before income tax	**334,449**	**15.6**	**513,226**	**17.2**	**947,255**	**24.0**	**221,961**	**23.1**	**355,652**	**22.3**
Income tax expense	(53,971)	(2.5)	(81,964)	(2.7)	(130,932)	(3.3)	(33,153)	(3.4)	(63,581)	(3.9)
Profit for the year/period	**280,478**	**13.1**	**431,262**	**14.5**	**816,323**	**20.7**	**188,808**	**19.7**	**292,071**	**18.4**
Attributable to:										
— Owners of the Company	280,478	13.1	431,263	14.5	816,323	20.7	188,810	19.7	292,070	18.4
— Non-controlling interests	—	—	(1)	(0.0)	—	—	(2)	(0.0)	1	0.0
Other comprehensive income/(expenses)										
Items that may be reclassified to profit or loss in subsequent periods, net of tax:										
Currency translation differences of foreign operations	(386)	(0.0)	10,836	0.4	(26,178)	(0.7)	(1,110)	(0.1)	(33,744)	(2.2)
Total comprehensive income for the year /period	**280,092**	**13.1**	**442,098**	**14.9**	**790,145**	**20.0**	**187,698**	**19.6**	**258,327**	**16.2**

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, RMB3,941.4 million, RMB958.8 million and RMB1,591.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Revenue by Product

The following table sets forth our revenue by products for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
E-mobility products:										
LSEV	78,500	3.7	812,304	27.3	1,957,465	49.8	427,496	44.5	969,772	61.0
Electric bicycles	164,833	7.7	231,052	7.8	178,416	4.5	35,177	3.7	74,736	4.7
Electric scooters	718,092	33.4	600,884	20.1	474,318	12.0	120,492	12.6	103,639	6.5
Electric balance bikes	295,658	13.8	199,012	6.7	123,875	3.1	28,555	3.0	20,357	1.3
Other E-mobility[1]	21,519	1.0	44,571	1.5	53,185	1.3	20,826	2.2	24,257	1.5
Subtotal	**1,278,602**	**59.6**	**1,887,823**	**63.4**	**2,787,259**	**70.7**	**632,546**	**66.0**	**1,192,761**	**75.0**
Powersports:										
ATV	620,427	29.0	737,818	24.8	754,722	19.1	221,201	23.1	262,534	16.5
Off-road motorcycles	122,560	5.7	186,796	6.3	187,881	4.8	69,360	7.2	79,948	5.0
Subtotal	**742,987**	**34.7**	**924,614**	**31.1**	**942,603**	**23.9**	**290,561**	**30.3**	**342,482**	**21.5**
Others[2]	122,657	5.7	164,192	5.5	211,568	5.4	35,738	3.7	56,180	3.5
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**958,845**	**100.0**	**1,591,423**	**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 and helmets.

Revenue by Geographical Region

The following table sets forth a geographic breakdown of our revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
United States	1,529,253	71.2	2,291,890	76.9	3,260,222	82.8	775,794	80.9	1,350,399	84.9
Americas (excluding the United States and Canada)[1]	153,705	7.2	259,525	8.7	216,141	5.5	41,631	4.3	89,798	5.6
Europe	267,739	12.5	227,761	7.7	147,041	3.7	55,275	5.8	45,238	2.8
Asia (excluding China)[2]	53,077	2.5	67,331	2.3	128,068	3.2	39,673	4.1	45,111	2.8
China	24,307	1.1	29,074	1.0	95,769	2.4	25,227	2.6	37,088	2.3
Canada	108,641	5.1	94,747	3.2	84,098	2.1	18,986	2.0	17,593	1.1
Others	7,524	0.4	6,301	0.2	10,091	0.3	2,259	0.3	6,196	0.5
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**958,845**	**100.0**	**1,591,423**	**100.0**

Notes:

(1) Americas (excluding the United States and Canada) mainly included Mexico and some South American countries.

(2) Asia (excluding China) mainly included Thailand and Malaysia.

Revenue by Sales Channel

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distribution Network:										
KACs[(1)]	748,004	34.9	837,075	28.1	652,030	16.5	153,502	16	328,233	20.6
Dealers[(2)]	262,482	12.2	711,528	23.9	1,847,925	46.9	389,403	40.6	962,520	60.5
Wholesale customers[(3)]	29,897	1.4	75,373	2.6	114,720	2.9	30,358	3.2	69,135	4.3
Direct Sales:										
ODM[(4)]	782,106	36.5	1,104,605	37.1	1,032,963	26.2	332,763	34.7	174,671	11.0
DTC Websites[(5)]	321,757	15.0	248,048	8.3	293,792	7.5	52,819	5.5	56,864	3.6
Total	**2,144,246**	**100.0**	**2,976,629**	**100.0**	**3,941,430**	**100.0**	**958,845**	**100**	**1,591,423**	**100.0**

Notes:

(1) Our KACs 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. The increase in the proportion of revenue generated through dealers from 40.6% to 60.5% was primarily attributable to the rapid growth in sales of our LSEVs through our dealer network.

(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) ODM refers to sales of products manufactured by us under brands owned by our ODM partners under the BTO mode based on purchase orders placed by such ODM partners according to their sales needs.

(5) DTC websites refer to our self-operated online stores. Revenue generated through our DTC websites amounted to RMB321.8 million, RMB248.0 million, RMB293.8 million, RMB52.8 million and RMB56.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 15.0%, 8.3%, 7.5%, 5.5% and 3.6% of our total revenue for the respective periods. The relatively lower proportions recorded in the four months ended April 30, 2025 and 2026 primarily reflected the seasonality of our electric two-wheelers, which constituted the principal products sold through our DTC websites. Sales of our electric two-wheelers generally peak in the fourth quarter, mainly driven by holiday-season demand in the United States, including Thanksgiving and Christmas. See "Business — Seasonality."

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, 2025 and the four months ended April 30, 2025 and 2026, our cost of sales amounted to RMB1,344.7 million, RMB1,944.7 million, RMB2,315.2 million, RMB592.4 million and RMB932.5 million, respectively. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Raw materials and consumables used	984,544	73.2	1,354,928	69.7	1,562,252	67.5	413,352	69.8	637,092	68.3
Employee benefit expenses	69,351	5.2	130,620	6.7	166,825	7.2	51,460	8.7	75,948	8.1
Production expenses	50,507	3.8	74,979	3.9	123,738	5.3	17,566	3.0	61,139	6.6
Clearance and shipping costs	140,433	10.4	248,171	12.8	309,842	13.4	78,659	13.3	123,018	13.2
Impairment losses on inventories	6,746	0.5	9,341	0.5	8,598	0.4	2,419	0.4	2,677	0.3
Others[(1)]	93,159	6.9	126,611	6.4	143,968	6.2	28,947	4.8	32,627	3.5
Total	**1,344,740**	**100.0**	**1,944,650**	**100.0**	**2,315,223**	**100.0**	**592,403**	**100.0**	**932,501**	**100.0**

Note:

(1) Others mainly included freight costs.

Gross Profit and Gross Profit Margin

In 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, our gross profit amounted to RMB799.5 million, RMB1,032.0 million, RMB1,626.2 million, RMB366.4 million and RMB658.9 million, and our gross profit margin amounted to 37.3%, 34.7%, 41.3%, 38.2% and 41.4% respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
E-mobility products [(1)]	503,454	39.4	676,015	35.8	1,278,418	45.9	265,971	42.0	519,688	43.6
Powersports[(2)]	253,626	34.1	303,815	32.9	300,567	31.9	95,157	32.7	113,960	33.3
Others[(3)]	42,426	34.6	52,149	31.8	47,222	22.3	5,314	14.9	25,274	45.0
Total	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**

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 and helmets.

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. In addition, our gross profit margin further increased from 38.2% in the four months ended April 30, 2025 to 41.4% in the four months ended April 30, 2026. The increase in our overall gross profit margin was primarily attributable to the improvement in the gross profit margin of our LSEVs, driven by (i) increased recognition of certain of our LSEV products among customers and continued optimization of our product mix and (ii) higher ASP of our LSEVs. As LSEVs represented a significant proportion of our revenue, such improvement more than offset the generally declining gross profit margins of electric scooters, electric balance bikes and electric bicycles, primarily reflecting changes in the relative contribution of different models and sales channels, together with pricing adjustments made in response to prevailing market conditions. The gross profit margins of ATVs and off-road motorcycles remained relatively stable during the Track Record Period. Our gross profit margin of others decreased from 31.8% in 2024 to 22.3% in 2025, primarily attributable to changes in product mix, primarily because the sales mix shifted towards relatively lower-margin accessory and helmet items.

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 periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Proprietary brands	558,057	41.4	690,588	37.4	1,317,656	45.8	261,094	41.9	620,781	44.0
ODM	232,532	29.7	332,205	30.1	298,805	28.9	105,013	31.6	35,821	20.5
Others[(1)]	8,917	70.8	9,186	38.3	9,746	32.0	335	11.8	2,320	45.5
Total	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**

Note:

(1) Others mainly included sales of scrap materials (comprising scrap iron, scrap aluminum and discarded cardboard boxes), delivery services income and lease income.

The gross profit margin of products sold under our proprietary brands was 41.4%, 37.4%, 45.8%, 41.9% and 44.0% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The gross profit margin of products sold under our proprietary brands decreased from 41.4% in 2023 to 37.4% in 2024, primarily due to increases in both shipping costs and customs clearance costs (including applicable tariffs and other import-related charges) incurred in connection with our proprietary-brand products sold in the U.S. market, reflecting higher ocean freight rates and tariffs applicable to certain products.

The gross profit margin of our ODM products remained relatively stable at 29.7%, 30.1% and 28.9% in 2023, 2024 and 2025, respectively. The gross profit margin of our ODM products decreased from 31.6% in the four months ended April 30, 2025 to 20.5% in the corresponding period in 2026, primarily due to (i) changes in the revenue mix among different ODM customers and products, including a higher contribution from relatively lower-margin ATVs sold to one major ODM customer; and (ii) following the Acquisition, sales of relatively higher-margin golf carts and off-road motorcycles previously made to Champion Motorsports under the ODM model, were reclassified as intra-group transactions and were eliminated upon consolidation.

For purposes of assessing the effect of the Acquisition on a comparable basis, if our sales to Champion Motorsports had been excluded from our ODM results for the four months ended April 30, 2025, our ODM gross profit and ODM gross profit margin for that period would have been approximately RMB42.2 million and 27.7%, respectively. Accordingly, the reclassification of Champion Motorsports as an intra-group customer following the Acquisition accounted for approximately RMB68.8 million of the decrease in ODM gross profit and approximately 5.1 percentage points of the decrease in ODM gross profit margin. The remaining decrease in ODM primarily reflected lower gross profit margins on sales to certain ODM customers in Mexico and Türkiye amid intensified competition in the relevant markets. On the same comparable basis, if our sales to Champion Motorsports had been excluded from our ODM results for the four months ended April 30, 2025, our ODM sales volume and ASP for that period would have been approximately 145,112 units and RMB1,098 per unit, respectively. Accordingly, the cessation of Champion Motorsports' status as an external ODM customer accounted for approximately RMB813 per unit, of the total decrease of RMB1,104 per unit in our ODM ASP, from RMB1,911 per unit for the four months ended April 30, 2025 to RMB807 per unit for the corresponding period in 2026. The remaining decrease primarily reflected changes in the customer and product mix of our other external ODM business, including an increased contribution from sales of relatively lower-priced ATVs, particularly models in the 230cc series, to one major ODM customer, rather than a general reduction in the selling prices of comparable ODM products.

The gross profit margin of others decreased from 70.8% in 2023 to 38.3% in 2024, and further decreased to 32.0% in 2025, primarily attributable to (i) higher delivery service costs resulting from an increase in ocean freight charges per container from 2023 to 2025; and (ii) lower ASP of scrap materials, particularly scrap iron, over the same period. The gross profit margin of others increased from 11.8% in the four months ended April 30, 2025 to 45.5% in the four months ended April 30, 2026, primarily due to a higher proportion of revenue generated from sales of scrap materials, which carried a relatively higher gross profit margin during the period.

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

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Distribution Network:										
KACs	283,946	38.0	268,879	32.1	233,669	35.8	53,881	35.1	120,513	36.7
Dealers	97,360	37.1	282,609	39.7	917,792	49.7	176,308	45.3	454,737	47.2
Wholesale customers	9,363	31.3	25,742	34.2	32,372	28.2	8,579	28.3	18,604	26.9
Direct Sales:										
ODM	232,532	29.7	332,205	30.1	298,805	28.9	105,013	31.6	35,821	20.5
DTC Websites	176,305	54.8	122,544	49.4	143,569	48.9	22,661	42.9	29,247	51.4
Total	**799,506**	**37.3**	**1,031,979**	**34.7**	**1,626,207**	**41.3**	**366,442**	**38.2**	**658,922**	**41.4**

The gross profit margin of sales through KACs decreased from 38.0% in 2023 to 32.1% in 2024, primarily due to higher ocean freight rates, driven by the tight global shipping capacity in 2024. The gross profit margin of sales through KACs increased from 32.1% in 2024 to 35.8% in 2025, primarily due to the normalization of ocean freight rates in 2025. The gross profit margin of sales through KACs remained relatively stable at 35.1% in the four months ended April 30, 2025 and 36.7% in the four months ended April 30, 2026, respectively.

The gross profit margin of sales through dealers increased from 37.1% in 2023 to 39.7% in 2024, and further increased to 49.7% in 2025, primarily due to changes in product mix, principally golf carts, which generally carried relatively higher gross profit margins. The gross profit margin of sales through dealers remained relatively stable at 45.3% in the four months ended April 30, 2025 and 47.2% in the four months ended April 30, 2026, respectively.

The gross profit margin of our ODM sales remained relatively stable at 29.7%, 30.1% and 28.9% in 2023, 2024 and 2025, respectively. The gross profit margin of our ODM sales decreased from 31.6% in the four months ended April 30, 2025 to 20.5% in the four months ended April 30, 2026, primarily because following the acquisition of Champion Holdings in December 2025, as the relatively higher-margin products previously sold to Champion Motorsports under the ODM model became intra-group transactions, while our remaining external ODM sales generally carried lower gross profit margins.

The gross profit margin of sales through our DTC websites decreased from 54.8% in 2023 to 49.4% in 2024, primarily due to higher ocean freight rates in 2024. The gross profit margin of sales through our DTC websites remained relatively stable at 49.4% in 2024 and 48.9% in 2025, respectively. The gross profit margin of sales through our DTC websites increased from 42.9% in the four months ended April 30, 2025 to 51.4% in the corresponding period in 2026, primarily due to a change in product mix, as products carrying relatively higher gross profit margins accounted for a greater proportion of sales through our DTC websites.

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, 2025, and the four months ended April 30, 2025 and 2026, our general and administrative expenses amounted to RMB109.0 million, RMB152.9 million, RMB179.8 million, RMB45.9 million and RMB79.9 million, respectively. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee benefit expenses	34,406	31.6	51,294	33.6	55,270	30.7	13,507	29.5	31,974	40.0
Professional services and other consulting fees[(1)]	6,494	6.0	16,028	10.5	26,638	14.8	4,585	10.0	12,174	15.2
Taxes and surcharges	8,468	7.8	13,002	8.5	12,976	7.2	2,224	4.8	11,535	14.5
Office expenses	20,621	18.9	25,924	17.0	27,863	15.5	4,816	10.5	6,342	7.9
Depreciation and amortization	10,670	9.8	14,388	9.4	15,480	8.6	4,740	10.3	5,609	7.0
Other expenses[(2)]	8,305	7.4	10,382	6.7	17,627	9.8	11,084	24.1	4,473	5.6
Travelling and entertainment expenses	5,762	5.3	6,856	4.5	7,024	3.9	1,604	3.5	3,546	4.4
Service fees	7,165	6.6	9,729	6.4	7,906	4.4	2,124	4.6	2,155	2.7
Raw materials and consumables used	4,962	4.6	2,184	1.4	662	0.4	1	0.1	1,039	1.3
Repair and maintenance expenses	2,188	2.0	3,086	2.0	7,723	4.3	1,187	2.6	920	1.2
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**109,041**	**100.0**	**152,873**	**100.0**	**179,804**	**100.0**	**45,872**	**100.0**	**79,909**	**100.0**

Note:

(1) Professional services and other consulting fees primarily comprised audit fees, legal and other professional advisory fees and patent licensing fees.

(2) Other expenses primarily comprised communication expenses and landscaping costs.

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, RMB352.0 million, RMB110.9 million and RMB137.2 million in 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Advertising and business promotion expenses	178,538	56.7	152,013	48.5	144,604	41.1	47,253	42.6	43,881	32.0
Rental expenses	31,642	10.0	35,205	11.2	57,277	16.3	13,210	11.9	29,591	21.6
Employee benefit expenses	68,696	21.8	78,705	25.1	86,523	24.6	33,719	30.4	27,084	19.7
Warehouse expenses	11,619	3.7	22,834	7.3	42,736	12.1	9,872	8.9	14,798	10.8
Professional services and other consulting fees	10,989	3.5	2,623	0.8	2,295	0.7	816	0.7	139	0.1
Other expenses[(1)]	13,440	4.3	22,018	7.1	18,546	5.2	6,064	5.5	21,669	15.8
Total	**314,924**	**100.0**	**313,398**	**100.0**	**351,981**	**100.0**	**110,934**	**100.0**	**137,162**	**100.0**

Note:

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

Our advertising and business promotion expenses amounted to RMB178.5 million, RMB152.0 million, RMB144.6 million, RMB47.3 million and RMB43.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 56.7%, 48.5%, 41.1%, 42.6% and 32.0% of our total selling and marketing expenses during the same respective periods. Our advertising and business promotion expenses were primarily incurred in connection with brand promotion 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.

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, RMB123.4 million, RMB27.3 million and RMB29.0 million in 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee benefit expenses	41,500	47.3	52,236	41.6	51,070	41.4	13,654	50.1	16,784	57.8
Raw materials and consumables used	33,500	38.2	59,290	47.3	59,329	48.1	10,543	38.7	8,493	29.3
Professional services and other consulting fees	9,107	10.4	8,295	6.6	6,435	5.2	644	2.3	241	0.8
Depreciation and amortization	1,162	1.3	1,639	1.3	1,870	1.5	594	2.2	666	2.3
Other expenses[(1)]	2,385	2.8	4,007	3.2	4,667	3.8	1,822	6.7	2,855	9.8
Total	**87,654**	**100.0**	**125,467**	**100.0**	**123,371**	**100.0**	**27,257**	**100.0**	**29,039**	**100.0**

Note:

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

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, 2025 and four months ended April 30, 2026, we recorded net impairment losses of RMB16.8 million, RMB4.8 million, RMB25.0 million and RMB11.3 million, respectively. In the four months ended April 30, 2025, we recorded a net reversal of impairment losses of RMB6.3 million.

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, 2025 and the four months ended April 30,

2025 and 2026, our other income amounted to RMB19.0 million, RMB23.9 million, RMB27.0 million, RMB5.6 million and RMB6.2 million, respectively. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Income-related government grants	13,853	72.8	13,142	55.0	14,608	54.2	1,136	20.3	2,636	42.5
Interest income[1]	4,320	22.7	9,600	40.2	10,524	39.0	3,886	69.5	2,542	41.0
Release of assets-related government subsidies	820	4.3	985	4.1	1,499	5.6	366	6.5	638	10.3
Others[2]	33	0.2	161	0.7	340	1.2	205	3.7	384	6.2
Total	**19,026**	**100.0**	**23,888**	**100.0**	**26,971**	**100.0**	**5,593**	**100.0**	**6,200**	**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.

Other Gains/(Losses), Net

Our other gains/(losses) mainly consisted of (i) net foreign exchange gains/(losses), (ii) net gains/(losses) on disposal of derivative financial instruments, (iii) fair value changes on derivative financial instruments, (iv) donations, primarily comprising contributions to certain hospitals and charitable organizations, (v) net losses on disposal of non-current assets and (vi) others, during the Track Record Period. Our other gains amounted to RMB13.6 million, RMB32.8 million and RMB19.9 million in 2023, 2024, and the four months ended April 30, 2025, respectively, and other losses of RMB39.4 million and RMB50.1 million in 2025 and the four months ended April 30, 2026, respectively. The following table sets forth a breakdown of our other gains/(losses) for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Net foreign exchange gains/(losses)	17,825	130.8	33,570	102.4	(36,661)	93.1	20,023	100.7	(50,597)	101.0
Net (losses)/gains on disposal of non-current assets	(1,792)	(13.2)	(17)	(0.1)	253	(0.6)	241	1.2	2,704	(5.4)
Fair value changes on derivative financial instruments	—	—	228	0.7	(3,519)	8.9	615	3.1	(2,771)	5.5
Net (losses)/gains on disposal of derivative financial instruments	490	3.6	777	2.4	4,898	(12.4)	—	—	1,382	(2.8)
Donations	(1,483)	(10.9)	(924)	(2.8)	(3,050)	7.7	(1,000)	(5.0)	—	—
Others[1]	(1,414)	(10.3)	(848)	(2.6)	(1,282)	3.3	(1)	(0.0)	(838)	1.7
Total	**13,626**	**100.0**	**32,786**	**100.0**	**(39,361)**	**100.0**	**19,878**	**100.0**	**(50,120)**	**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, 2025 and the four months ended April 30, 2025 and 2026, our finance income amounted to RMB43.0 million, RMB44.1 million, RMB40.9 million, RMB14.0 million and RMB6.1 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, 2025 and the four months ended April 30, 2025 and 2026, our finance costs amounted to RMB12.3 million, RMB23.1 million, RMB27.3 million, RMB6.2 million and RMB8.0 million, respectively. The table below sets forth a breakdown of our finance costs by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Interest expenses on bank borrowings	10,154	82.8	17,994	78.0	25,474	93.1	4,780	77.5	11,710	146.0
Net exchange (losses)/gains on foreign currency borrowings	(81)	(0.7)	1,471	6.4	(4,463)	(16.3)	456	7.4	(6,255)	(78.0)
Interest expenses on lease liabilities	2,190	17.9	3,605	15.6	6,336	23.2	934	15.1	2,564	32.0
Total	**12,263**	**100.0**	**23,070**	**100.0**	**27,347**	**100.0**	**6,170**	**100.0**	**8,019**	**100.0**

Income Tax Expense

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our income tax expenses amounted to RMB54.0 million, RMB82.0 million, RMB130.9 million, RMB33.2 million and RMB63.6 million, respectively.

PRC Corporate Income Tax

In accordance with the relevant regulations of the EIT Law, 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税優惠政策的公告), 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 rates in the United States, where our subsidiaries have significant operations during the Track Record Period are 5.87% to 8.84% and 21%, 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 exempt for the first four years after registration in Vietnam and halved for the next nine years.

Profit for the Period

In 2023, 2024, 2025 and four months ended April 30, 2025 and 2026, our profit amounted to RMB280.5 million, RMB431.3 million, RMB816.3 million, RMB188.8 million and RMB292.1 million, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months ended April 30, 2026 Compared to Four Months Ended April 30, 2025

Revenue

Our revenue increased by 66.0% from RMB958.8 million for the four months ended April 30, 2025 to RMB1,591.4 million for the four months ended April 30, 2026, primarily due to increased revenue from our E-mobility products, particularly LSEVs, driven by (i) the continued expansion of our dealer network in the United States, (ii) greater market acceptance of our LSEV products and (iii) continued optimization of our product mix.

By Product

Our revenue from LSEVs increased significantly from RMB427.5 million for the four months ended April 30, 2025 to RMB969.8 million for the four months ended April 30, 2026, primarily due to (i) the increase in sales volume, driven by continued market demand for our LSEV products and the expansion of our LSEV dealer network in the United States, and (ii) the increase in ASP, primarily attributable to stronger customer demand for our LSEV products in March and April 2026 compared with the corresponding period in 2025.

Our revenue from electric bicycles increased significantly from RMB35.2 million for the four months ended April 30, 2025 to RMB74.7 million for the four months ended April 30, 2026, primarily due to higher sales volume following the introduction of our G2611 series under the Gotrax brand, a 26-inch electric bicycle model whose relatively affordable price point contributed to strong customer demand and higher order volume during the period.

Our revenue from electric scooters decreased by 14.0% from RMB120.5 million for the four months ended April 30, 2025 to RMB103.6 million for the four months ended April 30, 2026, primarily due to a decrease in ASP, reflecting (i) pricing adjustments for certain mature model series and (ii) a higher proportion of sales of lower-priced entry-level models, such as the Gotrax GKS Mini.

Our revenue from ATVs increased by 18.7% from RMB221.2 million for the four months ended April 30, 2025 to RMB262.5 million for the four months ended April 30, 2026, primarily due to an increase in purchase orders from Customer C for our mid- to high-displacement ATV models, particularly the 230cc model series.

Our revenue from off-road motorcycles increased by 15.3% from RMB69.4 million for the four months ended April 30, 2025 to RMB79.9 million for the four months ended April 30, 2026, primarily because Champion Holdings' off-road motorcycle business maintained growth following our acquisition of Champion Holdings, and the relevant revenue generated from sales to third-party customers was consolidated into our results.

By Geographical Region

In the four months ended April 30, 2025 and 2026, our revenue mainly derived from the United States and Americas (excluding the United States and Canada), representing 80.9% and 4.3% for the four months ended April 30, 2025, and 84.9% and 5.6% for the four months ended April 30, 2026, respectively.

Our revenue from the United States increased by 74.1% from RMB775.8 million for the four months ended April 30, 2025 to RMB1,350.4 million for the four months ended April 30, 2026, primarily due to a significant increase in sales volume of LSEVs in the U.S. market.

Our revenue from Americas (excluding the United States and Canada) increased significantly from RMB41.6 million for the four months ended April 30, 2025 to RMB89.8 million for the four months ended April 30, 2026, primarily due to increased sales to customers in Mexico, mainly of powersports.

Cost of Sales

Our cost of sales increased by 57.4% from RMB592.4 million for the four months ended April 30, 2025 to RMB932.5 million for the four months ended April 30, 2026, primarily due to an increase in raw materials and consumables used of RMB223.7 million, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 79.8% from RMB366.4 million for the four months ended April 30, 2025 to RMB658.9 million for the four months ended April 30, 2026. Our gross profit margin increased from 38.2% for the four months ended April 30, 2025 to 41.4% for the four months ended April 30, 2026.

By Product

Our gross profit from E-mobility products increased by 95.4% from RMB266.0 million for the four months ended April 30, 2025 to RMB519.7 million for the four months ended April 30, 2026, primarily due to an increase in gross profit of LSEV products, partially offset by a decrease in gross profit of electric scooters and electric balance bikes, which was in line with the increase in revenue from E-mobility products. Our gross profit margin from E-mobility products remained relatively stable at 42.0% and 43.6% in the four months ended April 30, 2025 and 2026, respectively.

Our gross profit from powersports increased by 19.8% from RMB95.2 million for the four months ended April 30, 2025 to RMB114.0 million for the four months ended April 30, 2026, which was in line with the increase in revenue from powersports. Our gross profit margin from powersports remained relatively stable at 32.7% and 33.3% for the four months ended April 30, 2025 and 2026, respectively.

General and Administrative Expenses

Our general and administrative expenses increased by 74.2% from RMB45.9 million for the four months ended April 30, 2025 to RMB79.9 million for the four months ended April 30, 2026, (i) an increase in employee benefit expenses of RMB18.5 million, mainly attributable to the increase in employee headcount following the Acquisition and (ii) an increase in taxes and surcharges of RMB9.3 million, primarily due to increases in urban maintenance and construction tax and related surcharges, and property tax.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 23.6% from RMB110.9 million for the four months ended April 30, 2025 to RMB137.2 million for the four months ended April 30, 2026, primarily due to an increase in rental expenses of RMB16.4 million, resulting from the larger aggregate area of premises leased by our U.S. operations, including the leased premises brought into our Group upon the consolidation of Champion Holdings following the Acquisition, as well as higher rental rates for certain premises, partially offset by a decrease in other expenses, primarily attributable to lower amortization expenses for customer relationships and other intangible assets.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB27.3 million for the four months ended April 30, 2025 and RMB29.0 million for the four months ended April 30, 2026, respectively.

Net Impairment Losses on Financial Assets

We recorded a reversal of net impairment losses on financial assets of RMB6.3 million for the four months ended April 30, 2025, compared to net impairment losses on financial assets of RMB11.3 million for the four months ended April 30, 2026, primarily reflecting changes in the balance and aging profile of our trade receivables and the corresponding expected credit loss assessment.

Other Income

Our other income increased by 10.9% from RMB5.6 million for the four months ended April 30, 2025 to RMB6.2 million for the four months ended April 30, 2026, primarily due to an increase in income-related government grants of RMB1.5 million, partially offset by a decrease in interest income from term deposits with a maturity of over three months of RMB1.3 million.

Other Gains/(Losses), Net

Our other gains of RMB19.9 million for the four months ended April 30, 2025 changed to other losses of RMB50.1 million for the corresponding period in 2026, primarily due to a change from net foreign exchange gains of RMB20.0 million to net foreign exchange losses of RMB50.6 million. Such net foreign exchange losses were primarily attributable to (i) exchange losses arising from the remeasurement of U.S. dollar-denominated trade receivables from overseas sales held by our Company whose functional currency is Renminbi, as the Renminbi appreciated against the U.S. dollar starting from the second quarter of 2025 and (ii) exchange losses realized upon the conversion of certain U.S. dollar-denominated bank deposits into Renminbi.

Finance Income

Our finance income decreased by 56.4% from RMB14.0 million for the four months ended April 30, 2025 to RMB6.1 million for the four months ended April 30, 2026, primarily due to the decrease in interest income from financial assets held for cash management purposes of RMB7.9 million.

Finance Costs

Our finance costs increased by 30.0% from RMB6.2 million for the four months ended April 30, 2025 to RMB8.0 million for the four months ended April 30, 2026, primarily due to increases in interest expenses on bank borrowings of RMB6.9 million, which was in line with the increase in monthly average balance of our borrowings, partially offset by net exchange gains on foreign currency borrowings.

Income Tax Expense

Our income tax expense increased by 91.8% from RMB33.2 million for the four months ended April 30, 2025 to RMB63.6 million for the four months ended April 30, 2026, which was in line with the growth of our profit before income tax.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 54.7% from RMB188.8 million for the four months ended April 30, 2025 to RMB292.1 million for the four months ended April 30, 2026.

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 LSEVs increased significantly from RMB812.3 million in 2024 to RMB1,957.5 million 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 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.

Our revenue from electric bicycles decreased by 22.80% from RMB231.1 million to RMB178.4 million, primarily due to (i) a decrease in sales volume from 64.9 thousand units to 55.1 thousand units, mainly resulting from lower purchase orders from a KAC, and (ii) a decrease in ASP, reflecting a higher contribution from lower-priced models.

Our revenue from electric scooters further decreased by 21.1% from RMB600.9 million in 2024 to RMB474.3 million in 2025, primarily due to (i) a decrease in ASP reflecting a higher contribution from lower-priced models, and (ii) the lower purchase orders from certain KACs for electric scooter model series.

Our revenue from ATVs remained relatively stable at RMB737.8 million in 2024 and RMB754.7 million in 2025, respectively.

Our revenue from off-road motorcycles remained relatively stable at RMB186.8 million in 2024 and RMB187.9 million in 2025, respectively.

By Geographical Region

In 2024 and 2025, our revenue mainly contributed from the 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) lower purchases of gasoline-powered ATVs by certain customers in Russia and Moldova, including reduced orders by a customer in Moldova for one of our ATV models; and (ii) lower purchases of electric scooters by certain customers in Europe, primarily attributable to intensified competition in the relevant local markets.

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.

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 significantly from RMB676.0 million in 2024 to RMB1,278.4 million in 2025, primarily due to an increase in gross profit of LSEVs, partially offset by a decrease in gross profit of non-LSEV E-mobility products. 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 ASP achieved through an optimized product mix of high-end LSEV models, including new multi-passenger and specialty camping designs, with the ASP of LSEV increasing from RMB39.2 thousand per unit in 2024 to RMB44.0 thousand 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; (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 Vietnam Base which collectively boosted our margins and economies of scale; partially offset by the decrease in ASPs of certain E-mobility products in 2025, including electric bicycles, electric scooters and electric balance bikes.

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

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.

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) the increase 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 LSEVs increased significantly from RMB78.5 million in 2023 to RMB812.3 million in 2024, primarily due to (i) the expansion of LSEV product lineup, including new 4-seater LSEV model with higher selling price than 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 ASP 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 electric bicycles increased by 40.2% from RMB164.8 million in 2023 to RMB231.1 million in 2024, primarily due to an increase in sales volume from 35.3 thousand units to 64.9 thousand units, driven by increased sales through KACs, partially offset by the decrease in ASP as a result of the increased sales contribution from lower-priced models, such as Nano and Shift S2.

Our revenue from electric scooters decreased by 16.3% from RMB718.1 million in 2023 to RMB600.9 million in 2024, primarily due to a decrease in sales volume from 451.0 thousand units to 392.1 thousand units, reflecting lower customer orders for certain electric scooter model series, amid intensified market competition and customer inventory adjustments.

Our revenue from electric balance bikes decreased by 32.7% from RMB295.7 million in 2023 to RMB199.0 million in 2024, primarily due to (i) a decrease in sales volume from 492.9 thousand units to 350.1 thousand units, reflecting lower customer orders for mature balance bike model series, such as Gotrax Glide Pro and Gotrax F3 series, and (ii) the increased sales contribution from lower-priced models.

Our revenue from ATVs increased by 18.9% from RMB620.4 million in 2023 to RMB737.8 million in 2024, primarily due to (i) the increase in our ODM sales of RMB322.5 million in 2024, reflecting the increased recognition of certain of our ATVs among customers in Mexico and Asia and (ii) the increase in purchase amount from one of our top five customers.

Our revenue from off-road motorcycles increased by 52.4% from RMB122.6 million in 2023 to RMB186.8 million in 2024, primarily due to the increase in purchase amount from one of our top five customers.

By Geographical Region

In 2023 and 2024, 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, primarily due to decreased demand from customers in Switzerland and France as a result of intensified competition in the relevant local markets.

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, primarily driven by the increase in our sales. Our gross profit margin decreased from 37.3% in 2023 to 34.7% in 2024, primarily due to changes in product mix and increases in certain costs, including shipping costs and customs-clearance costs.

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, primarily due to an increase in gross profit of LSEVs, partially offset by a decrease in gross profit of electric scooters and electric balance bikes. 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 ASP of electric bicycles 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 35.3 thousand units in 2023 to 64.9 thousand units in 2024; (ii) a decline in sales volume of electric scooters and electric balance bikes, which resulted in less effective absorption of fixed manufacturing costs, resulting in 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 2.4 thousand units in 2023 to 20.7 thousand units 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 RMB9.5 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.

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.

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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	321,545	832,234	948,451	962,053
Right-of-use assets	93,223	112,962	251,320	264,161
Deferred tax assets	14,578	17,338	48,564	69,161
Intangible assets	15,901	15,102	479,611	456,282
Other financial assets at fair value through profit or loss	—	—	15,000	21,867
Term deposits and restricted cash	150,688	402,448	261,924	263,763
Other non-current assets	9,260	1,339	8,161	42,616
Total non-current assets	**605,195**	**1,381,423**	**2,013,031**	**2,079,903**
Current assets				
Inventories	714,805	1,206,097	1,705,804	1,816,911
Prepayments and other receivables	44,649	49,340	52,871	61,958
Trade receivables	588,103	698,196	939,198	1,081,877
Derivative financial instruments	—	228	—	—
Cash and cash equivalents	1,649,015	840,755	962,206	939,816
Term deposits and restricted cash	137,804	286,872	151,328	130,834
Other current assets	47,913	75,678	81,799	65,624
Total current assets	**3,182,289**	**3,157,166**	**3,893,206**	**4,097,020**
Total assets	**3,787,484**	**4,538,589**	**5,906,237**	**6,176,923**
Non-current liabilities				
Borrowings	14,526	—	—	—
Lease liabilities	33,044	40,313	98,577	110,916
Deferred tax liabilities	3,507	459	27,279	24,899
Deferred income	13,347	17,954	19,455	22,991
Total non-current liabilities	**64,424**	**58,726**	**145,311**	**158,806**
Current liabilities				
Borrowings	224,578	429,441	857,881	840,874
Trade and notes payables	408,991	680,374	913,272	1,044,435
Contract liabilities	25,991	27,520	56,973	66,937
Lease liabilities	27,004	29,062	77,508	76,087
Current income tax liabilities	18,043	28,663	105,259	173,726
Derivative financial instruments	—	—	1,485	4,256
Accruals and other payables	40,708	123,420	88,494	74,002
Refund liabilities	35,881	34,669	39,162	19,135
Other current liabilities	32	204	314	803
Total current liabilities	**781,228**	**1,353,353**	**2,140,348**	**2,300,255**
Total liabilities	**845,652**	**1,412,079**	**2,285,659**	**2,459,061**

Property, Plant and Equipment

Our property, plant and equipment mainly consisted of (i) buildings, (ii) freehold land, primarily comprising 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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	219,248	434,671	576,857	566,192
Freehold land	—	174,754	170,874	166,838
Machinery and equipment	83,977	111,401	130,421	130,626
Motor vehicles	5,431	12,420	10,009	8,590
Office equipment	7,927	10,349	12,030	10,211
Construction in progress	4,248	88,639	45,907	77,393
Leasehold improvement	714	—	2,353	2,203
Total	**321,545**	**832,234**	**948,451**	**962,053**

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 the completion of the construction projects described above and the transfer of the related assets from construction in progress. Our property, plant and equipment remained relatively stable at RMB948.5 million and RMB962.1 million as of December 31, 2025 and April 30, 2026, respectively.

Right-of-use Assets

Our right-of-use assets comprised (i) land use right, (ii) buildings, and (iii) motor vehicles, primarily comprising 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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land use right	33,538	45,929	85,107	84,493
Buildings	58,815	66,390	165,818	179,359
Motor vehicles	870	643	395	309
Total	**93,223**	**112,962**	**251,320**	**264,161**

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 right in Zhejiang, China by one of our subsidiaries, and (ii) an increase in buildings of RMB99.4 million, resulting from newly signed leases for certain warehouses in the United States and acquisition of Champion Holdings. Our right-of-use assets further increased by 5.1% to RMB264.2 million as of April 30, 2026, primarily due to an increase in buildings of RMB13.5 million, resulting from expansion of our North America Base.

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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software	737	866	4,498	4,077
Domain name	15,164	14,236	12,791	12,121
Trademark rights and customer relationship	—	—	285,300	267,242
Goodwill	—	—	177,022	172,842
Total	**15,901**	**15,102**	**479,611**	**456,282**

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 significantly to RMB479.6 million as of December 31, 2025, primarily due to the acquisition of Champion Holdings. Our intangible assets remained relatively stable at RMB479.6 million as of December 31, 2025 and RMB456.3 million as of April 30, 2026, respectively.

The trademark and licensing rights and customer relationships recognized in connection with the acquisition of Champion Holdings amounted to RMB285.3 million as of December 31, 2025. Such identifiable intangible assets comprised (i) Champion MotorSports ownership of the "Racka" trademark, (ii) its contractual rights as licensee under the trademark licence agreement with The Coleman Company, Inc. in respect of the "COLEMAN" and "MADDOG GEAR" trademarks and trade names, and (iii) customer relationships acquired from Champion Holdings. In particular, the contractual licence rights relating to the "COLEMAN" and "MADDOG GEAR" trademarks and trade names were separately identified and recognized as intangible assets at their acquisition-date fair values, and were not included in goodwill. The goodwill relates to the Champion Holdings cash-generating unit ("**CGU**") as a whole and does not represent any of the separately recognized trademarks, licence rights or customer relationships described above. Rather, it represents future economic benefits arising from the acquired business that were not individually identifiable and separately recognizable, principally the expected commercial and operational synergies from integrating Champion MotorSports's established U.S. sales, distribution and after-sales platform with our product development and manufacturing capabilities.

Impairment Tests for Goodwill

We recognized goodwill of RMB177.0 million as of December 31, 2025, representing the excess of the acquisition cost, including cash consideration and trade receivables, over the fair value of the identifiable net assets acquired. As of April 30, 2026, the carrying amount of such goodwill decreased to RMB172.8 million due to currency translation differences. For the purpose of impairment testing, the goodwill was allocated to the Champion Holdings CGU, being the lowest level at which the goodwill is monitored by our management.

Our rationale for the significant goodwill recognized was to gain access to the sales network, customer resources, and trademark rights of Champion Holdings, thereby expanding our sales scale and enriching the portfolio of our own brands. This integration enables us to connect the upstream and downstream.

The management of our Company performed the goodwill impairment assessment based on the operating results, financial data and relevant assumptions of the Champion Holdings CGU, the group engaged an independent valuer to perform the relevant valuations as of December 31, 2025.

Goodwill is not amortized but is tested for impairment annually or more frequently when there is any indication of impairment. The recoverable amount of the Champion Holdings CGU as of December 31, 2025 and April 30, 2026 was determined based on value-in-use calculations. The value-in-use calculations were based on cash flow forecasts covering a five-year forecast period, consistent with our strategic planning and long-term budgeting period.

The key assumptions used in the goodwill impairment test were as follows:

Key assumptions	As of December 31, 2025	As of April 30, 2026	Approach used to determine values
Revenue annual growth rates	2.71% to 5.00%	2.71% to 5.00%	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 purpose.
Operating profit margin	2.42% to 5.55%	2.42% to 5.55%	Based on past performance and management's expectations for the future.
Perpetual annual growth rate	0.00%	0.00%	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 rate	10.46%	10.61%	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.

Based on the impairment assessment, the recoverable amount of the Champion Holdings CGU exceeded its carrying amount, including goodwill, by RMB46.1 million and RMB51.5 million as of December 31, 2025 and April 30, 2026, respectively. Accordingly, no impairment loss was recognized in respect of goodwill during the Track Record Period.

We also performed sensitivity analysis on the key assumptions. For the goodwill impairment test performed as of December 31, 2025, if the operating profit margin had been 8.70% lower, or the pre-tax discount rate had been 12.77% higher, or the annual revenue growth rate had been 0.50% lower, the carrying amount of the CGU would exceed its recoverable amount. For the goodwill impairment test performed as at April 30, 2026, if the operating profit margin had been 2.59% lower, or the pre-tax discount rate had been 12.00% higher or the annual revenue growth rate had been 0.64% lower, the carrying amount of the CGU would exceed its recoverable amount.

Based on the assessments performed by management and the independent valuer, the Reporting Accountant is of the view that no impairment of intangible assets should be made accordingly.

Other Financial Assets at Fair Value Through Profit or Loss

Our other financial assets at FVPL amounted to nil, nil, RMB15.0 million and RMB21.9 million as of December 31, 2023, 2024 and 2025, and April 30, 2026, respectively, primarily due to an equity investment in an 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. Our other financial assets at FVPL increased from RMB15.0 million as of December 31, 2025 to RMB21.9 million as of April 30, 2026, primarily due to another investment in an artificial intelligence company in 2026.

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.

Inventories

Our inventories mainly consisted of (i) raw material, mainly comprising steel, aluminum, engine components and chassis parts, (ii) finished goods, mainly comprising 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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	73,442	52,544	97,164	108,820
Finished goods	559,376	1,068,334	1,327,499	1,422,423
Work in progress	76,547	76,609	109,340	117,339
Outsourced processing materials	8,185	7,608	14,072	17,873
Goods in transit	10,212	14,452	21,874	29,015
Consignment inventories	—	—	150,129	136,222
Less: provision for impairment	(12,957)	(13,450)	(14,274)	(14,781)
Total	**714,805**	**1,206,097**	**1,705,804**	**1,816,911**

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 and the consolidation of the inventories of Champion Holdings following the Acquisition. Our inventories further increased by 6.5% to RMB1,816.9 million as of April 30, 2026, primarily because we continued to build up inventories under our BTS model to support anticipated sales growth and timely order fulfillment.

As of the Acquisition date, inventories of Champion Holdings with a fair value of approximately RMB166.3 million were recognized upon consolidation. Of this amount, approximately RMB150.1 million, representing 90.3%, comprised products purchased by Champion Motorsports from our Group prior to the Acquisition, when Champion Motorsports was an Independent Third Party, while the remaining approximately RMB16.2 million, representing 9.7%, comprised inventories procured from third-party suppliers. The products previously purchased from our Group mainly comprised 3,922 golf carts and were acquired by Champion Motorsports for onward sale through its U.S. retail and dealer channels. As of July 31, 2026, inventories of RMB106.9 million had been sold to independent third-party customers, representing 64.3% of the RMB166.3 million aggregate value of all inventories of Champion Holdings recognized upon consolidation.

The relevant products continued to be sold in the ordinary course through Champion Motorsports' established U.S. sales network, which comprised five KACs and approximately 2,000 TSC stores. Based on the above assessment and subsequent sales of such inventories, our Directors considered that there was no material indication that the remaining inventories were not saleable in the ordinary course and that their carrying amounts were recoverable.

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	634,465	1,125,582	1,599,156	1,719,355
Over one year	80,340	80,515	106,648	97,556
Total	**714,805**	**1,206,097**	**1,705,804**	**1,816,911**

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

	As of December 31,						As of April 30,	
	2023		2024		2025		2026	
	Within one year	Over one year	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*	*RMB'000*	*RMB'000*
E-mobility products:								
LSEVs	400	—	433,745	117	445,588	17	721,547	754
Electric scooters	174,595	11,587	192,659	8,715	162,176	26,260	165,356	29,944
Electric balance bikes	47,811	12,350	28,134	3,274	41,078	1,070	49,963	1,391
Electric bicycles	101,266	14,995	136,331	35,375	56,673	57,796	64,869	44,539
Other E-mobility	24,063	37	8,385	—	15,978	11	4,036	9,370
Powersports:								
ATV	64,792	22,467	100,201	4,427	128,526	4,850	223,660	11,905
Off-road motorcycles	25,228	9,425	39,953	2,438	69,289	4,951	24,140	924
Others	43,923	6,436	73,628	952	300,940	12,296	69,339	686
Gross amount of finished goods	482,078	77,297	1,013,036	55,298	1,220,248	107,251	1,322,910	99,513
Less: provision for impairment	—	8,143	—	10,872	—	11,049	—	11,887
Net amount of finished goods	**482,078**	**69,154**	**1,013,036**	**44,426**	**1,220,248**	**96,202**	**1,322,910**	**87,626**

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/period ends; (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.

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

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
		(in days)		
Inventory turnover days	199	183	232	229

Notes:

1. Inventory turnover days are equal to the average balance of inventory at the beginning and the end of the relevant period divided by cost of sales for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or the four months ended April 30, 2026.

Our inventory turnover days were 199 days, 183 days, 232 days and 229 days in 2023, 2024, 2025 and the four months ended April 30, 2026, 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. Our inventory turnover days subsequently remained relatively stable at 229 days in the four months ended April 30, 2026.

As of July 31, 2026, RMB951.7 million or 52.8% of the inventories as of April 30, 2026 had been subsequently utilized or sold. Our Directors believe that such subsequent utilization rate did not, in itself, indicate any material recoverability issue in respect of the remaining inventories. Our Directors considered, among other things, (i) that the subsequent utilization analysis covered only the one-month period from May 1 to May 31, 2026, compared with our inventory turnover days of 229 days for the four months ended April 30, 2026; (ii) that RMB1,719.4 million, or 94.6%, of our inventories as of April 30, 2026 were aged within one year; and (iii) that 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. We regularly monitor inventory balances and aging by product category and location and adjust production pacing and stock deployment with reference to customer demand, sell-through trends, delivery schedules and product cycles.

Based on the foregoing, our Directors are of the view that the carrying amounts of our inventories as of April 30, 2026 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, RMB14.3 million and RMB14.8 million as of December 31, 2023, 2024 and 2025, and April 30, 2026, respectively.

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 prepayments and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments:				
Prepayments for raw materials	12,183	8,415	18,229	27,320
Prepayments for operating expenses	14,823	10,242	11,746	17,388
Other receivables:				
Export tax refund receivables	8,134	24,785	10,119	1,691
Deposits and warranties	11,720	6,892	13,652	17,410
Others[(1)]	2,148	1,663	1,800	1,652
Less: provision for impairment	(4,359)	(2,657)	(2,675)	3,503
Total	**44,649**	**49,340**	**52,871**	**61,958**

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 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. Our prepayments and other receivables increased by 17.2% from RMB52.9 million as of December 31, 2025 to RMB62.0 million as of April 30, 2026, primarily due to (i) an increase in prepayments for raw materials of RMB9.1 million, (ii) an increase in prepayments for operating expenses of RMB5.6 million, and (iii) an increase in deposits and warranties of RMB3.8 million, resulting from increased deposits paid for leased production facilities, partially offset by a decrease in export tax refund receivables of RMB8.4 million, resulting from the increase in domestic sales of vehicles.

As of July 31, 2026, RMB10.6 million or 17.2% of the prepayments and other receivables as of April 30, 2026 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, further increased by 15.2% to RMB1,081.9 million as of April 30, 2026, 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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	616,855	734,283	969,483	1,116,505
1 to 2 years	1,735	329	13,600	22,555
2 to 3 years	1,059	662	2,870	2,929
Over 3 years	293	323	963	1,291
Subtotal	**619,942**	**735,597**	**986,916**	**1,143,280**
Less: credit loss allowance	(31,839)	(37,401)	(47,718)	(61,403)
Total	**588,103**	**698,196**	**939,198**	**1,081,877**

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

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
		(in days)		
Trade receivables turnover days	79	83	80	80

Notes:

1. Trade receivables turnover days are equal to the average balance of trade receivables at the beginning and the end of the relevant period divided by revenue for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or four months ended April 30, 2026.

Our trade receivables turnover days remained relatively stable at 79 days, 83 days, 80 days and 80 days in 2023, 2024, 2025 and the four months ended April 30, 2026, 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 GMS 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 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 July 31, 2026, RMB1,064.5 million or 98.4% of the trade receivables as of April 30, 2026 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. Our term deposits and restricted cash remained relatively stable at RMB394.6 million as of April 30, 2026.

Other Current Assets

Our other current assets mainly consisted of (i) deductible input VAT, (ii) prepaid corporate income tax, and (iii) others, primarily comprising 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. Our other current assets further decreased by 19.8% to RMB65.6 million as of April 30, 2026, primarily due to (i) a decrease in deductible input VAT of RMB9.8 million and (ii) a decrease of prepaid corporate income tax of RMB14.5 million.

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. Our deferred income further increased by 18.2% to RMB23.0 million as of April 30, 2026, primarily due to grants received in the period of RMB4.2 million.

Trade and Notes Payables

Our trade and notes payables mainly consisted of (i) trade payables, primarily comprising payables for goods, accrued expenses, and payables for long-term assets, and (ii) notes payables, primarily comprising 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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	368,035	554,109	772,689	802,562
Notes payables	40,956	126,265	140,583	241,873
Total	**408,991**	**680,374**	**913,272**	**1,044,435**

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 and increased by 14.4% to RMB1,044.4 million as of April 30, 2026, which was in line with the growth of our purchases.

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	364,091	551,248	765,714	791,355
1 to 2 years	2,805	1,095	5,073	6,616
2 to 3 years	640	935	806	2,977
Over 3 years	499	831	1,096	1,614
Total	**368,035**	**554,109**	**772,689**	**802,562**

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

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
		(in days)		
Trade and notes payables turnover days[1]	95	102	126	126

Notes:

1. Trade and notes payables turnover days are equal to the average balance of trade and notes payables at the beginning and the end of the relevant period divided by cost of sales for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or four months ended April 30, 2026.

Our trade and notes payables turnover days amounted to 95 days, 102 days, 126 days and 126 days in 2023, 2024, 2025 and the four months ended April 30, 2026, 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 July 31, 2026, RMB738.3 million or 70.7% of the trade and notes payables as of April 30, 2026 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 and increased by 17.5% to RMB66.9 million as of April 30, 2026, primarily due to a large number of orders received that were still in production and had not yet been delivered.

As of July 31, 2026, RMB34.9 million or 52.2% of the contract liabilities as of April 30, 2026 had been subsequently recognized as revenue.

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,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, wages and benefits	23,908	25,908	34,786	38,067
Taxes other than income tax payables	8,338	21,966	40,384	31,019
Accruals and other payables	7,817	20,519	12,690	4,195
Dividend payables	—	54,316	—	225
Others	645	711	634	496
Total	**40,708**	**123,420**	**88,494**	**74,002**

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. Our accruals and other payables decreased by 16.4% to RMB74.0 million as of April 30, 2026, primarily due to a decrease in tax other than income tax payables of RMB9.4 million, resulting from the fluctuations of import tariff payables.

As of July 31, 2026, RMB52.2 million or 70.6% of the accruals and other payables as of April 30, 2026 had been subsequently settled.

Provisions

Our provisions remained relatively stable at RMB35.9 million as of December 31, 2023 and RMB34.7 million as of December 31, 2024. Our provisions 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. Our provisions decreased by 51.1% to RMB19.1 million, primarily due to a decrease in sales from third-party e-commerce platforms from February to April 2026.

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, RMB962.2 million and RMB939.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, 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 defaults 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.

Net Current Assets

As of December 31, 2023, 2024 and 2025 and April 30 and July 31, 2026, we recorded net current assets of RMB2,401.1 million, RMB1,803.8 million, RMB1,752.9 million, RMB1,796.8 million and RMB2,117.9 million, respectively.

	As of December 31,			As of April 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current assets					
Inventories	714,805	1,206,097	1,705,804	1,816,911	1,883,637
Prepayments and other receivables	44,649	49,340	52,871	61,958	66,198
Trade receivables	588,103	698,196	939,198	1,081,877	1,226,403
Derivative financial instruments	—	228	—	—	—
Other financial assets at fair value through profit or loss	—	—	—	—	—
Cash and cash equivalents	1,649,015	840,755	962,206	939,816	1,525,488
Term deposits and restricted cash	137,804	286,872	151,328	130,834	125,781
Other current assets	47,913	75,678	81,799	65,624	69,331
Total current assets	**3,182,289**	**3,157,166**	**3,893,206**	**4,097,020**	**4,896,838**
Current liabilities					
Borrowings	224,578	429,441	857,881	840,874	896,478
Trade and notes payables	408,991	680,374	913,272	1,044,435	1,296,589
Contract liabilities	25,991	27,520	56,973	66,937	84,329
Lease liabilities	27,004	29,062	77,508	76,087	102,075
Current income tax liabilities	18,043	28,663	105,259	173,726	264,747
Derivative financial instruments	—	—	1,485	4,256	3,020
Accruals and other payables	40,708	123,420	88,494	74,002	69,494
Provisions	35,881	34,669	39,162	19,135	60,581
Other current liabilities	32	204	314	803	1,646
Total current liabilities	**781,228**	**1,353,353**	**2,140,348**	**2,300,255**	**2,778,959**
Net Current Assets	**2,401,061**	**1,803,813**	**1,752,858**	**1,796,765**	**2,117,879**

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, (ii) the increase in trade and notes payables of RMB271.4 million and (iii) the increase in current borrowings of RMB204.9 million, partially offset by the increase in inventories of RMB491.3 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 RMB1,796.8 million as of April 30, 2026, primarily due to (i) the increase in trade receivables of RMB142.7 million and (ii) the increase in inventories of RMB111.1 million; partially offset by (i) the increase in trade and notes payables of RMB131.2 million and (ii) the increase in current income tax liabilities of RMB68.5 million.

Our net current assets increased by 17.9% from RMB1,796.8 million as of April 30, 2026 to RMB2,117.9 million as of July 31, 2026, reflecting an increase in current assets of RMB799.8 million, partially offset by an increase in current liabilities of RMB478.7 million. The increase in current assets was primarily attributable to increases in (i) cash and cash equivalents of RMB585.7 million, (ii) trade receivables of RMB144.5 million and (iii) inventories of RMB66.7 million, partially offset by a decrease in term deposits and restricted cash of RMB5.1 million. The increase in current liabilities primarily reflected increases in (i) trade and notes payables of RMB252.2 million, (ii) borrowings of RMB55.6 million, and (iii) current income tax liabilities of RMB91.0 million.

Cash Flows Analysis

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

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash generated from operating activities	173,694	206,907	750,822	328,976	607,695
Net cash generated from/(used in) investing activities	(219,369)	(768,817)	(174,079)	108,704	(30,034)
Net cash generated from/(used in) financing activities	1,543,629	(264,492)	(454,612)	280,624	(566,632)
Net increase in cash and cash equivalents	1,497,954	(826,402)	122,131	718,304	11,029
Cash and cash equivalents at beginning of the year/period	142,706	1,649,015	840,755	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents	8,355	18,142	(680)	21,014	(33,419)
Cash and cash equivalents at the end of the year/period	1,649,015	840,755	962,206	1,580,073	939,816

Net Cash Flows from Operating Activities

In the four months ended April 30, 2026, we had net cash generated from operating activities of RMB607.7 million, which primarily represented profit before income tax of RMB355.7 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of non-current assets of RMB64.1 million, (b) net foreign exchange losses of RMB50.6 million and (c) net impairment losses on financial assets of RMB11.3 million, partially offset by (a) interest income of RMB2.5 million and (b) net gains on disposal of property, plant and equipment and other non-current assets of RMB2.7 million; and (ii) changes in working capital, which primarily consisted of a decrease in receivables of RMB177.6 million, partially offset by an increase in inventories of RMB114.0 million.

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 interest income of RMB51.4 million, partially offset by depreciation and amortization of RMB99.8 million; and (ii) changes in working capital, which primarily consisted of an increase in payables of RMB197.1 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) interest income of RMB53.7 million, and (b) net foreign exchange gains of RMB33.6 million, partially offset by depreciation and amortization of RMB74.9 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) interest income of RMB47.3 million, and (b) net foreign exchange gains of RMB17.8 million, partially offset by depreciation and amortization of RMB55.0 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 the four months ended April 30, 2026, we had net cash used in investing activities of RMB30.0 million, primarily due to (i) placement of term deposits and wealth management products of RMB30.0 million and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB27.4 million, partially offset by (i) proceeds from disposal of investments of RMB30.0 million.

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 the four months ended April 30, 2026, we had net cash used in financing activities of RMB566.6 million, primarily due to (i) repayments of bank borrowings of RMB676.2 million, (ii) dividends paid to the Company's shareholders of RMB159.1 million and (iii) principal elements of lease payments of RMB34.2 million, partially offset by proceeds from bank borrowings of RMB294.7 million.

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, 186 days and 183 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. It is calculated as inventory turnover days plus trade receivables turnover days, less trade payables turnover days.

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 April 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Borrowings	224,578	429,441	857,881	840,874	896,478
Lease liabilities	27,004	29,062	77,508	76,087	102,075
Non-current					
Borrowings	14,526	—	—	—	—
Lease liabilities	33,044	40,313	98,577	110,916	145,668

Borrowings

As of December 31, 2023, 2024, and 2025, and April 30 and July 31, 2026, we had borrowings of RMB239.1 million, RMB429.4 million, RMB857.9 million, RMB840.9 million and RMB896.5 million, respectively, which were bank loans primarily to finance our working capital and capital expenditure. Current portion of borrowings consisted of floor plan financing agreements. The closing balance of financed amount through floor plan financing was RMB32.6 million, RMB234.0 million and RMB304.0 million as of December 31, 2024 and 2025 and April 30, 2026, 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 0.67% to 6.00% during the Track Record Period. See note 26 to the Accountants' Report as set out in Appendix I to this Document. As of July 31, 2026, our unutilized banking facilities amounted to RMB2,808.8 million.

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 on the payment of our liabilities or breached any covenants or undertakings, or experienced any difficulty in obtaining additional debt or equity financing as a result of any such default or breach.

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, RMB187.0 million and RMB247.7 million, as of December 31, 2023, 2024 and 2025 and April 30 and July 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 period.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since April 30, 2026 and up to the Latest Practicable Date.

Indebtedness Statement

Except as disclosed above, as of July 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 July 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 periods ended December 31, 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, were RMB71.9 million, RMB524.7 million, RMB212.1 million and RMB27.4 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.

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 and April 30, 2026, the total amount of our outstanding capital commitments was RMB2.3 million, RMB114.2 million, RMB62.4 million and RMB55.1 million, respectively. The following table sets forth a summary of our capital commitments as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*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	54,899
Investment				
— Contracted, but not provided for	—	200	200	200
Total	**2,266**	**114,209**	**62,443**	**55,099**

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See note 42 to the Accountants' Report as set out in Appendix I to this Document. 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,			Four months ended/As of April 30,
	2023	2024	2025	2026
Rates of return				
Return on assets	10.2%	10.4%	15.6%	4.8%
Return on equity	14.4%	14.2%	24.2%	8.0%
Liquidity ratios				
Current ratio	4.07	2.33	1.82	1.78
Quick ratio	3.16	1.44	1.02	0.99
Gearing ratio	10.2%	16.0%	28.6%	27.6%

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 period, 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 period, 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 includes current and non-current bank loans, lease liabilities and other borrowings) by total equity.

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 maximizes 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.

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 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 do not have any formal dividend policy or pre-determined dividend payout ratio. In 2023, 2024, 2025 and the four months ended April 30, 2026, we declared dividends of RMB164.0 million, RMB217.7 million, RMB326.5 million and RMB163.6 million to our Shareholders. Our dividend payout ratios for the years ended December 31, 2023, 2024 and 2025 were approximately 58.2%, 50.4% and 40.1%, respectively. The dividend payout ratio for a financial year is calculated by dividing the aggregate cash dividends declared in respect of such financial year by the net profit for the same year attributable to owners of our Company and multiplying the result by 100%.

Future profit distributions may be conducted in the form of cash dividends, stock dividends or a combination thereof. Any proposed distribution of dividends is subject to the discretion of our Board and 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 factors 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 April 30, 2026, we had retained earnings of RMB1,705.5 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

[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]**, **[REDACTED]** expenses to be borne by us are estimated to be approximately **[REDACTED]** (**[REDACTED]**), comprising: (i) **[REDACTED]** 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]**) has been charged or is expected to be charged to our consolidated statements of profit or loss, and approximately **[REDACTED]** (**[REDACTED]**) 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 directly attributable to the **[REDACTED]** of Shares and will be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses represent approximately **[REDACTED]** of the gross **[REDACTED]** of the **[REDACTED]**, assuming the **[REDACTED]** of **[REDACTED]** per **[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 AND NO MATERIAL ADVERSE CHANGE

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 April 30, 2026, and there is no event since April 30, 2026 which would materially and adversely affect the information in the Accountants' Report as set out in Appendix I.

Summary of Unaudited Financial Information for the Six Months Ended June 30, 2026

We are a public company listed on the Shenzhen Stock Exchange and have disclosed unaudited key financial information prepared under PRC GAAP as of and for the six months ended June 30, 2026 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS 34, Interim Financial Reporting, in Appendix IA to this Document. Such information has been reviewed by our reporting accountant, Confucius International CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The members of our Board, including our Audit Committee, have received and reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, as set out in Appendix IA to this Document. We have complied with the code provisions in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, except for code provision C.2.1. (for details, please refer to "Directors and Senior Management — Corporate Governance"). We confirm that we will not breach our Articles of Association, applicable laws and regulations of the PRC or other regulatory requirements as a result of not distributing a separate interim report for the six months ended June 30, 2026. Pursuant to the Note to Rule 13.48(1) of the Listing Rules, we do not intend to distribute a separate interim report for the six months ended June 30, 2026.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss in absolute amounts and as percentages of revenue for the periods indicated:

	Six months ended June 30,			
	2025		2026	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)			
Revenue	1,713,293	100.0	2,750,897	100.0
Cost of revenue	(1,033,263)	(60.3)	(1,588,647)	(57.8)
Gross profit	**680,030**	**39.7**	**1,162,250**	**42.2**
General and administrative expenses	(81,924)	(4.8)	(121,001)	(4.4)
Selling and marketing expenses	(161,781)	(9.4)	(230,463)	(8.4)
Research and development expenses	(48,215)	(2.8)	(55,482)	(2.0)
Net impairment losses on financial assets	(10,564)	(0.6)	(30,454)	(1.1)
Other income	12,836	0.7	7,648	0.3
Other gains/(losses), net	7,185	0.4	(61,549)	(2.2)
Operating profit	**397,567**	**23.2**	**670,949**	**24.4**
Finance income	18,432	1.1	12,926	0.5
Finance costs	(13,135)	(0.8)	(19,553)	(0.7)
Finance (costs)/income, net	5,297	0.3	(6,627)	(0.2)
Profit before income tax	**402,864**	**23.5**	**664,322**	**24.1**
Income tax expense	(60,643)	(3.5)	(123,827)	(4.5)
Profit for the period	**342,221**	**20.0**	**540,495**	**19.6**
Attributable to:				
Owners of the Company	342,217	20.0	540,495	19.6
Non-controlling interests	4	0.0	—	—

Revenue

Our revenue increased by 60.6% from RMB1,713.3 million for the six months ended June 30, 2025 to RMB2,750.9 million for the six months ended June 30, 2026. Such increase was primarily attributable to higher sales of LSEVs in the United States, which were driven by (i) continued market demand for our LSEV products in the United States; (ii) the continued expansion of our LSEV dealer network, and greater market acceptance of our DENAGO and TEKO brands in the United States; and (iii) the continued optimization of our LSEV product mix toward higher-value models. Geographically, our revenue from the United States increased by 74.1% from RMB1,337.9 million for the six months ended June 30, 2025 to RMB2,328.8 million for the six months ended June 30, 2026.

Cost of revenue

Our cost of revenue increased by 53.8% from RMB1,033.3 million for the six months ended June 30, 2025 to RMB1,588.6 million for the six months ended June 30, 2026, primarily attributable to increased product sales, particularly LSEVs, and the corresponding increase in costs recognized.

Gross profit and gross profit margin

Our gross profit increased by 70.9% from RMB680.0 million for the six months ended June 30, 2025 to RMB1,162.3 million for the six months ended June 30, 2026, growth in revenue from our E-mobility products, particularly LSEVs. Our gross profit margin increased from 39.7% to 42.2% during the same periods, primarily reflecting a higher proportion of sales of LSEVs, which generally carried higher gross profit margins than our other products.

General and administrative expenses

Our general and administrative expenses increased by 47.7% from RMB81.9 million for the six months ended June 30, 2025 to RMB121.0 million for the six months ended June 30, 2026, primarily attributable to increased employee compensation and professional service fees as our business expanded.

Selling and marketing expenses

Our selling and marketing expenses increased by 42.5% from RMB161.8 million for the six months ended June 30, 2025 to RMB230.5 million for the six months ended June 30, 2026, primarily attributable to (i) increased advertising and business promotion expenses; (ii) higher rental and warehousing expenses as our sales expanded; and (iii) increased amortization of intangible assets. Advertising and business promotion expenses increased from RMB67.5 million to RMB84.3 million, while amortization of intangible assets charged to selling and marketing expenses increased from nil to RMB17.3 million during the same periods.

Research and development expenses

Our research and development expenses increased by 15.1% from RMB48.2 million for the six months ended June 30, 2025 to RMB55.5 million for the six months ended June 30, 2026, primarily attributable to increased direct materials, employee compensation and technical service fees relating to our research and development activities.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 188.3% from RMB10.6 million for the six months ended June 30, 2025 to RMB30.5 million for the six months ended June 30, 2026, primarily attributable to increased impairment allowances on trade receivables as our trade receivable balances increased.

Other income

Our other income decreased by 40.4% from RMB12.8 million for the six months ended June 30, 2025 to RMB7.6 million for the six months ended June 30, 2026, primarily attributable to (i) a decrease in interest income, which mainly comprised interest on term deposits with maturities of over three months, from RMB9.5 million to RMB3.5 million; and (ii) a decrease in income-related government grants from RMB2.5 million to RMB1.1 million, partially offset by increased additional VAT deductions.

Other gains/(losses), net

We recorded net other losses of RMB61.5 million for the six months ended June 30, 2026, compared with net other gains of RMB7.2 million for the six months ended June 30, 2025, primarily attributable to net foreign exchange losses of RMB65.6 million, compared with net gains of RMB6.3 million, as a result of the depreciation of the U.S. dollar against Renminbi.

Finance (costs)/income, net

We recorded net finance costs of RMB6.6 million for the six months ended June 30, 2026, compared with net finance income of RMB5.3 million for the six months ended June 30, 2025. Our finance income decreased from RMB18.4 million to RMB12.9 million, reflecting changes in our financial assets held for cash management purposes. Our finance costs increased from RMB13.1 million to RMB19.6 million, primarily attributable to increased borrowing interest from greater use of inventory financing for our U.S. dealers and increased lease interest relating to additional U.S. factory premises, partially offset by net foreign exchange gains on borrowings.

Profit for the period

As a result of the foregoing, our profit for the period increased by 57.9% from RMB342.2 million for the six months ended June 30, 2025 to RMB540.5 million for the six months ended June 30, 2026. Our net profit margin decreased from 20.0% to 19.6%, reflecting increased net foreign exchange losses and a higher effective tax rate, partially offset by an improved gross profit margin and lower operating expense ratios.

Summary of Consolidated Statements of Financial Position

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

	As of December 31, 2025	As of June 30, 2026
	RMB'000 (Audited)	*RMB'000 (Unaudited)*
Total non-current assets	2,013,031	2,138,738
Total current assets	3,893,206	4,811,479
Total assets	**5,906,237**	**6,950,217**
Total non-current liabilities	145,311	209,871
Total current liabilities	2,140,348	2,790,532
Net current assets	**1,752,858**	**2,020,947**
Total liabilities	**2,285,659**	**3,000,403**
Share capital	109,049	109,049
Other reserves	1,934,484	1,886,799
Retained earnings	1,576,976	1,953,897
Equity attributable to owners of the Company	3,620,509	3,949,745
Non-controlling interests	69	69
Total equity	**3,620,578**	**3,949,814**

Our net current assets increased from RMB1,752.9 million as of December 31, 2025 to RMB2,020.9 million as of June 30, 2026, primarily attributable to (i) an increase in trade receivables of RMB520.0 million, in line with our sales growth; (ii) an increase in cash and cash equivalents of RMB315.3 million, reflecting increased customer receipts; and (iii) an increase in inventories of RMB98.0 million. These increases were partially offset by (i) an increase in trade and notes payables of RMB350.2 million from increased LSEV procurement, and (ii) an increase in current income tax liabilities of RMB135.9 million from increased profits generated by our U.S. operations.

Our net assets increased from RMB3,620.6 million as of December 31, 2025 to RMB3,949.8 million as of June 30, 2026, primarily attributable to profit for the period of RMB540.5 million, partially offset by dividends of RMB163.6 million and currency translation losses of RMB49.1 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Six months ended June 30,	
	2025	2026
	RMB'000	*RMB'000*
	(Unaudited)	
Net cash generated from operating activities	487,080	708,443
Net cash generated from/(used in) investing activities	23,245	(27,749)
Net cash generated from/(used in) financing activities	4,133	(301,029)
Net increase in cash and cash equivalents	**514,458**	**379,665**
Cash and cash equivalents at beginning of the period	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents	4,880	(64,342)
Cash and cash equivalents at end of the period	**1,360,093**	**1,277,529**

Our net cash generated from operating activities increased by 45.4% from RMB487.1 million for the six months ended June 30, 2025 to RMB708.4 million for the six months ended June 30, 2026, primarily attributable to increased cash receipts from customers in line with our sales growth, partially offset by increased operating payments. We recorded net cash used in investing activities of RMB27.7 million for the six months ended June 30, 2026, compared with net cash generated from investing activities of RMB23.2 million for the corresponding period in 2025, primarily due to a decrease in net cash inflows from movements in term deposits from RMB92.4 million to RMB41.9 million. We recorded net cash used in financing activities of RMB301.0 million for the six months ended June 30, 2026, compared with net cash generated from financing activities of RMB4.1 million for the corresponding period in 2025, primarily due to a change from net cash inflows of RMB178.7 million to net cash outflows of RMB0.3 million from movements in restricted cash, increased repayments of bank borrowings and higher principal payments of lease liabilities, partially offset by lower dividends paid.

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

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 the **[REDACTED]** of **[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 enhancing the automation, efficiency and localized production support of our manufacturing infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
• Expanding and upgrading our PRC production facilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
• Constructing an additional production base in Thailand	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enriching and expanding our product and service portfolio and applying product-related intelligent technologies to our products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding our 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. The proposed Yongkang and Thailand projects are not duplicative and are intended to perform different but complementary functions within our manufacturing network. The Yongkang project will principally consolidate and upgrade certain existing PRC production operations and provide dedicated capabilities for complete LSEV kits and components for export purposes. The Thailand project will principally provide an additional overseas site for the manufacture and assembly of finished LSEVs and ATVs. Both projects will be implemented progressively through 2030, and the overlap in their construction periods does not mean that their full designed capacities will be introduced simultaneously. 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 powersports markets are expected to reach US$6.7 billion, US$11.1 billion and US$38.2 billion by 2030, with a CAGR of 28.2%, 5.2% and 5.4% from 2025 to 2030. 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 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. More specifically:

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for construction and engineering expenditure for our new Yongkang facilities. Of the approximately **[REDACTED]** allocated to construction and engineering expenditure, approximately **[REDACTED]** will be used for the construction and fit-out of production and ancillary buildings, approximately **[REDACTED]** for other construction-related expenditure and approximately **[REDACTED]** for contingencies. The land for the new Yongkang facilities was acquired by us in 2025 at a cost of approximately RMB40.0 million. We expect to construct production and ancillary facilities with an aggregate gross floor area of approximately 144,600 sq.m., comprising multi-storey factory buildings, staff living facilities and high-rise factory buildings. Following the reallocation of the PRC production lines to powersports and component production in early 2026, for the four months ended April 30, 2026, our PRC Base had production capacity of 1,000 LSEVs and 87,860 units of powersports, with utilization rates of 73.7% and 75.3%, respectively. The new Yongkang facilities are therefore intended to complement, rather than duplicate, our existing production capacity by providing dedicated production capabilities for (i) finished LSEVs for markets outside the United States, and (ii) complete LSEV kits and key components for our overseas manufacturing bases. Demand for such additional capacity is supported by the continued growth of our LSEV business. Our LSEV sales volume increased from approximately 20.7 thousand units in 2024 to approximately 44.5 thousand units in 2025, while our LSEV revenue increased by 126.9% for the four months ended April 30, 2026 compared with the corresponding period in 2025. In addition, the utilization rate of the LSEV production capacity at our North America Base reached 89.2% for the four months ended April 30, 2026, increasing its demand for complete LSEV kits and key components supplied by our PRC operations.

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for the procurement and installation of equipment for the upgrade of our existing PRC facilities and new Yongkang facilities. We plan to procure over 70 sets of relevant equipment and systems, comprising production equipment, information systems, utility equipment and ancillary production equipment. The equipment and systems will be specified by reference to the relevant production line layout and the processing, assembly, packaging, testing and production management requirements for LSEVs, complete LSEV kits and key components. Such equipment and systems are expected to cover body processing, welding, surface treatment, component production, assembly, packaging and testing, as well as digital production management, utility support, tooling, fixtures, material handling and storage functions. We expect such equipment

and systems to enhance the automation, digital production management, process standardization and quality inspection capabilities of our PRC facilities, thereby supporting our global production allocation and overseas order fulfilment.

- approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for staff costs. We expect to hire approximately 135 employees in phases in line with the construction progress and production ramp-up, including core management personnel, R&D personnel, production personnel, sales personnel and administrative and human resources personnel. The relevant employees are generally expected to have qualifications and education background suitable for their respective functions. In particular, our R&D personnel are required to hold a bachelor's degree or higher. The expected annual salary range for such employees will be approximately RMB80 thousand to RMB400 thousand per employee, depending on job function, seniority, technical requirements and market conditions.

  Our new facilities on self-owned land are intended to enable us to relocate and consolidate selected production and ancillary functions currently conducted in such leased premises. Constructing the facilities on self-owned land is expected to provide greater certainty over the long-term use of our principal PRC production premises and reduce our exposure to lease non-renewal, unexpected early termination, or rental increases. A purpose-built, self-owned site is also more suitable for installing and operating long-lived and site-specific production, environmental-protection, utility and information systems, which may require substantial structural works and may be costly or impracticable to dismantle and reinstall following the expiry or termination of a lease.

  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 **[REDACTED]**, or **[REDACTED]**, will be used for construction of one additional overseas production base in Thailand, and related upgrades to our overseas manufacturing capabilities. Of this amount, approximately **[REDACTED]** will be used for the construction of seven factory buildings and one office building, with an aggregate planned gross floor area of approximately 74,100 sq.m., and related infrastructure; approximately **[REDACTED]** will be used for the procurement and installation of production, testing, and environmental-protection equipment; approximately **[REDACTED]** will be used for other construction-related expenditure; approximately **[REDACTED]** will be used for contingencies; and approximately **[REDACTED]** will be used for staff costs. 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, and recruiting approximately 225 additional employees in Thailand, comprising management personnel, R&D personnel, production personnel and sales personnel. The relevant employees are generally expected to possess, where applicable, qualifications required under applicable local laws and regulations, as well as relevant industry experience, technical skills or

practical training commensurate with their respective functions. In particular, our R&D personnel are required to hold a bachelor's degree or higher. The expected annual salary range for such employees will be approximately RMB69 thousand to RMB400 thousand per employee, depending on job function, seniority, technical requirements and local market conditions. Although certain production processes at the Thailand facility will be supported by automated equipment, the planned recruitment remains necessary to support production ramp-up, equipment operation and maintenance, quality inspection, assembly, packaging, warehousing, R&D, sales and local management functions. We believe these initiatives will broaden our manufacturing footprint in Southeast Asia and help reduce production and logistics costs. Although the Thailand facility had not commenced production as of the Latest Practicable Date, if ATVs and LSEVs manufactured at the facility were exported to the United States and qualified as Thailand-origin products, they would be subject to aggregate U.S. tariff rates of approximately 15.0% and 27.5%, respectively, the same as those applicable to the corresponding Vietnam-origin products. Accordingly, in selecting Thailand for our additional overseas production base, we also considered the potential tariff advantage over PRC-origin production.

The planned self-built Thailand facility is intended to reduce our reliance on the leased production premises in Vietnam and provide greater long-term control over a material part of our overseas manufacturing infrastructure. See "Risk Factors — Risks Relating to Our Business — We face certain risks in relation to our leases." Establishing an additional manufacturing site in Thailand is also expected to reduce the geographic and site concentration of our overseas production operations, as well as our exposure to lease renewal uncertainties and other lease-related restrictions. The Thailand facility will provide an additional operating location within Southeast Asia and greater flexibility to allocate production stages, product categories and order volumes among our PRC, Vietnam, Thailand and North America bases in response to changes in customer demand, tariff risks, supply-chain conditions and other operational developments.

- 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. We plan to recruit approximately 200 additional R&D engineers, comprising approximately 20 engineers for LSEV product upgrades, 60 engineers for ATV product upgrades, 80 engineers for three-electric systems technology upgrades and 40 engineers for vehicle intelligence. Engineers for the LSEV and ATV projects will primarily comprise junior engineers and experienced engineers, while those for three-electric systems and vehicle intelligence will primarily comprise experienced engineers and domain experts with relevant technical expertise. 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 in the U.S.. The key R&D projects currently contemplated comprise (i) upgrades of our existing LSEV and ATV product lines, principally to expand model offerings and improve vehicle-level performance, comfort, durability and safety; and (ii) development of three-electric systems and vehicle intelligence technologies for application across selected LSEV and powersports models, principally to improve electric-drive efficiency and component commonality and enhance vehicle connectivity, diagnostics and remote maintenance capabilities. 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, the

first-generation models of which have already been commercialized. We plan to use the relevant **[REDACTED]** for the continued iteration and upgrading of such products, including the development of their second-generation models, by improving product-level features such as chassis and suspension performance, electric braking response, seating comfort, cabin layout flexibility and scenario-specific configurations, which are expected to enhance ride comfort, handling and adaptability across different usage scenarios. These initiatives are expected to broaden our customer coverage, 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 control 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 apply product-related technologies to our products, including upgrades to three-electric systems and vehicle connectivity and electronic control technologies. For three-electric systems, which comprise the battery system, drive motor and vehicle electronic control system, we plan to further optimize the integrated battery, motor and electronic control architecture, including battery systems, battery management system (BMS) functions, drive motors, electric control units, thermal management, high-voltage wiring and CAN/OTA compatibility. By standardizing these core electric-drive modules, we aim to develop a reusable three-electric platform that can be adapted across selected LSEV, which is expected to shorten development cycles, improve component commonality, and enhance power output, energy efficiency, driving range and product consistency. For vehicle connectivity and electronic control technologies, we plan to improve the in-vehicle communication network, including CAN bus communication among key vehicle controllers, EPS systems that support smoother steering assistance, IoT connectivity for remote monitoring and diagnostics, and OTA remote upgrades that enable wireless software or firmware updates. These initiatives are expected to enhance steering control, fault diagnosis, remote maintenance, electrical reliability and readiness for fleet management and other operating scenarios.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used to expand our 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 centers 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. More specifically:

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for investment and set-up expenditure for the three marketing service centers in Dallas, Texas. Such costs are expected to primarily include leasing and basic fit-out/renovation of premises, procurement of hardware and software systems, display and office equipment, and related contingency expenses required for the establishment and initial operation of the service centers.

  - approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for project implementation expenses for the expansion of our sales and service network. In particular, approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for the recruitment and compensation of approximately 21 additional local sales and service employees to support the three marketing service centers in Dallas, Texas; approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for marketing and promotional activities, including online advertising targeting dealer networks, advertising in industry magazines and publications, the production of brand and product videos for E-mobility two-wheelers, regional dealer meetings and participation in industry

exhibitions; and approximately **[REDACTED]** of the net **[REDACTED]**, or **[REDACTED]**, will be used for other project implementation expenses, including product design-related expenses, third-party service fees and warehouse consumables.

We plan to establish separate marketing service centres for these three product segments because they differ in product features, sales channels, customer base and after-sales service requirements. In particular, LSEVs are four-wheeled low-speed vehicles primarily sold through dealers and require dedicated support for product demonstration, dealer training, technical support, spare parts coordination and warranty handling. E-mobility two-wheelers, including electric bicycles, electric scooters and electric balance bikes, are primarily sold through KACs, GMS, third-party e-commerce platforms and DTC channels, and require support for high-volume consumer sales, online customer service, product returns and customer feedback collection. Powersports, including ATVs and off-road motorcycles, require more specialized support relating to engines, powertrain systems, off-road use cases, product safety and dealer training. Dallas was selected primarily because our North American headquarters and local management team are based in the Dallas area, which allows us to leverage existing management, logistics and service resources.

The additional 21 local sales and service employees are expected to be recruited in Dallas, Texas, comprising 12 sales personnel, including three sales directors and nine sales managers, as well as nine management, product and customer service personnel. For the sales personnel, we generally expect candidates for sales director positions to have a bachelor's degree or above, or equivalent practical experience, and relevant experience in vehicle, mobility, consumer durable products, dealer management, sales operations or after-sales service. For sales manager positions, we generally expect candidates to have an associate degree, vocational education background or above, or equivalent practical experience. The indicative annual salary is expected to be approximately RMB0.9 million per employee for sales directors and approximately RMB0.6 million to RMB0.7 million per employee for sales managers.

- 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.

If we set the final **[REDACTED]** to be below the **[REDACTED]**, we will reduce the allocation of the net **[REDACTED]** to the above purposes on a pro rata basis. 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 the **[REDACTED]** of **[REDACTED]** per H Share).

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 SFO 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]

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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

香港灣仔莊士敦道181號大有大廈15樓1501-1508室
Rooms 1501-8, 15/F., Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170
電郵 Email: info@pccpa.hk

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 April 30, 2026, 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, 2025, and the four months ended April 30, 2026 (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 **[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.

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 April 30, 2026 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.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the four months ended April 30, 2025 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our 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" issued by the HKICPA. A review consists of making enquiries, 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation 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-4 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]

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,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	5	2,144,246	2,976,629	3,941,430	958,845	1,591,423
Cost of sales	8	(1,344,740)	(1,944,650)	(2,315,223)	(592,403)	(932,501)
Gross profit		**799,506**	**1,031,979**	**1,626,207**	**366,442**	**658,922**
General and administrative expenses	8	(109,041)	(152,873)	(179,804)	(45,872)	(79,909)
Selling and marketing expenses	8	(314,924)	(313,398)	(351,981)	(110,934)	(137,162)
Research and development expenses	8	(87,654)	(125,467)	(123,371)	(27,257)	(29,039)
Net impairment (losses)/reversals on financial assets	3.2	(16,786)	(4,766)	(24,952)	6,324	(11,303)
Other income	6	19,026	23,888	26,971	5,593	6,200
Other gains/(losses), net	7	13,626	32,786	(39,361)	19,878	(50,120)
Operating profit		**303,753**	**492,149**	**933,709**	**214,174**	**357,589**
Finance income	10	42,959	44,147	40,893	13,957	6,082
Finance costs	10	(12,263)	(23,070)	(27,347)	(6,170)	(8,019)
Finance income/(costs), net		30,696	21,077	13,546	7,787	(1,937)
Profit before income tax		**334,449**	**513,226**	**947,255**	**221,961**	**355,652**
Income tax expense	11	(53,971)	(81,964)	(130,932)	(33,153)	(63,581)
Profit for the year/period		**280,478**	**431,262**	**816,323**	**188,808**	**292,071**
Attributable to:						
— Owners of the Company		280,478	431,263	816,323	188,810	292,070
— Non-controlling interests		—	(1)	—	(2)	1
		280,478	**431,262**	**816,323**	**188,808**	**292,071**
Earnings per share attributable to owners of the Company (in RMB per share)						
— Basic	13	2.71	3.96	7.50	1.74	2.68
— Diluted	13	2.71	3.94	7.49	1.73	2.67

Consolidated statements of comprehensive income

	Notes	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit for the year/period		**280,478**	**431,262**	**816,323**	**188,808**	**292,071**
Other comprehensive income/(expenses)						
Items that may be reclassified to profit or loss in subsequent periods, net of tax:						
— Currency translation differences of foreign operations	*36*	(386)	10,836	(26,178)	(1,110)	(33,744)
Other comprehensive income/(expenses) for the year/period, net of tax		**(386)**	**10,836**	**(26,178)**	**(1,110)**	**(33,744)**
Total comprehensive income for the year/period		**280,092**	**442,098**	**790,145**	**187,698**	**258,327**
Attributable to:						
— Owners of the Company		280,092	442,099	790,145	187,700	258,326
— Non-controlling interests		—	(1)	—	(2)	1
		280,092	**442,098**	**790,145**	**187,698**	**258,327**

Consolidated statements of financial position

	Notes	As at December 31,			As at April 30,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment	*16*	321,545	832,234	948,451	962,053
Right-of-use assets	*17*	93,223	112,962	251,320	264,161
Deferred tax assets	*20*	14,578	17,338	48,564	69,161
Intangible assets	*18*	15,901	15,102	479,611	456,282
Other financial assets at fair value through profit or loss	*14*	—	—	15,000	21,867
Term deposits and restricted cash	*25*	150,688	402,448	261,924	263,763
Other non-current assets	*23*	9,260	1,339	8,161	42,616
Total non-current assets		**605,195**	**1,381,423**	**2,013,031**	**2,079,903**
Current assets					
Inventories	*24*	714,805	1,206,097	1,705,804	1,816,911
Prepayments and other receivables	*22*	44,649	49,340	52,871	61,958
Trade receivables	*21*	588,103	698,196	939,198	1,081,877
Derivative financial instruments	*3.5*	—	228	—	—
Term deposits and restricted cash	*25*	137,804	286,872	151,328	130,834
Cash and cash equivalents	*25*	1,649,015	840,755	962,206	939,816
Other current assets	*23*	47,913	75,678	81,799	65,624
Total current assets		**3,182,289**	**3,157,166**	**3,893,206**	**4,097,020**
Total assets		**3,787,484**	**4,538,589**	**5,906,237**	**6,176,923**

	Notes	As at December 31, 2023	2024	2025	As at April 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
LIABILITIES					
Non-current liabilities					
Borrowings	*26*	14,526	—	—	—
Lease liabilities	*17*	33,044	40,313	98,577	110,916
Deferred tax liabilities	*20*	3,507	459	27,279	24,899
Deferred income	*31*	13,347	17,954	19,455	22,991
Total non-current liabilities		**64,424**	**58,726**	**145,311**	**158,806**
Current liabilities					
Borrowings	*26*	224,578	429,441	857,881	840,874
Trade and notes payables	*27*	408,991	680,374	913,272	1,044,435
Contract liabilities	*5*	25,991	27,520	56,973	66,937
Lease liabilities	*17*	27,004	29,062	77,508	76,087
Current income tax liabilities		18,043	28,663	105,259	173,726
Derivative financial instruments	*3.5*	—	—	1,485	4,256
Accruals and other payables	*28*	40,708	123,420	88,494	74,002
Provisions	*30*	35,881	34,669	39,162	19,135
Other current liabilities	*29*	32	204	314	803
Total current liabilities		**781,228**	**1,353,353**	**2,140,348**	**2,300,255**
Net current assets		**2,401,061**	**1,803,813**	**1,752,858**	**1,796,765**
Total liabilities		**845,652**	**1,412,079**	**2,285,659**	**2,459,061**
EQUITY					
— Share capital	*32*	109,333	109,745	109,049	109,049
— Treasury shares	*33*	—	(63,844)	—	—
— Other reserves	*36*	1,958,730	1,993,365	1,934,484	1,903,271
— Retained earnings	*35*	873,769	1,087,175	1,576,976	1,705,472
Equity attributable to owner of the Company		**2,941,832**	**3,126,441**	**3,620,509**	**3,717,792**
Non-controlling interests		—	69	69	70
TOTAL EQUITY		**2,941,832**	**3,126,510**	**3,620,578**	**3,717,862**
TOTAL LIABILITIES AND EQUITY		**3,787,484**	**4,538,589**	**5,906,237**	**6,176,923**

Company's statements of financial position

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at April 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment	*16*	302,897	396,401	469,056	473,726
Right-of-use assets	*17*	33,538	45,929	44,897	44,553
Deferred tax assets	*20*	15,144	20,129	33,667	31,763
Intangible assets	*18*	737	866	701	593
Investments in subsidiaries	*15*	104,538	607,150	746,153	867,764
Other financial assets at fair value through profit or loss	*14*	—	—	15,000	15,000
Term deposits and restricted cash	*25*	150,688	402,448	261,924	263,763
Other non-current assets	*23*	8,263	1,339	1,606	1,085
Total non-current assets		**615,805**	**1,474,262**	**1,573,004**	**1,698,247**
Current assets					
Inventories	*24*	234,455	209,009	310,494	350,946
Prepayments and other receivables	*22*	49,217	71,419	115,511	111,079
Trade receivables	*21*	1,123,013	2,008,658	2,293,536	2,265,511
Derivative financial instruments	*3.5*	—	228	—	—
Term deposits and restricted cash	*25*	124,549	204,528	84,049	78,315
Cash and cash equivalents	*25*	1,541,260	309,071	145,154	53,584
Other current assets	*23*	16,939	21,664	27,493	19,268
Total current assets		**3,089,433**	**2,824,577**	**2,976,237**	**2,878,703**
Total assets		**3,705,238**	**4,298,839**	**4,549,241**	**4,576,950**
LIABILITIES					
Non-current liabilities					
Borrowings	*26*	14,526	—	—	—
Deferred tax liabilities	*20*	2,826	—	—	—
Deferred income	*31*	13,347	17,954	19,455	22,991
Total non-current liabilities		**30,699**	**17,954**	**19,455**	**22,991**
Current liabilities					
Borrowings	*26*	120,578	206,405	369,598	480,712
Trade and notes payables	*27*	457,777	709,678	869,585	856,683
Contract liabilities	*5*	24,992	24,176	48,523	53,663
Current income tax liabilities		14,342	27,946	5,726	6,168
Derivative financial instruments	*3.5*	—	—	1,485	4,256
Accruals and other payables	*28*	24,328	80,943	89,413	92,398
Other current liabilities	*29*	31	124	313	791
Total current liabilities		**642,048**	**1,049,272**	**1,384,643**	**1,494,671**
Net current assets		**2,447,385**	**1,775,305**	**1,591,594**	**1,384,032**
Total liabilities		**672,747**	**1,067,226**	**1,404,098**	**1,517,662**
EQUITY					
— Share capital	*32*	109,334	109,745	109,049	109,049
— Treasury shares	*33*	—	(63,844)	—	—
— Other reserves	*36*	1,953,402	1,977,201	1,943,140	1,945,554
— Retained earnings	*35*	969,755	1,208,511	1,092,954	1,004,685
TOTAL EQUITY		**3,032,491**	**3,231,613**	**3,145,143**	**3,059,288**
TOTAL LIABILITIES AND EQUITY		**3,705,238**	**4,298,839**	**4,549,241**	**4,576,950**

Consolidated statements of changes in equity

	Attributable to owners of the Company			
	Share capital	Other reserves	Retained earnings	Total equity
	RMB'000 (Note 32)	*RMB'000 (Note 36)*	*RMB'000 (Note 35)*	*RMB'000*
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						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 32)	*RMB'000 (Note 33)*	*RMB'000 (Note 36)*	*RMB'000 (Note 35)*	*RMB'000*	*RMB'000*	*RMB'000*
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**

	Attributable to owners of the Company						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 32)	*RMB'000 (Note 33)*	*RMB'000 (Note 36)*	*RMB'000 (Note 35)*	*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/(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**

	Attributable to owners of the Company						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 32)	*RMB'000 (Note 33)*	*RMB'000 (Note 36)*	*RMB'000 (Note 35)*	*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/(losses) for the period	—	—	—	188,810	188,810	(2)	188,808
Other comprehensive expenses	—	—	(1,110)	—	(1,110)	—	(1,110)
Total comprehensive income/(expenses) for the period	**—**	**—**	**(1,110)**	**188,810**	**187,700**	**(2)**	**187,698**
Cancellation of ordinary shares	(1,113)	63,844	(62,731)	—	—	—	—
— Share-based payment							
— Share-based compensation expenses	—	—	3,469	—	3,469	—	3,469
— Others	—	—	5,154	—	5,154	—	5,154
Balance at April 30, 2025 (unaudited)	**108,632**	**—**	**1,938,147**	**1,275,985**	**3,322,764**	**67**	**3,322,831**

	Attributable to owners of the Company						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 32)	*RMB'000 (Note 33)*	*RMB'000 (Note 36)*	*RMB'000 (Note 35)*	*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/(losses) for the period	—	—	—	292,070	292,070	1	292,071
Other comprehensive expenses	—	—	(33,744)	—	(33,744)	—	(33,744)
Total comprehensive income/(expenses) for the period	**—**	**—**	**(33,744)**	**292,070**	**258,326**	**1**	**258,327**
Share-based payment							
— Share-based compensation expenses	—	—	1,325	—	1,325	—	1,325
— Others	—	—	1,206	—	1,206	—	1,206
Dividends	—	—	—	(163,574)	(163,574)	—	(163,574)
Balance at April 30, 2026	**109,049**	**—**	**1,903,271**	**1,705,472**	**3,717,792**	**70**	**3,717,862**

Consolidated statements of cash flows

	Notes	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash generated from operations	*37(a)*	171,388	252,003	765,855	312,416	610,271
Interest received		45,150	51,855	49,759	17,691	1,626
Income tax paid		(42,844)	(96,951)	(64,792)	(1,131)	(4,202)
Net cash generated from operating activities		**173,694**	**206,907**	**750,822**	**328,976**	**607,695**
Cash flows from investing activities						
Proceeds from disposal of wealth management products		—	—	—	—	30,000
Proceeds from investment income		—	777	3,093	—	1,382
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		241	1,307	447	303	565
Government grant received in relation to assets		3,000	5,592	3,000	—	4,174
Net cash outflow on acquisitions of subsidiaries		—	—	(94,034)	—	—
Payments for purchase of investments		—	—	(15,000)	—	(6,922)
Placement of term deposits and wealth management products		—	—	—	—	(30,000)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(71,922)	(524,732)	(212,110)	(54,048)	(27,393)
Movements of term deposits		(150,688)	(251,761)	140,525	162,449	(1,840)
Net cash (used in)/generated from investing activities		**(219,369)**	**(768,817)**	**(174,079)**	**108,704**	**(30,034)**
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	365,322	294,711
Proceeds from release of restricted cash for financing purpose		49,093	207,983	515,588	310,752	171,583
Payments for restricted cash for financing purpose		(136,497)	(355,159)	(378,388)	(103,723)	(150,172)
Repayments of bank borrowings		(579,011)	(705,694)	(1,211,518)	(228,832)	(676,180)
Principal elements of lease payments		(28,852)	(39,861)	(55,052)	(7,195)	(34,160)
Interests paid		(10,092)	(17,025)	(23,831)	(1,384)	(12,517)
Dividends paid to the Company's shareholders		(164,000)	(163,335)	(380,838)	(54,316)	(159,074)
Payments for repurchase of shares for the share-based schemes		—	(63,844)	—	—	—
Payments for **[REDACTED]**		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash generated from/(used in) financing activities		**1,543,629**	**(264,492)**	**(454,612)**	**280,624**	**(566,632)**
Net increase/(decrease) in cash and cash equivalents		**1,497,954**	**(826,402)**	**122,131**	**718,304**	**11,029**
Cash and cash equivalents at beginning of the year		142,706	1,649,015	840,755	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents		8,355	18,142	(680)	21,014	(33,419)
Cash and cash equivalents at the end of the year/period		**1,649,015**	**840,755**	**962,206**	**1,580,073**	**939,816**

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 Street, 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(特殊普通合夥)) 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.

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
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 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, 2025 and April 30, 2026, the Group's major financial assets/liabilities exposed to foreign exchange risk, representing those financial assets/liabilities denominated in United States Dollar ("**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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets denominated in:				
USD	756,878	1,428,059	1,593,792	1,937,965
— trade receivables	588,531	701,522	847,404	1,073,378
— cash and cash equivalents	163,890	724,064	740,816	858,421
— other receivables	4,457	2,473	5,572	6,166
CAD	14,288	17,879	69,381	14,571
— trade receivables	4,348	7,713	61,240	3,420
— cash and cash equivalents	8,531	9,438	6,446	10,893
— other receivables	1,409	728	1,695	258
JPY	1,115	1,390	1,832	85
— trade receivables	516	467	433	73
— cash and cash equivalents	599	923	1,399	—
— other receivables	—	—	—	12
EUR	189	—	38	—
— trade receivables	—	—	38	—
— cash and cash equivalents	189	—	—	—
GBP	249	—	—	—
— trade receivables	—	—	—	—
— cash and cash equivalents	249	—	—	—
AUD	561	26	35	35
— trade receivables	71	—	—	—
— cash and cash equivalents	440	26	35	35
— other receivables	50	—	—	—
VND	—	3,585	11,973	14,487
— trade receivables	—	—	4,197	3,940
— cash and cash equivalents	—	625	1,027	1,686
— other receivables	—	2,960	6,749	8,861
HKD	—	30	10	23
— cash and cash equivalents	—	2	10	23
— other receivables	—	28	—	—
THB	—	—	164	626
— cash and cash equivalents	—	—	164	609
— other receivables	—	—	—	17

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities denominated in:				
USD	115,264	198,730	603,812	753,709
— short-term borrowings	84,976	124,051	480,265	583,940
— trade payables	22,576	61,799	112,387	166,006
— accruals and other payables	7,712	12,880	11,160	3,763
CAD	1,103	1,069	1,315	1,836
— trade payables	968	943	1,162	1,733
— accruals and other payables	135	126	153	103
JPY	88	46	63	9
— trade payables	88	46	63	9
EUR	—	2	—	—
— trade payables	—	2	—	—
AUD	1	—	—	—
— trade payables	1	—	—	—
VND	—	3,306	36,160	19,488
— trade payables	—	3,234	36,099	19,321
— accruals and other payables	—	72	61	167
THB	—	—	155	28,591
— trade payables	—	—	—	28,591
— 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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
USD exchange rate —				
Increase 5%	32,081	61,466	49,499	59,213
Decrease 5%	(32,081)	(61,466)	(49,499)	(59,213)
CAD exchange rate —				
Increase 5%	659	841	3,403	637
Decrease 5%	(659)	(841)	(3,403)	(637)
JPY exchange rate —				
Increase 5%	51	67	88	4
Decrease 5%	(51)	(67)	(88)	(4)
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	2
Decrease 5%	(28)	(1)	(2)	(2)
VND exchange rate —				
Increase 5%	—	14	(1,209)	(250)
Decrease 5%	—	(14)	1,209	250
HKD exchange rate —				
Increase 5%	—	2	1	1
Decrease 5%	—	(2)	(1)	(1)
THB exchange rate —				
Increase 5%	—	—	0	(1,398)
Decrease 5%	—	—	(0)	1,398

(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, 2025 and April 30, 2026, total borrowings of the Group which were bearing at floating rates amounted to approximately Nil, RMB32,629,000, RMB233,705,000 and Nil, 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, RMB1,169,000 and Nil for the years ended December 31, 2023, 2024, 2025 and four months ended April 30, 2026 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 ("**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, and April 30, 2026.

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 ("**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, 2025 and April 30, 2026, 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**

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**

As at April 30, 2026, the loss allowance of grouped impaired trade receivables is determined as follows:

Assessed based on grouping:

	Year ended April 30, 2026		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	5	1,111,787	51,108
1 to 2 years	10	22,269	2,227
2 to 3 years	50	2,312	1,156
Over 3 years	100	1,264	1,264
		1,137,632	**55,755**

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.

The loss allowances for trade receivables for the years ended December 31, 2023, 2024, 2025 and four months ended April 30, 2026 reconcile to the opening loss allowances are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Opening loss allowance	15,459	31,839	37,401	37,401	47,718
Loss allowance recognized, net	15,982	6,515	24,889	(5,894)	10,147
Loss allowance write-off	—	(1,459)	(2,819)	—	—
Acquisition of subsidiaries	—	—	(10,945)	—	—
Currency translation differences	398	506	(808)	17	(2,110)
Closing loss allowance	**31,839**	**37,401**	**47,718**	**31,524**	**55,755**

(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.

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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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
April 30, 2026				
Expected loss rate	4.05%	10.00%	65.12%	
Gross carrying amount	11,919	4,955	3,879	20,753
Loss allowance	482	495	2,526	3,503

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Opening loss allowance	3,498	4,359	2,657	2,657	2,675
Loss allowance recognized, net	804	(1,749)	63	(431)	1,156
Currency translation differences	57	47	(45)	11	(328)
Closing loss allowance	**4,359**	**2,657**	**2,675**	**2,237**	**3,503**

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.

	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**

	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 April 30, 2026					
Trade and notes payables	1,100,602	—	—	1,100,602	1,044,435
Accruals and other payables (excluding non-financial liabilities)	4,916	—	—	4,916	4,916
Lease liabilities	79,666	72,814	44,749	197,229	187,003
Borrowings	844,661	—	—	844,661	840,874
	2,029,845	**72,814**	**44,749**	**2,147,408**	**2,077,228**

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 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, 2025 and four months ended April 30, 2026.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024, 2025 and April 30, 2026 are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	3,787,484	4,538,589	5,906,237	6,176,923
Total liabilities	845,652	1,412,079	2,285,659	2,459,061
Debt to asset ratio	22.3%	31.1%	38.7%	39.8%

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;
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group

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				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL	—	1,485	—	1,485

As at April 30, 2026	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVPL				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
— Equity investment held indirectly through a special purpose vehicle	—	—	6,867	6,867
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL	—	4,256	—	4,256

The Company

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				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL	—	1,485	—	1,485

As at April 30, 2026	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVPL				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL	—	4,256	—	4,256

(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,			Fair value as at April 30,	Valuation techniques	Significant unobservable input(s)	Range of inputs	Relationship of unobservable input(s) to fair values
	2023	2024	2025	2026				
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*				
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)*	—	—	—	6,867	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 and four months ended April 30, 2026 would each 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 four months ended April 30 2026 would have been approximately RMB343,000 higher or RMB343,000 lower, respectively.

(c) The changes in Level 3 assets are analyzed below:

	Financial assets at FVPL				
	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Opening balance	—	—	—	—	15,000
Additions	—	—	15,000	—	6,922
Currency translation differences	—	—	—	—	(55)
Closing balance	—	—	15,000	—	21,867

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.

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.

(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 is 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 directors assess the financial performance and position of the Group and make strategic decisions. The directors, which have been identified as being the CODM, consists of the 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, and four months ended April 30, 2025 and 2026, the CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment.

Segment information for the year ended December 31, 2023 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	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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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

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

Segment information for the four months ended April 30, 2025 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(unaudited)				
Revenue from transactions with external customer	171,752	786,277	—	958,029
Revenue from lease income	730	86	—	816
Inter-segment revenue	319,424	328,227	(647,651)	—
Cost of sales	(426,994)	(502,206)	339,272	(589,928)
Lease cost	(575)	(1,900)	—	(2,475)
Gross profit	64,337	610,484	(308,379)	366,442
Net impairment reversals/(losses) on financial assets	16,205	17,415	(39,944)	(6,324)
Depreciation and amortisation	5,393	22,369	—	27,762
Profit before income tax	58,348	102,756	60,857	221,961
Income tax (expense)/credit	(4,883)	(22,545)	(5,725)	(33,153)
Profit for the period	53,465	80,211	55,132	188,808
Total assets	4,706,689	4,465,958	(4,358,131)	4,814,516
Total liabilities	1,318,119	3,279,346	(3,105,780)	1,491,685

Segment information for the four months ended April 30, 2026 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	231,926	1,358,465	—	1,590,391
Revenue from lease income	938	94	—	1,032
Inter-segment revenue	281,141	1,134,230	(1,415,371)	—
Cost of sales	(443,617)	(1,551,558)	1,065,083	(930,092)
Lease cost	(565)	(1,844)	—	(2,409)
Gross profit	69,823	939,387	(350,288)	658,922
Net impairment (losses)/reversals on financial assets	(19,673)	58,572	(27,596)	11,303
Depreciation and amortisation	5,986	58,103	—	64,089
Profit before income tax	99,225	300,133	(43,706)	355,652
Income tax (expense)/credit	(20,689)	(52,827)	9,935	(63,581)
Profit for the period	78,536	247,305	(33,770)	292,071
Total assets	5,086,267	10,460,857	(9,370,201)	6,176,923
Total liabilities	1,816,427	8,774,315	(8,131,681)	2,459,061

(c) Revenue from external customers

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from external customers					
At a point in time					
— Sale of goods	2,131,660	2,952,614	3,910,953	956,003	1,586,325
— Others	12,303	21,029	27,827	2,113	4,066
Lease income	283	2,986	2,650	729	1,032
	2,144,246	**2,976,629**	**3,941,430**	**958,845**	**1,591,423**

(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, and four months ended April 30, 2025 and 2026 is set out below:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A	327,285	317,632	N/A*	N/A*	N/A*
Champion *(i)*	307,529	489,578	520,942	117,647	N/A*
Customer B	248,427	378,241	N/A*	N/A*	N/A*

* Less than 10% of the Group's revenue in the respective years/periods.

(i) The customer Champion became a subsidiary of the Group upon completion of the acquisition on December 16, 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.

(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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from external customers					
The United States	1,529,253	2,291,890	3,260,222	775,794	1,350,399
Americas (excluding the United States and Canada)	153,705	259,525	216,141	41,631	89,798
Europe	267,739	227,761	147,041	55,275	45,238
Canada	108,641	94,747	84,098	18,986	17,593
Asia (excluding China)	53,077	67,331	128,068	39,673	45,111
China	24,307	29,074	95,769	25,227	37,088
Other countries or regions	7,524	6,301	10,091	2,259	6,196
	2,144,246	**2,976,629**	**3,941,430**	**958,845**	**1,591,423**

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Specified non-current assets				
The United States	58,594	465,554	1,025,570	1,018,323
China	509,934	867,082	849,217	874,096
Asia (excluding China)	—	18,183	68,391	92,633
Canada	22,089	13,266	6,289	3,823
	590,617	**1,364,085**	**1,949,467**	**1,988,875**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	25,991	27,520	56,973	66,937

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue recognized that was included in the beginning balance	32,084	24,867	25,761	21,291	38,118

Management expects that the unsatisfied obligation of RMB1,124,000, RMB1,759,000, RMB 1,938,000 and RMB1,811,000 as at December 31, 2023, 2024 and 2025 and at April 30, 2026, respectively, will be recognized as revenue over one year.

(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.

Performance obligation of sales of goods or providing services is part of a contract that has an original expected duration of one year or less. Applying the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(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 oversea 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.

6. OTHER INCOME

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Release of assets-related government subsidies	820	985	1,499	366	638
Income-related government grants	13,853	13,142	14,608	1,136	2,636
Interest income (i)	4,320	9,600	10,524	3,886	2,542
Others	33	161	340	205	384
	19,026	**23,888**	**26,971**	**5,593**	**6,200**

(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 income/(costs), net" (Note 10).

7. OTHER GAINS/(LOSSES), NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net foreign exchange gains/(losses)	17,825	33,570	(36,661)	20,023	(50,597)
Net gains on disposal of derivative financial instruments	490	777	4,898	—	1,382
Fair value changes on derivative financial instruments	—	228	(3,519)	615	(2,771)
Donations	(1,483)	(924)	(3,050)	(1,000)	—
Net (losses)/gains on disposal of non-current assets	(1,792)	(17)	253	241	2,704
Others	(1,414)	(848)	(1,282)	(1)	(838)
	13,626	**32,786**	**(39,361)**	**19,878**	**(50,120)**

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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Raw materials and consumables used	982,538	1,942,908	2,107,256	327,276	675,203
Clearance and shipping costs	232,447	390,814	600,783	129,204	173,386
Employee benefit expenses *(Note 9)*	223,243	321,146	384,293	93,466	124,817
Advertising and business promotion expenses	178,538	152,013	144,604	47,253	43,881
Depreciation and amortisation	55,047	74,876	99,797	27,762	64,089
Professional services and other consulting fees	24,940	25,343	33,482	6,047	10,555
Warehouse expense	11,619	22,833	42,736	9,872	14,798
Office expenses	20,621	25,923	27,863	4,816	6,342
Impairment losses on inventories	6,746	9,341	8,598	2,419	2,677
Taxes and surcharges	8,468	13,002	12,976	2,224	11,535
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditors' remuneration	1,415	1,604	1,887	—	2,000
Changes in work in progress and finished goods	41,475	(513,260)	(574,241)	93,124	16,341
Other expenses	69,026	69,845	79,710	33,003	32,845
	1,856,359	**2,536,388**	**2,970,379**	**776,466**	**1,178,611**

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR'S REMUNERATION)

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, wages and bonuses	190,467	266,013	328,747	75,959	103,930
Share-based compensation expenses	6,849	14,065	7,502	3,469	1,325
Housing fund, medical insurance and other social insurance	9,901	14,421	18,723	5,908	6,727
Pension costs *(i)*	9,388	14,669	16,694	5,073	6,943
Other employee benefits	6,638	11,978	12,627	3,057	5,892
	223,243	**321,146**	**384,293**	**93,466**	**124,817**

(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, and four months ended April 30, 2025 and 2026, no forfeited contributions were utilized by the Group to reduce its contributions for the current year.

(a) Directors' and Supervisors' Remuneration

Directors' and supervisors' remuneration for the year/period, 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*
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*
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**

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*
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**

Four months ended April 30, 2025	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
(unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Director:						
Mr. Cao Matao	—	484	3	2	—	489
Mr. Yao Guangqing	—	96	3	2	150	251
Mr. Sun Yong	—	193	3	9	116	321
Mr. Cao Yuejin *(ii)*	—	80	—	—	—	80
Independent non-executive directors:						
Mr. Zhang Jianxin *(iv)*	27	—	—	—	—	27
Mr. Chen Dongpo *(iv)*	27	—	—	—	—	27
Mr. Chen Junze *(iv)*	27	—	—	—	—	27
Supervisors:						
Ms. Zhu Feijian *(vii)*	—	80	3	2	—	85
Ms. Zhu Jian *(vii)*	—	58	3	2	—	63
Mr. Ye Hang *(vii)*	—	53	3	2	—	58
Total	**81**	**1,044**	**18**	**19**	**266**	**1,428**

Four months ended April 30, 2026	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*
Director:						
Mr. Cao Matao	—	468	8	5	—	481
Mr. Yao Guangqing	—	99	4	3	55	161
Mr. Sun Yong	—	191	5	11	40	247
Mr. Cao Yuejin *(ii)*	—	80	—	—	—	80
Mr. Zhao Longman *(v)*	—	271	—	21	57	349
Independent non-executive directors:						
Mr. Zhang Jianxin *(iv)*	27	—	—	—	—	27
Mr. Chen Dongpo *(iv)*	27	—	—	—	—	27
Mr. Chen Junze *(iv)*	27	—	—	—	—	27
Ms. Zang Cuicui *(vi)*	60	—	—	—	—	60
Total	**141**	**1,109**	**17**	**40**	**152**	**1,459**

(i) Mr. Wu Guoqiang resigned as a director of the Company on October 21, 2024.

(ii) Mr. Cao Yuejin was appointed as a 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 a director of the Company with effect from October 9, 2025.

(vi) Ms. Zang Cuicui was appointed as an independent non-executive director 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.

(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, and four months ended April 30, 2025 and 2026 include 1, 1, 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, 4, 4 individuals during the years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026, are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Wages, salaries and bonuses and benefits in kind (including contributions to pension plans)	7,836	6,813	6,583	2,039	2,371
Share-based payments	199	384	178	—	—
	8,035	**7,197**	**6,761**	**2,039**	**2,371**

The number of the above individuals other than directors whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
HKD1 to HKD500,000	—	—	—	2	2
HKD500,001 to HKD1,000,000	—	—	—	2	2
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**	**4**	**4**

10. FINANCE INCOME/(COSTS), NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Finance income:					
Interest income from financial assets held for cash management purposes	42,959	44,147	40,893	13,957	6,082
Finance costs:					
Interest expenses on lease liabilities	(2,190)	(3,605)	(6,336)	(934)	(2,564)
Interest expenses on bank borrowings	(10,154)	(17,994)	(25,474)	(4,780)	(11,710)
Net exchange (losses)/gains on foreign currency borrowings	81	(1,471)	4,463	(456)	6,255
Finance costs total	(12,263)	(23,070)	(27,347)	(6,170)	(8,019)
Finance income/(costs), net	**30,696**	**21,077**	**13,546**	**7,787**	**(1,937)**

11. INCOME TAX EXPENSE

The income tax expense of the Group during the Track Record Period are analyzed as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current income tax	52,480	87,191	148,350	32,746	78,113
Adjustments for current tax of previous periods	2,002	521	34	50	7,495
Deferred income tax	(511)	(5,748)	(17,452)	357	(22,027)
	53,971	**81,964**	**130,932**	**33,153**	**63,581**

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税優惠政策的公告), 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, and four months ended April 30, 2025 and 2026.

(c) US Corporate Profits Tax

The applicable income tax rates of United States where our Company's subsidiaries have significant operations for the years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026 range from 5.87% to 8.84% and also include 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, and four months ended April 30, 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 years ended December 31, 2023, 2024 and 2025.

(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 years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 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 years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 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 years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 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 (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.

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 January 1, 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, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026.

(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,			Four months ended April 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before income tax	**334,449**	**513,226**	**947,255**	**221,961**	**355,652**
Calculated at the PRC taxation rate of the Company (15%)	50,167	76,984	142,088	33,294	53,348
Tax effect of:					
Effect of different tax rates applicable to subsidiaries (i)	(1,910)	916	30,281	10,045	15,292
Non-deductible expenses for tax purposes	238	1,331	3,103	116	175
Tax losses and other temporary differences not recognized as deferred tax assets	16,775	23,667	9,696	2,332	6,502
Super deduction for research and development expenses	(11,071)	(18,487)	(17,896)	(4,084)	(3,712)
Utilization of previously unrecognized tax losses and temporary difference	(2,230)	(2,968)	(36,374)	(8,600)	(15,519)
Adjustments in respect of current tax of previous periods	2,002	521	34	50	7,495
	53,971	**81,964**	**130,932**	**33,153**	**63,581**

(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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Final cash dividends in respect of the previous year, declared and paid during the year *(i)*	164,000	163,335	162,948	—	163,574
Interim dividends in respect of the current year, declared during the year *(ii)*	—	54,316	163,574	—	—
Total	**164,000**	**217,651**	**326,522**	**—**	**163,574**

(i) The final dividends of RMB15.00, RMB15.00, RMB15.00 and RMB15.00 per 10 shares (tax inclusive) in respect of the years ended December 31, 2022, 2023, 2024 and 2025 were approved by the Annual General Meeting. The dividend distribution of RMB163,574,000 in respect of the year of 2025 was subsequently paid RMB163,349,000 and RMB225,000 in April and May 2026, respectively.

(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.

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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Profit attributable to owners of the Company *(RMB'000)*	280,478	431,263	816,323	188,810	292,070
Weighted average number of ordinary shares in issue *(thousands)*	103,343	108,802	108,818	108,632	109,049
Basic earnings per share attributable to the owners of the Company *(RMB per share)*	**2.71**	**3.96**	**7.50**	**1.74**	**2.68**

(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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Adjusted profit attributable to owners of the Company used in calculating diluted earnings per share *(RMB'000)*	280,478	431,263	816,323	188,810	292,070
Weighted average number of ordinary shares in issue *(thousands)*	103,343	108,802	108,818	108,632	109,049
Adjustments for potential shares arising from share schemes *(thousands)*	211	552	176	524	376
Weighted average number of ordinary shares used in calculating diluted earnings per share *(thousands)*	103,554	109,354	108,994	109,156	109,425
Diluted earnings per share attributable to the owners of the Company *(RMB per share)*	**2.71**	**3.94**	**7.49**	**1.73**	**2.67**

14. FINANCIAL INSTRUMENTS MEASURED AT FVPL

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Unlisted equity instruments at FVPL	—	—	15,000	15,000
Equity investment held indirectly through a special purpose vehicle	—	—	—	6,867
	—	—	15,000	21,867
Current:				
Derivative financial assets	—	228	—	—
Derivative financial liabilities	—	—	15,000	4,256

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Unlisted equity instruments at FVPL	—	—	15,000	15,000
Current:				
Derivative financial assets	—	228	—	—
Derivative financial liabilities	—	—	1,485	4,256

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,						As at April 30,		
				2023		2024		2025		2026		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
			'000									
1	Baike Vehicle Vietnam Company Limited (越南百客車業有限公司)	VIE, limited Liability company	USD6,600	—	—	—	100%	—	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%	—	100%	—	Investment holding
3	Veloz Powersports Inc.(威來動力有限公司)	USA, limited liability company	USD17	—	—	—	—	—	100%	—	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%	—	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%	—	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%	—	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%	—	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%	—	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%	—	100%	Import of electric golf carts

	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,						As at April 30,		
				2023		2024		2025		2026		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
			'000									
10	Trailblazer Motors Inc. (開拓者車業公司)	USA, limited liability company	—	—	—	—	—	—	100%	—	100%	Investment holding
11	Champion Motor sports Group, LLC.(冠軍賽車運動集團有限責任公司)	USA, limited liability company	USD10,000	—	—	—	—	—	100%	—	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%	—	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%	—	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%	—	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%	—	100%	—	Manufacture and sale of motors and batteries
16	TransVolt Inc. (傳能伏特有限公司)	USA, limited liability company	USD10,000	—	—	—	—	—	100%	—	100%	Sales of ATVs, electric scooters, electric balance bikes, motorcycle helmets and related accessories

The statutory auditors of the above subsidiaries of the Group during the Track Record Period are set out below:

	Name of subsidiary	Name of statutory auditors		
		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)*	—	—	—

		Name of statutory auditors		
Name of subsidiary		2023	2024	2025
4	Golabs Inc. (高博有限公司)	—	—	—
5	Denago Ebikes Corporation (電高電動車公司) *(b)*	—	—	—
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 Motor sports 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)*	—	—	—
16	TransVolt Inc. (傳能伏特有限公司)	—	—	—

(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.

The Company

Investments in subsidiaries

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deemed investments relating to share-based payments	1,875	5,802	8,093	8,495
Investments in subsidiaries	102,663	601,348	738,060	859,269
	104,538	**607,150**	**746,153**	**867,764**

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**

	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)	4,537
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**

	Buildings	Freehold land	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Leasehold improvement	Total
(unaudited)	*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	7,591	—	5,099	(101)	2,609	22,844	—	38,042
Disposals and others	—	—	—	(54)	(1)	—	—	(55)
Depreciation charges	(5,289)	—	(6,030)	(1,291)	(1,350)	—	—	(13,960)
Currency translation differences	394	—	(73)	(5)	(68)	—	—	248
Closing carrying amounts	**437,367**	**174,754**	**110,397**	**10,969**	**11,539**	**111,483**	**—**	**856,509**
At April 30, 2025								
Cost	484,794	174,754	168,150	17,733	27,416	111,483	—	984,330
Accumulated depreciation	(47,427)	—	(57,753)	(6,764)	(15,877)	—	—	(127,821)
Carrying amounts	**437,367**	**174,754**	**110,397**	**10,969**	**11,539**	**111,483**	**—**	**856,509**

	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, 2026								
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**
Opening carrying amounts	576,857	170,874	130,421	10,009	12,030	45,907	2,353	948,451
Additions	1,652	—	8,781	254	396	32,422	—	43,505
Transfers from construction in progress	—	—	88	—	—	(88)	—	—
Disposals and others	—	—	(373)	(243)	(33)	(848)	(56)	(1,553)
Depreciation charges	(7,276)	—	(7,438)	(1,233)	(1,618)	—	(94)	(17,659)
Currency translation differences	(5,041)	(4,036)	(853)	(197)	(564)	—	—	(10,691)
Closing carrying amounts	**566,192**	**166,838**	**130,626**	**8,590**	**10,211**	**77,393**	**2,203**	**962,053**
At April 30, 2026								
Cost	631,628	166,838	210,793	18,769	31,216	77,393	2,203	1,138,840
Accumulated depreciation	(65,436)	—	(80,167)	(10,179)	(21,005)	—	—	(176,787)
Carrying amounts	**566,192**	**166,838**	**130,626**	**8,590**	**10,211**	**77,393**	**2,203**	**962,053**

(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
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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of revenue	15,855	20,663	30,086	9,448	11,855
General and administrative expenses	9,042	12,057	12,742	3,942	4,550
Research and development expenses	940	1,578	1,686	539	611
Selling and marketing expenses	61	82	89	31	643
	25,898	**34,380**	**44,603**	**13,960**	**17,659**

(c) The Group has pledged buildings with carrying amount of approximately RMB192,237,000, RMB185,301,000, RMB84,914,000 and RMB101,667,000 as at December 31, 2023, 2024 and 2025 and April 30, 2026, respectively to secure bank borrowings granted to the Group.

As at April 30, 2026, the Group was still in the process of applying for the ownership certificates for buildings and structures with a total carrying amount of RMB141,078,000.

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**

	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, 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**
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	7,180	(295)	(89)	2,039	—	8,835
Depreciation charges	(3,392)	(5,089)	(202)	(789)		(9,472)
Closing carrying amounts	**217,506**	**84,550**	**1,099**	**6,041**	**86,568**	**395,764**
At April 30, 2025						
Cost	262,080	135,564	3,600	13,833	86,568	501,645
Accumulated depreciation	(44,574)	(51,014)	(2,501)	(7,792)	—	(105,881)
Carrying amounts	**217,506**	**84,550**	**1,099**	**6,041**	**86,568**	**395,764**

	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, 2026						
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**
Opening carrying amounts	362,965	83,229	1,279	5,249	16,334	469,056
Additions	1,653	584	254	138	13,620	16,249
Disposals and others	—	(266)	—	—	—	(266)
Depreciation charges	(5,299)	(5,135)	(111)	(768)	—	(11,313)
Closing carrying amounts	**359,319**	**78,412**	**1,422**	**4,619**	**29,954**	**473,726**
At April 30, 2026						
Cost	416,275	144,189	4,262	14,992	29,954	609,672
Accumulated depreciation	(56,956)	(65,777)	(2,840)	(10,373)	—	(135,946)
Carrying amounts	**359,319**	**78,412**	**1,422**	**4,619**	**29,954**	**473,726**

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Land use right	33,538	45,929	85,107	84,493
Buildings	58,815	66,390	165,818	179,359
Motor vehicles	870	643	395	309
	93,223	**112,962**	**251,320**	**264,161**
Lease liabilities				
Current	27,004	29,062	77,508	76,087
Non-current	33,044	40,313	98,577	110,916
	60,048	**69,375**	**176,085**	**187,003**

(i) Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026 were approximately RMB30,516,000, RMB59,863,000, RMB164,249,000, RMB53,766,000 and RMB100,475,000 respectively.

(ii) The Group has pledged land use right with carrying amounts of approximately RMB33,538,000, RMB32,774,000, RMB9,167,000 and RMB9,098,000 as at December 31, 2023, 2024 and 2025 and at April 30, 2026, respectively to secure bank borrowings granted to the Group.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Land use right	33,538	45,929	44,897	44,553
	33,538	**45,929**	**44,897**	**44,553**

The Company

Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026 were approximately nil, RMB58,945,000, nil, nil and nil, respectively.

(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, and four months ended April 30, 2026, were ranged from 3.6% to 4.65%, 3.6% to 4.65%, 3.6% to 6.3% 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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets:					
— Land use right	764	987	1,370	344	614
— Buildings	27,065	37,845	52,056	12,869	33,696
— Motor vehicles	235	237	238	80	77
	28,064	**39,069**	**53,664**	**13,293**	**34,387**

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expense (including finance cost)	2,190	3,605	6,336	934	2,564
Expense relating to short-term and low value leases not included in lease liabilities	6,873	6,799	12,825	4,122	4,182
	9,063	**10,404**	**19,161**	**5,056**	**6,746**

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025, and four months ended April 30, 2025 and 2026, were approximately RMB35,725,000, RMB46,538,000, RMB67,832,000, RMB12,048,000 and RMB59,231,000, 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.

17.2 The Group as the lessor

(a) Operating Lease

(i) Lease Income

The Group

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Lease income	283	2,986	2,650	729	1,032

(ii) Assets leased out under operating leases

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Machinery and equipment	—	1,756	1,528	1,458
Motor vehicles	1,424	6,676	3,118	2,220
	1,424	**8,432**	**4,646**	**3,678**

(iii) Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	188	486	486	486
1 to 2 years	188	486	486	486
2 to 3 years	188	486	486	486
3 to 4 years	188	486	354	288
4 to 5 years	188	354	288	288
Over 5 years	3,683	2,932	2,645	2,549
	4,623	**5,230**	**4,745**	**4,583**

18. INTANGIBLE ASSETS

The Group

	Software	Domain name	Total
	RMB'000	*RMB'000*	*RMB'000*
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**

	Software	Domain name	Trademark rights and customer relationships	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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**
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	189	—	—	—	189
Currency translation differences	—	16	—	—	16
Amortization charges	(133)	(376)	—	—	(509)
Closing carrying amounts	**922**	**13,876**	**—**	**—**	**14,798**
At April 30, 2025					
Cost	2,305	17,352	—	—	19,657
Accumulated amortization	(1,383)	(3,476)	—	—	(4,859)
Carrying amounts	**922**	**13,876**	**—**	**—**	**14,798**
At January 1, 2026					
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**
Opening carrying amounts	4,498	12,791	285,300	177,022	479,611
Currency translation differences	(88)	(298)	(6,720)	(4,180)	(11,286)
Amortization charges	(333)	(372)	(11,338)	—	(12,043)
Closing carrying amounts	**4,077**	**12,121**	**267,242**	**172,842**	**456,282**
At April 30, 2026					
Cost	6,029	16,567	276,920	172,842	472,358
Accumulated amortization	(1,952)	(4,446)	(9,678)	—	(16,076)
Carrying amounts	**4,077**	**12,121**	**267,242**	**172,842**	**456,282**

(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	Currency translation differences	Impairment	Closing
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025					
Champion Motor sports Group Holdings, LLC ("**Champion Holdings**") *(i)*	—	177,022	—	—	177,022
Four months ended April 30, 2026					
Champion Motor Sports Group Holdings, LLC ("**Champion Holdings**") *(i)*	177,022	—	(4,180)	—	172,842

(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).

The management of the Company performed the goodwill impairment assessment based on the operating results, financial data and relevant assumptions of the Champion Holdings CGU, the Group engaged an independent valuer Canwin Appraisal Co., Ltd.to perform the relevant valuations as at December 31, 2025.

The key assumptions used by management for VIU calculation for the impairment test of Champion Holdings CGU goodwill as at December 31 2025 and April 30, 2026, included:

	As at December 31, 2025	As at April 30, 2026
Revenue annual growth rates	2.71% to 5.00%	2.71% to 5.00%
Operating profit margin	2.42% to 5.55%	2.42% to 5.55%
Perpetual annual growth rates	0.00%	0.00%
Pre-tax discount rates	10.46%	10.61%

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 and April 30, 2026, 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 and RMB51,515,000.

For the goodwill impairment test performed as at December 31, 2025, if the operating profit margin had been 8.70% lower, or the pre-tax discount rate had been 12.77% higher, or the annual revenue growth rate had been 0.50% lower, the carrying amount of the CGU would exceed its recoverable amount.

For the goodwill impairment test performed as at April 30, 2026, if the operating profit margin had been 2.59% lower, or the pre-tax discount rate had been 12.00% higher or the annual revenue growth rate had been 0.64% lower, the carrying amount of the CGU would exceed its recoverable amount.

The recoverable amount of Champion Holdings CGU based on the estimated value-in-use calculations was higher than its carrying amount at December 31, 2025 and April 30, 2026. Accordingly, no provision for impairment loss for goodwill is considered necessary.

(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 Canwin Appraisal Co., Ltd. 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 16, 2025, included:

Revenue annual growth rates	2.00% to 8.00%
Revenue royalty rate	3.15%
Pre-tax discount rates	14.45% to 14.95%

(c) Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
General and administrative expenses	863	1,365	1,366	454	445
Research and development expenses	222	62	164	55	55
Selling and distribution expenses	—	—	—	—	11,543
	1,085	**1,427**	**1,530**	**509**	**12,043**

(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

The Company

	Software	Total
	RMB'000	*RMB'000*
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**

	Software	Total
	RMB'000	*RMB'000*
At January 1, 2025		
Cost	2,096	2,096
Accumulated amortization	(1,230)	(1,230)
Carrying amounts	**866**	**866**
Four months ended April 30, 2025		
Opening carrying amounts	866	866
Additions	189	189
Amortization charges	(133)	(133)
Closing carrying amounts	**922**	**922**
At April 30, 2025		
Cost	2,285	2,285
Accumulated amortization	(1,363)	(1,363)
Carrying amounts	**922**	**922**
At January 1, 2026		
Cost	2,313	2,313
Accumulated amortization	(1,612)	(1,612)
Carrying amounts	**701**	**701**
Four months ended April 30, 2026		
Opening carrying amounts	701	701
Amortization charges	(108)	(108)
Closing carrying amounts	**593**	**593**
At April 30, 2026		
Cost	2,313	2,313
Accumulated amortization	(1,720)	(1,720)
Carrying amounts	**593**	**593**

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets measured at fair value:				
— Derivative financial instruments *(Note 3.5)*	—	228	—	—
— Other financial assets at fair value through profit or loss	—	—	15,000	21,867
Financial assets measured at amortized cost:				
Trade receivables *(Note 21)*	588,103	698,196	939,198	1,081,877
Cash and cash equivalents *(Note 25)*	1,649,015	840,755	962,206	939,816
Term deposits and restricted cash *(Note 25)*	288,492	689,320	413,252	394,597
Other receivables *(Note 22)*	17,643	30,683	22,896	17,250
	2,543,253	**2,259,182**	**2,352,552**	**2,455,407**
Financial liabilities				
Financial liabilities measured at fair value:				
— Derivative financial instruments *(Note 3.5)*	—	—	1,485	4,256
Financial liabilities measured at amortized cost:				
Borrowings *(Note 26)*	239,104	429,441	857,881	840,874
Trade and notes payables *(Note 27)*	408,991	680,374	913,272	1,044,435
Lease liabilities *(Note 17)*	60,048	69,375	176,085	187,003
Accruals and other payables (excluding non-financial liabilities) *(Note 28)*	8,462	75,546	13,324	4,916
	716,605	**1,254,736**	**1,962,047**	**2,081,484**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets measured at fair value:				
— Derivative financial instruments *(Note 3.5)*	—	228	—	—
— Other financial assets at fair value through profit or loss	—	—	15,000	15,000
Financial assets measured at amortized cost:				
Trade receivables *(Note 21)*	1,123,013	2,008,658	2,293,536	2,265,511
Cash and cash equivalents *(Note 25)*	1,541,260	309,071	145,154	53,584
Term deposits and restricted cash *(Note 25)*	275,237	606,976	345,973	342,078
Other receivables *(Note 22)*	29,870	61,032	99,962	92,846
	2,969,380	**2,985,965**	**2,899,625**	**2,769,019**
Financial liabilities				
Financial liabilities measured at fair value:				
— Derivative financial instruments *(Note 3.5)*	—	—	1,485	4,256
Financial liabilities measured at amortized cost:				
Borrowings *(Note 26)*	135,104	206,405	369,598	480,712
Trade and notes payables *(Note 27)*	457,777	709,678	869,585	856,683
Accruals and other payables (excluding non-financial liabilities) *(Note 28)*	528	56,347	55,912	56,152
	593,409	**972,430**	**1,296,580**	**1,397,803**

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets	27,465	32,211	78,366	91,379
Offsetting against deferred tax liabilities	(12,887)	(14,873)	(29,802)	(22,218)
Net deferred tax assets	**14,578**	**17,338**	**48,564**	**69,161**
Gross deferred tax liabilities	16,394	15,332	57,081	47,117
Offsetting against deferred tax assets	(12,887)	(14,873)	(29,802)	(22,218)
Net deferred tax liabilities	**3,507**	**459**	**27,279**	**24,899**

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**
At January 1, 2025	3,688	2,693	12,482	12,120	1,228	—	32,211
Credited/(charged) to profit or loss *(Note 11)*	1,341	(55)	(2,738)	(5,378)	282	126	(6,422)
Directly to equity	543	—	—	—	5,154	—	5,697
At April 30, 2025	**5,572**	**2,638**	**9,744**	**6,742**	**6,664**	**126**	**31,486**
At January 1, 2026	5,566	2,918	32,107	27,742	8,613	1,420	78,366
Credited/(charged) to profit or loss *(Note 11)*	3,403	530	14,451	(7,381)	258	802	12,063
Directly to equity	(256)	—	—	—	1,206	—	950
At April 30, 2026	**8,713**	**3,448**	**46,558**	**20,361**	**10,077**	**2,222**	**91,379**

(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**
At January 1, 2025	12,852	2,446	—	34	15,332
Credited to profit or loss *(Note 11)*	(5,155)	(876)	—	(34)	(6,065)
At April 30, 2025	**7,697**	**1,570**	**—**	**—**	**9,267**
At January 1, 2026	28,365	2,063	26,653	—	57,081
Credited to profit or loss *(Note 11)*	(7,721)	(246)	—	—	(7,967)
Foreign currency translation difference	—	—	(1,997)	—	(1,997)
At April 30, 2026	**20,644**	**1,817**	**24,656**	**—**	**47,117**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	105,031	104,705	123,870	136,154
Deductible temporary differences	69,317	35,993	187,542	32,160
Share-based compensation expenses	—	—	3,114	1,654
	174,348	**140,698**	**314,526**	**169,968**

The tax losses not recognized deferred tax assets can be carried forward in future years. As at December 31, 2023, 2024 and 2025 and at April 30, 2026, the following table shows unused tax losses based on their expected expiry date:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2024	1	—	—	—
2025	4,664	153	—	—
2026	1,258	1,258	1,251	1,251
2027	8,871	7,324	1,236	1,236
2028	710	710	681	681
2029	3,094	4,354	11,257	11,254
2030	993	374	3,330	3,965
2031	11,218	10,008	8,300	8,302
2032	29,751	26,855	20,320	25,811
2033	44,471	33,725	33,559	9,220
2034	—	19,944	10,576	4,949
2035	—	—	33,360	69,485
	105,031	**104,705**	**123,870**	**136,154**

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets	15,144	22,606	35,726	33,578
Offsetting against deferred tax liabilities	—	(2,477)	(2,059)	(1,815)
Net deferred tax assets	**15,144**	**20,129**	**33,667**	**31,763**
Gross deferred tax liabilities	2,826	2,477	2,059	1,815
Offsetting against deferred tax assets	—	(2,477)	(2,059)	(1,815)
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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**
At January 1, 2025	18,799	2,693	—	1,114	22,606
Credited to profit or loss *(Note 11)*	2,322	(55)	1,473	(988)	2,752
Directly to equity	—	—	5,154	—	5,154
At April 30, 2025	**21,121**	**2,638**	**6,627**	**126**	**30,512**
At January 1, 2026	25,378	2,918	7,173	257	35,726
Credited to profit or loss *(Note 11)*	(4,287)	530	138	382	(3,237)
Directly to equity	—	—	1,089	—	1,089
At April 30, 2026	**21,091**	**3,448**	**8,400**	**639**	**33,578**

(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 *(Note 11)*	(384)	—	(384)
At December 31, 2023	**2,826**	**—**	**2,826**
At January 1, 2024	2,826	—	2,826
(Credited)/charged to profit or loss *(Note 11)*	(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 *(Note 11)*	(384)	(34)	(418)
At December 31, 2025	**2,059**	**—**	**2,059**
At January 1, 2025	2,443	34	2,477
Charged to profit or loss *(Note 11)*	(2,443)	1,535	(908)
At April 30, 2025	**—**	**1,569**	**1,569**
At January 1, 2026	2,059	—	2,059
Charged to profit or loss *(Note 11)*	(244)	—	(244)
At April 30, 2026	**1,815**	**—**	**1,815**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share-based compensation expenses	—	—	3,114	—
Deductible temporary differences	12,401	8,738	11,804	21,152
	12,401	**8,738**	**14,918**	**21,152**

21. TRADE RECEIVABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	619,942	735,597	986,916	1,143,280
Less: credit loss allowance	(31,839)	(37,401)	(47,718)	(61,403)
	588,103	**698,196**	**939,198**	**1,081,877**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	616,855	734,283	969,483	1,116,505
1 to 2 years	1,735	329	13,600	22,555
2 to 3 years	1,059	662	2,870	2,929
Over 3 years	293	323	963	1,291
	619,942	**735,597**	**986,916**	**1,143,280**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	1,198,884	2,129,535	2,459,325	2,402,376
Less: credit loss allowance	(75,871)	(120,877)	(165,789)	(136,865)
	1,123,013	**2,008,658**	**2,293,536**	**2,265,511**

The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,060,193	1,919,788	1,850,105	2,191,873
1 to 2 years	116,210	204,687	584,602	201,172
2 to 3 years	22,481	1,282	19,589	4,354
Over 3 years	—	3,778	5,029	4,977
	1,198,884	**2,129,535**	**2,459,325**	**2,402,376**

(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. During the years ended 31 December 2024 and 2025, and four months ended April 30, 2025 and 2026, the Group received cash proceeds under the Dealer Floor Plan Financing in the aggregate amount of RMB32,629,000, RMB233,705,000, RMB20,810,000 and RMB303,995,000, 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.

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, and four months ended April 30,2025 and 2026 the Group recognized finance costs of RMB4,122,000, RMB9,806,000, RMB125,000 and RMB1,057,000 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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments:				
Prepayments for raw materials	12,183	8,415	18,229	27,320
Prepayments for operating expenses	14,823	10,242	11,746	17,388
Other receivables:				
Export tax refund receivables	8,134	24,785	10,119	1,691
Deposits and warranties	11,720	6,892	13,652	17,410
Others	2,148	1,663	1,800	1,652
Less: provision for impairment	(4,359)	(2,657)	(2,675)	(3,503)
	44,649	**49,340**	**52,871**	**61,958**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments:				
Prepayments for raw materials	9,472	6,711	5,025	5,816
Prepayments for operating expenses	9,875	3,676	10,524	12,417
Other receivables:				
Intercompany receivables	34,652	46,217	103,666	110,881
Deposits and warranties	6,099	438	663	1,663
Export tax refund receivables	—	21,670	6,240	—
Others	1,520	1,445	1,197	1,454
Less: provision for impairment	(12,401)	(8,738)	(11,804)	(21,152)
	49,217	**71,419**	**115,511**	**111,079**

23. OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other current assets				
Deductible input VAT	25,030	27,662	20,052	10,276
Prepaid corporate income tax	12,364	37,079	30,083	15,582
Capitalization of **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Cost of returned goods receivable	10,519	10,937	16,041	23,320
Others	—	—	—	161
	47,913	**75,678**	**81,799**	**65,624**
Other non-current assets				
Prepayments for non-current assets	9,260	1,339	8,161	42,616
	9,260	**1,339**	**8,161**	**42,616**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other current assets				
Deductible input VAT	16,939	21,664	11,870	2,983
Capitalization of **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
	16,939	**21,664**	**27,493**	**19,268**
Other non-current assets				
Prepayments for non-current assets	8,263	1,339	1,606	1,085
	8,263	**1,339**	**1,606**	**1,085**

24. INVENTORIES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	73,442	52,544	97,164	108,820
Finished goods	559,376	1,068,334	1,327,499	1,422,423
Work in progress	76,547	76,609	109,340	117,339
Outsourced processing materials	8,185	7,608	14,072	17,873
Good in transit	10,212	14,452	21,874	29,015
Consignment inventories	—	—	150,129	136,222
Less: provision for impairment	(12,957)	(13,450)	(14,274)	(14,781)
	714,805	**1,206,097**	**1,705,804**	**1,816,911**

(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, 2025 and four months ended April 30, 2026, the cost of inventories carried forward to the cost of revenue amounted to approximately RMB1,252,406,000, RMB1,819,646,000, RMB2,154,734,000 and RMB929,538,000, respectively.

(ii) Provision for inventories recorded as cost of revenue during the years ended December 31, 2023, 2024, 2025 and four months ended April 30, 2026, were RMB6,746,000, RMB9,341,000, RMB8,598,000 and RMB2,758,000, respectively.

(iii) The reversal of provisions for inventories during the years ended December 31, 2023, 2024, 2025 and four months ended April 30, 2026, were RMB9,656,000, RMB8,848,000, RMB15,367,000 and RMB2,251,000, respectively.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	58,407	39,767	66,070	82,944
Finished goods	69,391	80,694	67,190	64,469
Work in progress	70,083	59,683	90,121	99,179
Outsourced processing materials	4,271	4,518	9,434	11,357
Goods in transit	39,072	28,796	81,079	96,741
Less: provision for impairment	(6,769)	(4,449)	(3,400)	(3,744)
	234,455	**209,009**	**310,494**	**350,946**

25. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

(a) Cash and Cash Equivalents

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	1,937,507	1,530,075	1,375,458	1,334,413
Less: restricted cash (i)	(137,804)	(286,872)	(151,328)	(130,834)
Less: term deposits with a term of over one year	(150,688)	(402,448)	(261,924)	(263,763)
Cash and cash equivalents	**1,649,015**	**840,755**	**962,206**	**939,816**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	1,816,497	916,047	491,127	395,662
Less: restricted cash (ii)	(124,549)	(204,528)	(84,049)	(78,315)
Less: term deposits with a term of over one year	(150,688)	(402,448)	(261,924)	(263,763)
Cash and cash equivalents	**1,541,260**	**309,071**	**145,154**	**53,584**

(i) As at December 31, 2023, 2024, 2025 and at April 30, 2026, the Group's bank deposits amounting to RMB16,497,000, RMB95,039,000, RMB141,328,000 and RMB98,583,000 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 and at April 30, 2026, the Group's term deposits amounting to RMB121,307,000, RMB191,833,000, RMB10,000,000 and RMB32,251,000 were pledged as a guarantee for the bank acceptance notes.

(ii) As at December 31, 2023, 2024, 2025 and at April 30, 2026, the Company's bank deposits amounting to RMB3,241,000, RMB12,695,000, RMB74,049,000 and RMB46,064,000 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 and at April 30, 2026, the Company's term deposits amounting to RMB121,307,000, RMB191,833,000, RMB10,000,000 and RMB32,251,000 were pledged as a guarantee for the bank acceptance notes.

(b) Cash and Bank Balances are Denominated in:

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	1,763,609	794,996	625,560	462,746
USD	163,890	724,064	740,816	858,421
CAD	8,531	9,438	6,446	10,893
Others	1,477	1,577	2,636	2,353
	1,937,507	**1,530,075**	**1,375,458**	**1,334,413**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	1,728,528	671,362	480,683	395,115
USD	87,969	241,655	10,444	530
CAD	—	3,030	—	—
Others	—	—	—	17
	1,816,497	**916,047**	**491,127**	**395,662**

26. BORROWINGS

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured				
Bank loans	208,791	328,159	674,102	451,273
Unsecured				
Bank loans	30,000	100,000	180,854	387,483
Interest payables	313	1,282	2,925	2,118
Less: current-portion for long-term borrowings	(299)	(14,526)	—	—
Less: short-term borrowings	(224,279)	(414,915)	(857,881)	(840,874)
	14,526	**—**	**—**	**—**

(i) As at December 31, 2023, 2024 and 2025 and at April 30, 2026, secured current borrowings included USD11,998,000, USD17,257,000, USD68,328,000 and USD85,088,000, respectively.

(a) As at December 31, 2023, 2024 and 2025 and at April 30, 2026, 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% and 0.83% to 4.20%, respectively;

As at December 31, 2023, 2024 and 2025 and at April 30, 2026, the annual interest rate of long-term borrowings was 2.50%, 2.5%, Nil, 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; (iii) 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 trade receivables from sales of 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 trade receivables from sales of the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

As at April 30, 2026, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB147,278,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB303,995,000 provided by an independent third-party financial institution under Dealer Floor Plan Financing and secured by trade receivables from sales of the electric mobility products under the sales arrangements between two of the subsidiaries within the Group.

(c) As at December 31, 2023, 2024 and 2025 the Group's borrowings were repayable as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	224,578	429,441	857,881	840,874
Between 1 and 2 years	14,526	—	—	—
	239,104	**429,441**	**857,881**	**840,874**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured				
Bank loans	104,791	105,530	186,396	147,278
Unsecured				
Bank loans	30,000	100,000	180,854	331,316
Interest payables	313	875	2,348	2,118
Less: current-portion for long-term borrowings	(299)	(14,526)	—	—
Less: short-term borrowings	(120,279)	(191,879)	(369,598)	(480,712)
	14,526	**—**	**—**	**—**

27. TRADE AND NOTES PAYABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables				
— Trade payables	368,035	554,109	772,689	802,562
— Notes payables	40,956	126,265	140,583	241,873
	408,991	**680,374**	**913,272**	**1,044,435**

(a) As at December 31, 2023, 2024 and 2025 and at April 30, 2026, trade payables include payables for construction and equipment amounting to RMB4,795,000, RMB37,956,000, RMB46,038,000 and RMB79,202,000.

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	364,091	551,248	765,714	791,355
1 to 2 years	2,805	1,095	5,073	6,616
2 to 3 years	640	935	806	2,977
Over 3 years	499	831	1,096	1,614
	368,035	**554,109**	**772,689**	**802,562**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables				
— Trade payables	326,077	475,756	562,280	611,162
— Notes payables	131,700	233,922	307,305	245,521
	457,777	**709,678**	**869,585**	**856,683**

(a) As at December 31, 2023, 2024 and 2025 and at April 30, 2026, trade payables include payables for construction and equipment amounting to RMB4,703,000, RMB36,896,000, RMB45,482,000 and RMB45,700,000.

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	324,111	474,026	556,472	605,265
1 to 2 years	834	601	4,083	1,508
2 to 3 years	639	305	648	2,933
Over 3 years	493	824	1,077	1,456
	326,077	**475,756**	**562,280**	**611,162**

28. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, wages and benefits	23,908	25,908	34,786	38,067
Taxes other than income tax payables	8,338	21,966	40,384	31,019
Accruals and other payables	7,817	20,519	12,690	4,195
Dividend payables	—	54,316	—	225
Others	645	711	634	496
	40,708	**123,420**	**88,494**	**74,002**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, wages and benefits	19,466	20,191	23,840	23,320
Intercompany payables	—	—	55,500	55,500
Accruals and other payables	64	1,512	—	—
Taxes other than income tax payables	4,334	4,405	9,661	12,926
Dividend payables	—	54,316	—	225
Others	464	519	412	427
	24,328	**80,943**	**89,413**	**92,398**

29. OTHER CURRENT LIABILITIES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other current liabilities:				
Other tax to be recognized	32	204	314	803
	32	**204**	**314**	**803**

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other current liabilities:				
Other tax to be recognized	31	124	313	791
	31	**124**	**313**	**791**

30. PROVISIONS

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Provisions for refund (i)	35,881	34,669	38,673	19,135
Product warranty provisions	—	—	489	—
	35,881	**34,669**	**39,162**	**19,135**

(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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	13,347	17,954	19,455	22,991

The movements of deferred income for the Track Record Period are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	11,167	13,347	17,954	19,455
Grants received during the year/period	3,000	5,592	3,000	4,174
Amounts released to profit or loss during the year/period	(820)	(985)	(1,499)	(638)
At the end of the year/period	**13,347**	**17,954**	**19,455**	**22,991**

32. SHARE CAPITAL

The Group and The Company

	Year ended December 31,						Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Share capital RMB'000	*Number of shares '000*	*Share capital RMB'000*	*Number of shares '000*	*Share capital RMB'000*	*Number of shares '000*	*Share capital RMB'000*	*Number of shares '000*	*Share capital RMB'000*	*Number of shares '000*
							(unaudited)			
At the beginning of the year/period	82,000	82,000	109,333	109,333	109,745	109,745	109,745	109,745	109,049	109,049
Issuance of Shares *(i)*	27,333	27,333	—	—	—	—	—	—	—	—
Cancellation of ordinary shares	—	—	—	—	(1,113)	(1,113)	(1,113)	(1,113)	—	—
Exercise of share option	—	—	412	412	417	417	—	—	—	—
At the end of the year/period	**109,333**	**109,333**	**109,745**	**109,745**	**109,049**	**109,049**	**108,632**	**108,632**	**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

	Year ended December 31,			Four Months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
At beginning of the year/period	—	—	63,844	63,844	—
Repurchase of shares	—	63,844	—	—	—
Cancellation of ordinary shares	—	—	(63,844)	(63,844)	—
At the end of the year/period	**—**	**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.

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,						Four Months ended April 30,			
	2023	Weighted average exercise-price	2024	Weighted average exercise-price	2025	Weighted average exercise-price	2025	Weighted average exercise-price	2026	Weighted average exercise-price
	('000)	*RMB*	*('000)*	*RMB*	*('000)*	*RMB*	*('000)*	*RMB*	*('000)*	*RMB*
							(unaudited)			
At the beginning of the year/period	—		1,030		834		834		417	
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/period	**1,030**		**834**		**417**		**834**		**417**	

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 *(year)*	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 *(RMB)*	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,			Four Months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
At the beginning of the year/period	770,958	873,769	1,087,175	1,087,175	1,576,976
Net profit	280,478	431,263	816,323	188,810	292,070
Dividends *(Note 12)*	(164,000)	(217,651)	(326,522)	—	(163,574)
Appropriation to statutory reserves	(13,667)	(206)	—	—	—
At the end of the year/period	**873,769**	**1,087,175**	**1,576,976**	**1,275,985**	**1,705,472**

The Company

	Year ended December 31,			Four Months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
At the beginning of the year/period	848,441	969,755	1,208,511	1,208,511	1,092,954
Net profit	298,981	456,613	210,965	49,224	75,305
Dividends *(Note 12)*	(164,000)	(217,651)	(326,522)	—	(163,574)
Appropriation to statutory reserves	(13,667)	(206)	—	—	—
At the end of the year/period	**969,755**	**1,208,511**	**1,092,954**	**1,257,735**	**1,004,685**

36. OTHER RESERVES

The Group

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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**

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	1,908,848	14,270	54,873	15,374	1,993,365
Currency translation differences	—	—	—	(1,110)	(1,110)
Share-based payment scheme:					
— Share-based compensation expenses	—	3,469	—	—	3,469
— Others	—	5,154	—	—	5,154
Cancellation of ordinary shares	(62,731)	—	—	—	(62,731)
Balance at April 30, 2025 *(unaudited)*	**1,846,117**	**22,893**	**54,873**	**14,264**	**1,938,147**

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026	1,871,110	19,305	54,873	(10,804)	1,934,484
Currency translation differences	—	—	—	(33,744)	(33,744)
Share-based payment scheme:					
— Share-based compensation expenses	—	1,325	—	—	1,325
— Others	—	1,206	—	—	1,206
Balance at April 30, 2026	**1,871,110**	**21,836**	**54,873**	**(44,548)**	**1,903,271**

The Company

	Share premium	Capital Reserves	Statutory reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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**

	Share premium	Capital Reserves	Statutory reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	1,909,042	13,286	54,873	1,977,201
Share-based payment scheme:				
— Share-based compensation expenses	—	3,469	—	3,469
— Others	—	5,154	—	5,154
Cancellation of ordinary shares	(62,731)	—	—	(62,731)
Balance at April 30, 2025 *(unaudited)*	**1,846,311**	**21,909**	**54,873**	**1,923,093**

	Share premium	Capital Reserves	Statutory reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026	1,871,304	16,963	54,873	1,943,140
Share-based payment scheme:				
— Share-based compensation expenses	—	1,325	—	1,325
— Others	—	1,089	—	1,089
Balance at April 30, 2026	**1,871,304**	**19,377**	**54,873**	**1,945,554**

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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before income tax for the year/period	334,449	513,226	947,255	221,961	355,652
Adjustments for:					
Interest income	(47,278)	(53,746)	(51,417)	(17,843)	(2,542)
Finance cost	12,263	23,070	27,347	6,170	8,019
Depreciation and amortization of non-current assets	55,047	74,876	99,797	27,762	64,089
Net (gains)/losses on disposal of property, plant and equipment and other non-current assets	2,324	264	(253)	(241)	(2,704)
Net impairment losses/(reversal) on financial assets	16,786	4,766	24,952	(6,324)	11,303
Impairment provision for inventories	6,746	9,341	8,598	2,419	2,677
Fair value changes on derivative financial instruments	—	(228)	3,519	(615)	2,771
Net gains on disposal of derivative financial instruments	(490)	(777)	(4,898)	—	(1,382)
Net foreign exchange (gains)/losses	(17,825)	(33,570)	36,661	(20,023)	50,597
Share-based compensation expenses	6,849	14,065	7,502	3,469	1,325
Others	(821)	(984)	(1,499)	—	(639)
Change in working capital:					
(Increase)/decrease in receivables	(335,843)	(94,572)	(30,499)	195,560	177,613
Increase/(decrease) in payables	137,941	296,905	197,124	(129,239)	57,446
Decrease/(increase) in inventories	1,240	(500,633)	(498,334)	29,360	(113,954)
Cash generated from operations	**171,388**	**252,003**	**765,855**	**312,416**	**610,271**

(b) Non-Cash Activities

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Additions of right-of-use assets by way of leasing liabilities *(Note 17)*	30,516	59,863	164,249	100,475

(c) Net Debt Reconciliation

	Bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
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	(125,720)	(55,052)	(180,772)
Interest paid	(23,831)	—	(23,831)
Interest accrued	25,474	6,336	31,810
Other non-cash movements	552,517	155,426	707,943
At December 31, 2025	**857,881**	**176,085**	**1,033,966**
At January 1, 2025	429,441	69,375	498,816
Financing cash flows	136,490	(7,195)	129,295
Interest paid	(1,384)	—	(1,384)
Interest accrued	4,780	934	5,714
Other non-cash movements	34,240	9,575	43,815
At April 30, 2025	**603,567**	**72,689**	**676,256**
At January 1, 2026	857,881	176,085	1,033,966
Financing cash flows	(381,469)	(34,160)	(415,629)
Interest paid	(12,517)	—	(12,517)
Interest accrued	11,710	2,564	14,274
Addition on lease	—	101,242	101,242
Termination of lease	—	(53,030)	(53,030)
Other non-cash movements	365,269	(5,698)	359,571
At April 30, 2026	**840,874**	**187,003**	**1,027,877**

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
	RMB'000 (note (i))
Cash consideration	105,432
Trade receivables	207,930
Acquisition cost	313,362
Less: net fair value of identifiable assets acquired and liabilities assumed	136,340
Goodwill	**177,022**

(i) Acquisition of Champion Holdings

As at December 16, 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.

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
	RMB'000
Fair value of identifiable net assets	
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/(liabilities) acquired	136,340

	Champion Holdings
	RMB'000
Cash impact	
Cash paid (i)	105,432
Less: cash and cash equivalents in the subsidiaries acquired	(11,398)
Net cash outflow on acquisitions	**94,034**

(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.

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 and at April 30, 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.

40.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*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	54,899
Investment:				
— Contracted, but not provided for . .	—	200	200	200
	2,266	114,209	62,443	55,099

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,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	172,807	185,301	84,914	101,667
Right-of-use assets	33,538	32,774	9,167	9,098
Trade receivables	—	33,035	222,569	288,796
Pledged bank deposit	137,804	286,870	151,328	130,834
	344,149	537,980	467,978	530,395

42. RELATED PARTY TRANSACTIONS

(a) Parent Entities

		Ownership interest			
		As at December 31,			As at April 30,
Name	Place of incorporation	2023	2024	2025	2026
Zhejiang Zhongtao Investment Co., Ltd.	Lishui, PRC	41.16%	41.00%	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, or 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, and four months ended April 30, 2025 and 2026:

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
Plano Estates, LLC	A fellow subsidiary of the spouse of the ultimate controlling person

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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*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	—	8,222
Purchase of services from the spouse of Vice General Manager Zhu Hongxia's sister	220	206	238	48	72
	6,917	**9,117**	**22,299**	**48**	**8,294**

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Trade nature					
Sales of goods to a fellow subsidiary of the brother of the ultimate controlling person's spouse	—	793	419	61	8
	—	**793**	**419**	**61**	**8**

(d) Balance with Related Parties

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-trade nature				
Payables due to the spouse of Vice General Manager Zhu Hongxia's sister*(i)*	314	388	470	472
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	98,047
	11,893	**3,433**	**52,043**	**98,519**

(i) Payables due to the spouse of Vice General Manager Zhu Hongxia's sister are arising from services received by the Group in its ordinary course of business and 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 with the agreements 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.

(iii) The above non-trade balance with the relevant related party will not be settled prior to **[REDACTED]**.

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade nature				
Trade receivables due to a fellow subsidiary of the brother of ultimate controlling person's spouse	—	—	53	19

(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,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, wages and bonuses	4,049	4,402	3,936	1,421	1,561
Share-based compensation expenses	997	2,576	1,779	848	309
Pension costs, housing fund, medical insurance and other social benefits	142	141	119	50	73
	5,188	**7,119**	**5,834**	**2,319**	**1,943**

As at December 31, 2023, 2024, 2025 and at April 30, 2026, approximately RMB316,000, RMB425,000, RMB423,000 and RMB736,000 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

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to April 30, 2026 and up to the date of this report.

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;
- 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.

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.

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.

(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
- 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.

(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.

(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.

- 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.

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.

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.

(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 oversea 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.

(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
- 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.

(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.

(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 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.

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 six months ended June 30, 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.

PAN-CHINA 天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-1508室
Rooms 1501-8, 15/F., Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170
電郵 Email: info@pccpa.hk

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-[•] to IA-[•], 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 June 30, 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 six-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".

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 June 30, 2025 has not been audited or reviewed.

Confucius International CPA Limited
Certified Public Accountants
Hong Kong
[•]

Interim condensed consolidated statements of profit or loss

	Notes	Six months ended June 30, 2026	2025
		RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Revenue	*4*	2,750,897	1,713,293
Cost of revenue	*7*	(1,588,647)	(1,033,263)
Gross profit		**1,162,250**	**680,030**
General and administrative expenses	*7*	(121,001)	(81,924)
Selling and marketing expenses	*7*	(230,463)	(161,781)
Research and development expenses	*7*	(55,482)	(48,215)
Net impairment losses on financial assets		(30,454)	(10,564)
Other income	*5*	7,648	12,836
Other gains/(losses), net	*6*	(61,549)	7,185
Operating profit		**670,949**	**397,567**
Finance income	*8*	12,926	18,432
Finance costs	*8*	(19,553)	(13,135)
Finance (costs)/income, net		(6,627)	5,297
Profit before income tax		**664,322**	**402,864**
Income tax expense	*9*	(123,827)	(60,643)
Profit for the period		**540,495**	**342,221**
Attributable to:			
— Owners of the Company		540,495	342,217
— Non-controlling interests		—	4
		540,495	**342,221**
Earnings per share attributable to owners of the Company			
— Basic	*10*	4.97	3.15
— Diluted	*10*	4.95	3.14

Interim condensed consolidated statements of comprehensive income

	Notes	Six months ended June 30, 2026	Six months ended June 30, 2025
		RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Profit for the period		**540,495**	**342,221**
Other comprehensive expenses			
Items that may be reclassified to profit or loss in subsequent periods, net of tax:			
— Currency translation differences of foreign operations		(49,121)	(6,553)
Other comprehensive expenses		(49,121)	(6,553)
Total comprehensive income for the period		**491,374**	**335,668**
Attributable to:			
— Owners of the Company		491,374	335,664
— Non-controlling interests		—	4
		491,374	**335,668**

Interim condensed consolidated statements of financial position

	Notes	As at June 30, 2026	As at December 31, 2025
		RMB'000 (Unaudited)	*RMB'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	984,328	948,451
Right-of-use assets	*12*	346,061	251,320
Deferred tax assets	*21*	75,725	48,564
Intangible assets	*13*	446,824	479,611
Other financial assets at fair value through profit or loss	*19*	21,810	15,000
Term deposits and restricted cash	*20*	220,000	261,924
Other non-current assets	*17*	43,990	8,161
Total non-current assets		**2,138,738**	**2,013,031**
Current assets			
Inventories	*18*	1,803,808	1,705,804
Prepayments and other receivables	*16*	59,565	52,871
Trade receivables	*15*	1,459,227	939,198
Term deposits and restricted cash	*20*	152,688	151,328
Cash and cash equivalents	*20*	1,277,529	962,206
Other current assets	*17*	58,662	81,799
Total current assets		**4,811,479**	**3,893,206**
Total assets		**6,950,217**	**5,906,237**

	Notes	As at June 30, 2026	As at December 31, 2025
		RMB'000 (Unaudited)	*RMB'000 (Audited)*
LIABILITIES			
Non-current liabilities			
Lease liabilities	*12*	163,773	98,577
Deferred tax liabilities	*21*	23,413	27,279
Deferred income	*27*	22,685	19,455
Total non-current liabilities		**209,871**	**145,311**
Current liabilities			
Borrowings	*22*	999,052	857,881
Trade and notes payables	*23*	1,263,520	913,272
Contract liabilities	*4*	69,225	56,973
Lease liabilities	*12*	107,746	77,508
Current income tax liabilities		241,163	105,259
Derivative financial instruments	*19*	3,020	1,485
Accruals and other payables	*24*	66,601	88,494
Provisions	*26*	38,795	39,162
Other current liabilities	*25*	1,410	314
Total current liabilities		**2,790,532**	**2,140,348**
Net current assets		**2,020,947**	**1,752,858**
Total liabilities		**3,000,403**	**2,285,659**
EQUITY			
— Share capital	*28*	109,049	109,049
— Other reserves	*31*	1,886,799	1,934,484
— Retained earnings	*30*	1,953,897	1,576,976
Equity attributable to owner of the Company		**3,949,745**	**3,620,509**
Non-controlling interests		69	69
TOTAL EQUITY		**3,949,814**	**3,620,578**
TOTAL LIABILITIES AND EQUITY		**6,950,217**	**5,906,237**

Interim condensed consolidated statements of changes in equity

	Attributable to owners of the Company						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*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	—	—	—	540,495	540,495	—	540,495
Other comprehensive expenses	—	—	(49,121)	—	(49,121)	—	(49,121)
Total comprehensive income/(expenses)	**—**	**—**	**(49,121)**	**540,495**	**491,374**	**—**	**491,374**
Share-based payment:							
— Share-based compensation expenses	—	—	1,988	—	1,988	—	1,988
— Others	—	—	(552)	—	(552)	—	(552)
Dividends	—	—	—	(163,574)	(163,574)	—	(163,574)
Balance at June 30, 2026	**109,049**	**—**	**1,886,799**	**1,953,897**	**3,949,745**	**69**	**3,949,814**

	Attributable to owners of the Company						
	Share capital	Treasury shares	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*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	—	—	—	342,217	342,217	4	342,221
Other comprehensive expenses	—	—	(6,553)	—	(6,553)	—	(6,553)
Total comprehensive income/(expenses)	**—**	**—**	**(6,553)**	**342,217**	**335,664**	**4**	**335,668**
Cancellation of ordinary shares	(1,113)	63,844	(62,731)	—	—	—	—
Share-based payment:							
— Share-based compensation expenses	—	—	5,203	—	5,203	—	5,203
— Others	—	—	3,800	—	3,800	—	3,800
Dividends	—	—	—	(162,948)	(162,948)	—	(162,948)
Balance at June 30, 2025	**108,632**	**—**	**1,933,084**	**1,266,444**	**3,308,160**	**73**	**3,308,233**

Interim condensed consolidated statements of cash flows

	Notes	Six months ended June 30, 2026	Six months ended June 30, 2025
		RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Cash flows from operating activities			
Cash generated from operations	*32*	714,684	487,598
Interest received		15,355	19,694
Income tax paid		(21,596)	(20,212)
Net cash generated from operating activities		**708,443**	**487,080**
Cash flows from investing activities			
Proceeds from disposal of wealth management products		30,000	—
Proceeds from investment income		1,968	1,201
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		640	478
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		(69,533)	(70,882)
Movements of term deposits		41,924	92,448
Net cash (used in)/generated from investing activities		**(27,749)**	**23,245**
Cash flows from financing activities			
Proceeds from bank borrowings		456,488	465,322
Proceeds from release of restricted cash for financing purpose		233,650	295,261
Payments for restricted cash for financing purpose		(233,963)	(116,540)
Repayments of bank borrowings		(520,385)	(388,254)
Principal elements of lease payments		(54,647)	(23,716)
Interests paid		(16,383)	(10,677)
Dividends paid to the Company's shareholders		(163,574)	(217,263)
Payments for **[REDACTED]**		**[REDACTED]**	**[REDACTED]**
Net cash (used in)/generated from financing activities		**(301,029)**	**4,133**
Net increase in cash and cash equivalents		**379,665**	**514,458**
Cash and cash equivalents at beginning of the period		962,206	840,755
Effects of exchange rate changes on cash and cash equivalents		(64,342)	4,880
Cash and cash equivalents at the end of the period		**1,277,529**	**1,360,093**

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

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at June 30, 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 six months ended June 30, 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 and four months ended April 30, 2026(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.

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 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

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027
IFRS 20 'Regulatory Assets and Regulatory Liabilities'	January 1, 2029

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.

2.2 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 judgements 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.

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, interest rate risk and price risk), credit risk and liquidity 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 six months ended June 30, 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 six months ended June 30, 2026.

The Group monitors capital on the basis of the debt to asset ratio as at June 30, 2026 and December 31, 2025 are as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Total assets	6,950,217	5,906,237
Total liabilities	3,000,403	2,285,659
Debt to asset ratio	43.2%	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.

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 June 30, 2026	Level 1	Level 2	Level 3	Total
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVPL				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
— Equity investment held indirectly through a special purpose vehicle	—	—	6,810	6,810
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL (i)	—	3,020	—	3,020

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss (FVPL)				
— Unlisted equity instruments at FVPL	—	—	15,000	15,000
Financial liabilities at FVPL				
— Derivative financial instruments at FVPL	—	1,485	—	1,485

(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 recognize transfers between levels of the fair value hierarchy as at the end of each of the Track Record Period in which they occur.

(b) The Group's Valuation Process

For the financial assets and financial liabilities, including level 3 fair values, the Group's finance department performs the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

(c) Transfers between levels in the hierarchy

For the six months ended June 30, 2026 and 2025, there were no transfers into or out of Level 3 fair value measurements of the Group's financial instruments.

(d) Valuation Inputs and Relationships to Fair Value

Description	Fair value		Valuation techniques	Significant unobservable Input(s)	Ranges of inputs	Relation of unobservable input(s) to fair values
	As at June 30, 2026	As at December 31, 2025				
	RMB'000	*RMB'000*				
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)	6,810	—	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 six months ended June 30, 2026 and for the year ended December 31 2025 would each have been approximately RMB750,000 and 750,000 higher or RMB750,000 and 750,000 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 six months ended June 30 2026 would have been approximately RMB 340,000 higher or RMB 340,000 lower, respectively.

4. 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 ("**CODM**"). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which has been identified as being the CODM, consists of the executive director, the chief financial officer and the managers for each business unit. The CODM reviews 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 six months ended June 30, 2026 and 2025 the CODM assess the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment.

Segment information for the six months ended June 30, 2026 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Revenue from transactions with external customer	364,899	2,384,238	—	2,749,137
Revenue from lease income	1,619	141	—	1,760
Inter-segment revenue	456,375	1,866,666	(2,323,041)	—
Cost of sales	(741,074)	(2,793,860)	1,949,845	(1,585,089)
Lease cost	(758)	(2,800)	—	(3,558)
Gross profit	81,061	1,454,385	(373,196)	1,162,250
Net impairment losses on financial assets and contract assets	17,754	(77,891)	29,683	(30,454)
Depreciation and amortization	27,685	67,144	—	94,829
Profit before income tax	180,679	555,808	(72,165)	664,322
Income tax (expense)/credit	(26,495)	(119,497)	22,165	(123,827)
Profit for the period	154,184	436,311	(50,000)	540,495
Total assets	5,300,045	11,009,449	(9,359,277)	6,950,217
Total liabilities	1,954,861	9,136,105	(8,090,563)	3,000,403

Segment information for the six months ended June 30, 2025 is as follows:

	Mainland China business unit	Overseas business unit	Elimination between business units	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Revenue from transactions with external customer	352,203	1,359,791	—	1,711,994
Revenue from lease income	1,167	132	—	1,299
Inter-segment revenue	580,218	658,225	(1,238,443)	—
Cost of sales	(843,321)	(1,184,146)	997,923	(1,029,544)
Lease cost	(876)	(2,843)	—	(3,719)
Gross profit	89,391	831,159	(240,520)	680,030
Net impairment losses on financial assets and contract assets	(7,354)	(37,296)	34,086	(10,564)
Depreciation and amortization	18,353	23,293	—	41,646
Profit before income tax	94,151	188,590	120,123	402,864
Income tax (expense)/credit	(11,914)	(55,361)	6,632	(60,643)
Profit for the period	82,236	133,230	126,755	342,221
Total assets	4,421,361	4,882,340	(4,373,727)	4,929,974
Total liabilities	1,233,921	3,509,699	(3,121,879)	1,621,741

(c) Revenue from external customers

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Revenue from transactions with external customer		
At a point in time		
— Sale of goods	2,744,521	1,709,074
— Others	4,616	2,920
Lease income	1,760	1,299
	2,750,897	**1,713,293**

(d) Revenue from Major Customers

The major customer who contributed 10% or more of the Group's revenue for the six months ended June 30, 2026 and 2025 is set out below:

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Champion (i)	N/A*	262,305

* Less than 10% of the Group's revenue in the respective period.

(i) The customer Champion became a subsidiary of the Group upon completion of the acquisition on December 15, 2025.

(e) Geographical Information

The following table sets out information about the geographical location of (i) the Group's revenue 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**").

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Revenue		
The United States	2,328,756	1,337,874
Americas (excluding the United States and Canada)	155,114	82,419
Europe	77,481	86,151
Canada	40,257	47,430
Asia (excluding China)	78,760	95,046
China	56,080	59,592
Other countries or regions	14,449	4,781
	2,750,897	**1,713,293**

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Specified non-current assets		
The United States	1,093,093	1,025,570
China	856,123	849,217
Asia (excluding China)	89,117	68,391
Canada	2,870	6,289
	2,041,203	**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 June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Contract liabilities	69,225	56,973

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Revenue recognized that was included in the beginning balance	41,033	22,797

Management expects that the unsatisfied obligation of RMB1,045,000 and RMB1,938,000 as at June 30, 2026 and December 31, 2025, respectively, will be recognized as revenue over one year .

Performance obligation of sales of goods or providing services is part of a contract that has an original expected duration of one year or less. Applying the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Release of assets-related government subsidies	944	549
Income-related government grants	1,054	2,504
Interest income (i)	3,476	9,523
VAT additional deduction	1,791	55
Others	383	205
	7,648	**12,836**

(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 equivalent is included in "Finance costs, net" (Note 8)

6. OTHER GAINS/(LOSSES), NET

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Net foreign exchange (losses)/gains	(65,555)	6,265
Net gains on disposal of derivative financial instruments	2,642	1,201
Fair value changes on derivative financial instruments	(2,260)	476
Donations	–	(1,000)
Net gains on disposal of non-current assets	3,618	244
Others	6	(1)
	(61,549)	**7,185**

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:

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Raw materials and consumables used	1,119,966	416,753
Clearance and shipping costs	297,488	235,034
Employee benefit expenses	194,198	144,870
Advertising and business promotion expenses	84,325	67,548
Depreciation and amortisation	94,829	41,646
Professional services and other consulting fees	21,412	17,351
Warehouse expense	25,211	15,413
Office expenses	11,608	9,906
Impairment losses on inventories	2,699	5,177
Taxes and surcharges	14,834	5,665
[REDACTED]	**[REDACTED]**	**[REDACTED]**
Auditors' remuneration	2,000	1,887
Changes in work in progress and finished goods	66,295	302,402
Other expenses	60,586	61,531
	1,995,593	**1,325,183**

8. FINANCE INCOME/(COSTS), NET

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Finance income:		
Interest income from financial assets held for cash management purposes	12,926	18,432
Finance costs:		
Interest expenses on lease liabilities	(4,737)	(2,353)
Interest expenses on borrowings	(20,787)	(10,122)
Net exchange (losses)/gains on foreign currency borrowings	5,971	(660)
Finance costs total	(19,553)	(13,135)
Finance costs, net	**(6,627)**	**5,297**

9. INCOME TAX EXPENSE

The income tax expense of the Group during the six months ended June 30, 2026 and 2025 are analyzed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Current income tax	153,515	69,145
Adjustments for current tax of previous periods	2,173	2,582
Deferred income tax	(31,861)	(11,084)
	123,827	**60,643**

The Group is subject to income tax on an entity basis on profits arising in or derived from the different 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 six months ended June 30, 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 six months ended June 30, 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税優惠政策的公告), 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 six months ended June 30, 2026 and 2025.

(c) US Corporate Profits Tax

The applicable income tax rate of United States where our Company's subsidiaries having significant operations for the six months ended June 30, 2026 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 six months ended June 30, 2026 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 six months ended June 30, 2026 and 2025.

(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 six months ended June 30, 2026 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 six months ended June 30, 2026 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 six months ended June 30, 2026 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 ("**OECD**").

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 January 1 2024, and the Group's assessment indicates that there is no material related current tax exposure in these jurisdictions for the six months ended June 30, 2026 and 2025.

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share (EPS) is based on the following:

	Six months ended June 30,	
	2026	**2025**
	(Unaudited)	*(Unaudited)*
Profit attributable to owners of the Company *(RMB'000)*	540,495	342,217
Weighted average number of ordinary shares in issue *(thousands)*	109,049	108,632
Basic EPS attributable to the owners of the Company *(RMB per share)*	**4.97**	**3.15**

(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.

The calculation of diluted earnings per share is based on the following:

	Six months ended June 30,	
	2026	**2025**
	(Unaudited)	*(Unaudited)*
Adjusted profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	540,495	342,217
Weighted average number of ordinary shares in issue *(thousands)*	109,049	108,632
Adjustments for potential shares arising from share schemes *(thousands)*	376	290
Weighted average number of ordinary shares used in calculating diluted EPS *(thousands)*	109,425	108,922
Diluted EPS attributable to the owner of the Company *(RMB per share)*	**4.95**	**3.14**

11. PROPERTY, PLANT AND EQUIPMENT

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Buildings	611,115	576,857
Freehold land	165,577	170,874
Machinery equipment	129,668	130,421
Motor vehicles	7,894	10,009
Office equipment	10,402	12,030
Construction in progress	57,511	45,907
Leasehold improvement	2,161	2,353
	984,328	**948,451**

Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Cost of revenue	17,559	11,294
Selling and marketing expenses	1,015	38
General and administrative expenses	6,914	9,064
Research and development expenses	953	765
	26,441	**21,161**

12. LEASE

12.1 The Group as the lessee

(a) Amounts Recognized in the Consolidated Statement of Financial Position

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Right-of-use assets		
Land use rights	84,186	85,107
Buildings	261,604	165,818
Motor vehicles	271	395
	346,061	**251,320**
Lease liabilities		
Current	107,746	77,508
Non-current	163,773	98,577
	271,519	**176,085**

(b) Depreciation charges of right-of-use assets have been recognized as follows:

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Depreciation charge of right-of-use assets:		
— Land use rights	921	516
— Buildings	49,326	19,076
— Motor vehicles	115	119
	50,362	**19,711**

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Interest expense (included in finance cost)	4,737	2,353
Expense relating to short-term and low value leases not included in lease liabilities	4,937	10,468
	9,674	**12,821**

The total cash outflows for lease payments during the six months ended June 30, 2026 and 2025 were approximately RMB59,585,000 and RMB32,580,000, respectively.

13. INTANGIBLE ASSETS

	As at June 30,	As at December 31,
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000*
Software	3,895	4,498
Domain name	11,847	12,791
Trademark rights and customer relationships	259,548	285,300
Goodwill	171,534	177,022
	446,824	**479,611**

Amortization expenses have been recognized as follows:

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
General and administrative expenses	663	692
Research and development expenses	82	82
Selling and distribution expenses	17,281	—
	18,026	**774**

14. FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Financial assets		
Financial assets measured at fair value:		
Other financial assets at fair value through profit or loss *(Note 19)*	**21,810**	**15,000**
Financial assets measured at amortized cost:		
Trade receivables *(Note 15)*	1,459,227	939,198
Cash and cash equivalents *(Note 20)*	1,277,529	962,206
Term deposits and restricted cash *(Note 20)*	372,688	413,252
Other receivables *(Note 16)*	18,270	22,896
	3,149,524	**2,352,552**
Financial liabilities		
Financial liabilities measured at fair value:		
Derivative financial instruments *(Note 19)*	3,020	1,485
Financial liabilities measured at amortized cost:		
Borrowings *(Note 22)*	999,052	857,881
Trade and notes payables *(Note 23)*	1,263,520	913,272
Lease liabilities *(Note 12)*	271,519	176,085
Accruals and other payables (excluding non-financial liabilities) *(Note 24)*	7,126	13,324
	2,544,237	**1,962,047**

15. TRADE RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Current		
Trade receivables	1,539,361	986,916
Less: credit loss allowance	(80,134)	(47,718)
	1,459,227	**939,198**

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 June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Within 1 year	1,510,853	969,483
1 to 2 years	24,386	13,600
2 to 3 years	2,183	2,870
Over 3 years	1,939	963
	1,539,361	**986,916**

16. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Prepayments:		
Prepayments for raw materials	19,862	18,229
Prepayments for operating expenses	21,433	11,746
Other receivables:		
Export tax refund receivables	2,780	10,119
Deposits and warranties	15,715	13,652
Others	2,199	1,800
Less: provision for impairment	(2,424)	(2,675)
	59,565	**52,871**

17. OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Other current assets		
Deductible input VAT	10,817	20,052
Prepaid corporate income tax	18,821	30,083
Capitalization of **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Cost of returned goods receivable	11,186	16,041
	58,662	**81,799**
Other non-current assets		
Prepayments for non-current assets	**43,990**	**8,161**

18. INVENTORIES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Raw materials	117,427	97,164
Finished goods	1,422,099	1,327,499
Work in progress	124,786	109,340
Outsourced processing materials	15,752	14,072
Good in transit	25,517	21,874
Consignment inventories	111,473	150,129
Less: provision for impairment	(13,246)	(14,274)
	1,803,808	**1,705,804**

19. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Non-current:		
Unlisted equity instruments at FVPL	15,000	15,000
Equity investment held indirectly through a special purpose vehicle	6,810	—
	21,810	**15,000**
Current:		
Derivative financial liabilities	**3,020**	**1,485**

20. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Cash and bank balances	1,650,217	1,375,458
Less: restricted cash (i)	(152,688)	(151,328)
Less: term deposits with a term of over one year	(220,000)	(261,924)
Cash and cash equivalents	**1,277,529**	**962,206**

(i) As at June 30, 2026 and December 31, 2025, the Group's bank deposits amounting to RMB152,688,000 and RMB141,328,000 were pledged as a guarantee for the bank acceptance notes and letters of guarantees granted to the Group.

As at June 30, 2026 and December 31, 2025, the Group's term deposits amounting to nil and RMB10,000,000 were pledged as a guarantee for the bank acceptance notes.

21. 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 June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Gross deferred tax assets	125,739	78,366
Offsetting against deferred tax liabilities	(50,014)	(29,802)
Net deferred tax assets	**75,725**	**48,564**
Gross deferred tax liabilities	73,427	57,081
Offsetting against deferred tax assets	(50,014)	(29,802)
Net deferred tax liabilities	**23,413**	**27,279**

22. BORROWINGS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Secured		
Bank loans	559,334	674,102
Unsecured		
Bank loans	433,331	180,854
Interest payables	6,387	2,925
Less: short-term borrowings	(999,052)	(857,881)
	—	—

(a) As at June 30, 2026 and December 31, 2025, the annual interest rate of short-term borrowings was ranged from 0.80% to 4.20% and 0.67% to 4.20%, respectively.

(b) As at June 30, 2026, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB117,759,000 secured by the land use right and buildings; (ii) borrowings with a principal equivalent to approximately RMB441,575,000 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 June 30, 2026 and December 31, 2025, the Group's bank 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 short-term nature.

23. TRADE AND NOTES PAYABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade and notes payables		
— Trade payables	970,541	772,689
— Notes payables	292,979	140,583
	1,263,520	**913,272**

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 June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Within 1 year	966,199	765,714
1 to 2 years	4,149	5,073
2 to 3 years	39	806
Over 3 years	154	1,096
	970,541	**772,689**

24. ACCRUALS AND OTHER PAYABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Salaries, wages and benefits	38,724	34,786
Taxes other than income tax payables	20,751	40,384
Accruals and other payables	6,476	12,690
Others	650	634
	66,601	**88,494**

25. OTHER CURRENT LIABILITIES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Other current liabilities:		
Other tax to be recognized	**1,410**	**314**

26. PROVISONS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Provisions for refund (i)	38,795	38,673
Product warranty provisions	—	489
	38,795	**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.

27. DEFERRED INCOME

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Government grants	**22,685**	**19,455**

28. SHARE CAPITAL

	Six months ended June 30,			
	2026		2025	
	Share capital RMB'000 (Unaudited)	*Number of shares '000 (Unaudited)*	*Share capital RMB'000 (Unaudited)*	*Number of shares '000 (Unaudited)*
At the beginning of the period	109,049	109,049	109,745	109,745
Cancellation of ordinary shares	—	—	(1,113)	(1,113)
At the end of the period	**109,049**	**109,049**	**108,632**	**108,632**

29. TREASURY SHARES

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
At the beginning of the period	—	63,844
Cancellation of ordinary shares	—	(63,844)
At the end of the period	**—**	**—**

For the period from January to June 2025, the portion of the repurchase amount in excess of the cancelled registered capital was used to offset the capital reserve (share premium) by RMB62,731,000, and the treasury shares were reduced by RMB63,844,000 simultaneously.

30. RETAINED EARNINGS

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
At the beginning of the period	1,576,976	1,087,175
Net profit	540,495	342,217
Dividends	(163,574)	(162,948)
At the end of the period	**1,953,897**	**1,266,444**

31. OTHER RESERVES

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026	1,871,110	19,305	54,873	(10,804)	1,934,484
Currency translation differences	—	—	—	(49,121)	(49,121)
Share-based payment scheme:					
— Share-based compensation expenses	—	1,988	—	—	1,988
— Others	—	(552)	—	—	(552)
Balance at June 30, 2026	**1,871,110**	**20,741**	**54,873**	**(59,925)**	**1,886,799**

	Share premium	Capital Reserves	Statutory reserve	Other comprehensive income reserve	Total
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	1,908,848	14,270	54,873	15,374	1,993,365
Currency translation differences	—	—	—	(6,553)	(6,553)
Share-based payment scheme:					
— Share-based compensation expenses	—	5,203	—	—	5,203
— Others	—	3,800	—	—	3,800
Cancellation of ordinary shares	(62,731)	—	—	—	(62,731)
Balance at June 30, 2025	**1,846,117**	**23,273**	**54,873**	**8,821**	**1,933,084**

32. NOTES TO INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Six months ended June 30,	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Profit before income tax for the period	664,322	402,864
Adjustments for:		
Interest income	(3,476)	(9,523)
Finance cost	19,553	13,135
Depreciation and amortization of non-current assets	94,829	41,646
Net gains on disposal of property, plant and equipment and other non-current assets	(3,618)	(244)
Net impairment losses on financial assets	30,454	10,564
Impairment provision for inventories	2,699	5,177
Fair value changes on derivative financial instruments	2,260	(476)
Net gains on disposal of derivative financial instruments	(2,642)	(1,201)
Net foreign exchange (losses)/ gains	65,555	(6,265)
Share-based compensation expenses	1,988	5,203
Others	(944)	(549)
Change in working capital:		
Increase in receivables	(387,680)	(22,133)
Increase in payables	330,836	12,165
(Increase)/decrease in inventories	(99,452)	37,235
Cash generated from operations	**714,684**	**487,598**

33. CONTINGENCIES AND COMMITMENTS

33.1 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 June 30, 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 Historical Financial Information.

33.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Property, plant and equipment and intangible assets commitments:		
— Contracted, but not provided for	46,693	62,243
Investment:		
— Contracted, but not provided for	200	200
	46,893	**62,443**

34. RELATED PARTY TRANSACTIONS

(a) Parent Entities

Name	Place of incorporation	Ownership interest	
		As at June 30, 2026	As at December 31, 2025
		(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
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
Plano Estates, LLC	A fellow subsidiary of the spouse of the ultimate controlling person

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

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Non-trade nature		
Purchase of services from the spouse of Vice General Manager Zhu Hongxia's sister	111	73
Lease payment to a fellow subsidiary of the spouse of the ultimate controlling person	16,707	—
	16,818	**73**

	Six months ended June 30,	
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Trade nature		
Sales of goods to a fellow subsidiary of the brother of ultimate controlling person's spouse	**221**	**271**

(d) Balance with Related Parties

	As at June 30,	As at December 31,
	2026	**2025**
	RMB'000 (Unaudited)	*RMB'000*
Non-trade nature		
Payables due to the spouse of Vice General Manager Zhu Hongxia's sister (i)	494	470
Lease liabilities due to a fellow subsidiary of the spouse of the ultimate controlling person (ii)	86,477	51,573
	86,971	**52,043**

(i) Payables due to the spouse of Vice General Manager Zhu Hongxia's sister are arising from services received by the Group in its ordinary course of business and 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 with the agreements 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.

(iii) The above non-trade balance with the relevant related party will not be settled prior to **[REDACTED]**.

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade nature		
Trade receivables due to a fellow subsidiary of the brother of ultimate controlling person's spouse	**259**	**53**

For the six months ended June 30, 2026 and 2025, the amount of net impairment losses recognized in the period in respect of bad and doubtful debts are RMB13,000 and RMB12,000, respectively.

35. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to June 30, 2026 and up to the date of this report.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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 information 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 with each of 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 objects;

(ii) by issuing shares to specified objects;

(iii) by allotting bonus shares to its existing shareholders;

(iv) by capitalizing reserve funds into share capital;

(v) by 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;

(v) to use the shares in the conversion of the convertible corporate bonds issued by the 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 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 own shares under any of the circumstances set forth in sub-paragraphs (i) and (ii) above shall be subject to a resolution of a Shareholders' meeting; while any acquisition by the Company of its own shares under the circumstances set forth in sub-paragraphs (iii), (v) and (vi) above 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) above, be cancelled within ten 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 form 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 the laws 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 they 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.

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 shareholders 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 shareholders 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]** at its registered office; the entrusted overseas agent shall at all times ensure the consistency between the original and duplicate copies of the **[REDACTED]**. The register of

members maintained in Hong Kong shall be made available for inspection by 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 of benefits 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 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' 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 document 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 of the Company 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 have the right to request the people's court to revoke the resolution within sixty days from the date 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.

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 and Board meeting was held to make the resolution;

(ii) no vote was taken on the matter of the resolution at the shareholders' meeting and 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) and 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 and 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 thirty 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.

Where the directors , supervisors and 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 with 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 of the Company 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 of the Company who abuses the status of the Company as an independent legal entity and 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;

(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) guarantees to be provided for Shareholders, de facto controllers and their related parties;

The shareholders' meetings are classified into annual general meetings and extraordinary general meeting. The annual general meeting shall be held once a year and be held within six months of the end of the previous accounting year.

In any of the following circumstances, the Company shall hold an extraordinary general meeting within two 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 of the shareholders' meeting. The shareholders' meeting shall be held 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 hold an extraordinary general meeting. For such proposal, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written feedback as to whether or not it agrees to hold an extraordinary general meeting, within ten days upon receipt of such proposal. Where the Board agrees to hold an extraordinary general meeting, a notice of the shareholders' meeting shall be given within five 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 propose to the Board to hold an extraordinary general meeting. Such proposal shall be made in writing. The Board shall make a written feedback as to whether or not it agrees to hold such an extraordinary general meeting within ten days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board agrees to hold an extraordinary general meeting, a notice of the shareholders' meeting shall be given within five 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 hold 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.

Shareholders individually or jointly holding more than 10% of the shares of the Company make a request to hold an extraordinary general meeting in writing to the Board. The Board shall provide written feedback on whether it agrees to hold 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 hold the extraordinary general meeting, it shall issue a notice to hold the shareholder's meeting within five days after the resolution of the Board is made, 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 holding 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 hold an extraordinary general meeting to the Audit Committee in writing.

If the Audit Committee agrees to hold an extraordinary general meeting, it shall issue a notice of holding 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 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 for registration of equity rights.

Necessary expenses of the shareholders' meeting convened 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 relevant provisions the laws and regulations and the Articles of Association.

Where the Company is to hold a shareholders' meeting, the Board, the Audit Committee and a shareholder individually or jointly holding more than 1% of the Company's shares shall be entitled to propose resolutions to the Company.

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 twenty-one days prior to the holding of the annual general meeting, and each shareholder shall be notified by way of announcement fifteen days prior to the holding 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 date for registration of equity rights 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 cancelation, the convener shall make an announcement and explain the reasons at least two working days before the original date of the holding.

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 proxies recorded on the date for registration of equity rights shall have right to attend the shareholders' meeting and exercise the voting rights according to laws, regulations , the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders may either attend the shareholders' meeting in person or entrust a proxy to attend the meeting and vote for them.

Individual 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 valid 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 identification 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 card 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 proxy) 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 without voting rights, and senior management, the Directors and senior management shall be present at the meeting without voting rights 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 jointly elected by more than one-half of the Directors shall preside over the meeting.

The shareholders' meeting convened by the Audit Committee on its own 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 convenor of a shareholders' meeting convened by the shareholders on their own 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.

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 proxies 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 directly 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 matters 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 matters 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 matters shall be resolved by a special resolution at a shareholders' meeting:

(i) increase or decrease 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 Shareholder's Meeting and the Rules of Procedure for the Board);

(iv) spin-off of its subsidiaries for the purpose of listing;

(v) purchase or disposal of material assets by the Company within one year, or guarantees 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 decreasing 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 laws, administrative regulations, the Articles of Association, or the rules of procedure for shareholders' meeting.

Shareholders (including their proxies) 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 shareholders' voting rights. When soliciting shareholders' 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.

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 manager 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 judgment defaulter 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 circumstances 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 this Article 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.

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 shareholders' meetings.

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 use their position to offer bribes or accept 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.

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 truthful 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 two trading days. Where, as a result of a Director's resignation, the statutory minimum number 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.

A shareholders' 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 shareholders' 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 shareholders' meeting and report work to the shareholders' 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 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) manage the company's information disclosure matters;

(xiii) propose 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 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 term of office of the general manager shall be three years, and the general manager may be reappointed for consecutive terms upon the expiration of his/her term.

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) formulate 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, normative documents, listing rules of the stock exchange 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.

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.

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 general 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 by 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 reappoints the 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.

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 the designated 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.

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;

(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 committee 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 bankruptcy administrator designated by 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.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meeting 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 shareholders' 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.

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.

(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.

(g) TransVolt Inc. (傳能伏特有限公司)

On March 11, 2025, TransVolt Inc. was incorporated with an authorized share capital of 5,000 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.

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) the purchase agreement dated December 15, 2025 entered into among Champion Motorsports Group Investor, LLC, as the seller, Champion Motorsports Group Holdings, LLC, as the target company, and Trailblazer Motors Inc, as the buyer, pursuant to which the seller agreed to sell and the buyer agreed to purchase 100% issued and outstanding membership interests of the target company at a cash consideration for an amount equal to $15,000,000; 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	TEKO	Our Company	PRC	2025.07.21-2035.07.20
2	TAO MOTOR	Our Company	PRC	2024.03.28-2034.03.27
3	GOTRAX	Our Company	PRC	2019.09.07-2029.09.06
4		Our Company	PRC	2018.09.21-2028.09.20
5	GOTRAX	Our Company	PRC	2018.08.21-2028.08.20
6	TAO MOTOR	Our Company	PRC	2017.07.07-2027.07.06

No.	Trademark	Owner	Place of Registration	Validity Period
7	DENAGO	BIKE CORPORATION	United States	2024.12.24-2034.12.23
8	TAO MOTOR	Our Company	WIPO	2018.07.02-2028.07.01
9	GOTRAX	Our Company	European Union	2019.02.01-2029.01.31
10	GOTRAX	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
13	RACKA	Champion Motorsports Group, LLC.	United States	2024.02.06-2034.02.05
14		Our Company	Hong Kong	2025.09.03-2035.09.02

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 bench 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

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date
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
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

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date
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
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
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

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
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
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

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Expiry Date	Place of Registration
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
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

No.	Software Name	Owner	Registration No.	Date of Registration
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
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 and four months ended April 30, 2026, were approximately RMB3.1 million, RMB4.1 million, RMB3.9 million and RMB1.5 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 RMB3.7 million.

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 and four months ended April 30, 2026, 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:

1. All interests stated are long positions in the Shares.

2. 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.

3. 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.

(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;

(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.

(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;

(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

(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 company 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).

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:

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)]
Directors						
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]**
Senior Management						
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.

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]**

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]
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]
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]

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]
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]**
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]**

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]
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]**
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]**

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]
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]**
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	420	RMB22.17	Note 2	**[REDACTED]**
			July 29, 2024	400	RMB22.17	Note 3	**[REDACTED]**
52.	Hu Mengsheng (胡孟升)	Core management and key technical/business personnel	August 2, 2023	300	RMB22.17	Note 2	**[REDACTED]**
			July 29, 2024	500	RMB22.17	Note 3	**[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	300	RMB22.17	Note 2	**[REDACTED]**
			July 29, 2024	400	RMB22.17	Note 3	**[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	900	RMB22.17	Note 2	**[REDACTED]**
			July 29, 2024	400	RMB22.17	Note 3	**[REDACTED]**

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]
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]**
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.

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.

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 April 30, 2026, 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 Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Confucius International CPA Limited	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Ashurst Perkins Coie Tokyo (Ashurst Perkins Coie Horitsu Jimusho Gaikokuho Kyodo Jigyo)	International Sanctions Legal Advisor
Neville Peterson LLP	Tariff Legal Advisor as to U.S. customs and international tariff laws and regulations
Pan-China Certified Tax Agents Limited	Tax Advisor to our Company with respect to transfer pricing arrangement of our Group
DaHui Lawyers LLP	U.S. Legal Advisor as to U.S. laws in relation to our business operations in the United States
Panorama IP Group PLLC	IP Counsel as to U.S. intellectual property laws

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 issue 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 issued nor agreed to issue 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.

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 report on review of the unaudited interim financial information of our Group for the six months ended June 30, 2026 from Confucius International CPA Limited, the text of which is set out in Appendix IA;

(d) the audited consolidated financial statements of our Company for the three years ended December 31, 2025 and the four months ended April 30, 2026;

(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 general corporate matters of our Group under PRC law;

(g) the U.S. legal opinion issued by DaHui Lawyers LLP, our U.S. Legal Advisor as to certain aspects of U.S. laws in relation to our business operations in the United States;

(h) 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;

(i) the written consents referred to in the section headed "Statutory and General Information — D. Other Information — 7. Consents of Experts" in Appendix IV;

(j) 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;

(k) the memorandum opinion issued by Ashurst Perkins Coie Tokyo (Ashurst Perkins Coie Horitsu Jimusho Gaikokuho Kyodo Jigyo), our International Sanctions Legal Advisor, in respect of, among other things, the risk of exposure and potential penalties imposed under the International Sanctions laws and regulations;

(l) the memorandum opinion issued by Neville Peterson LLP, our Tariff Legal Advisor as to certain aspects of U.S. customs and international tariff laws and regulations;

(m) the legal opinion issued by Panorama IP Group PLLC, our IP Counsel as to certain aspects of U.S. intellectual property laws;

(n) the transfer pricing report issued by Pan-China Certified Tax Agents Limited, our tax advisors with respect to transfer pricing arrangement of our Group;

(o) the terms of the 2023 Restricted Share Incentive Plan;

(p) Frost & Sullivan Report; and

(q) 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.

3. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the 2023 Restricted A Share Incentive Plan will be made available for public inspection at our Company's Hong Kong legal advisor's office in Hong Kong at Suite 1509, 15/F, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Document.