## OVERVIEW

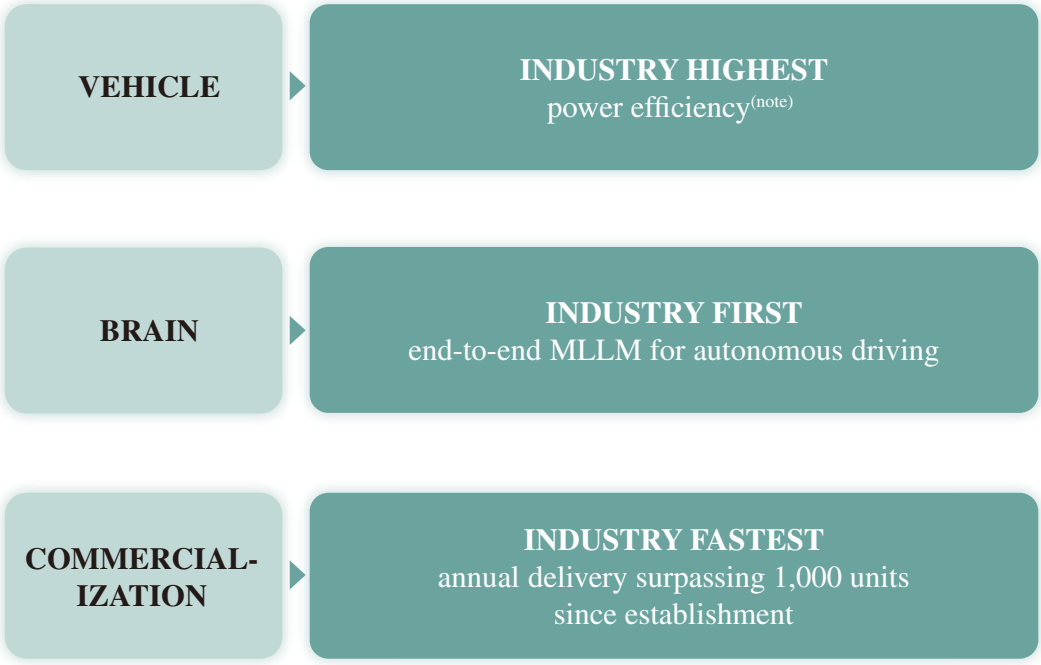
### Our Vision and Mission

Shaping the next generation of global road freight robotics.

### Who We Are

We are a global leading provider of new energy intelligent heavy-duty trucks, pioneering in autonomous heavy-duty trucking technology. According to Frost & Sullivan, we were the first company globally to possess both forward-engineering vehicle development capabilities and an end-to-end multimodal large language model (MLLM) for heavy-duty truck autonomous driving.

Set forth below are selected achievements demonstrating our technological leadership and strong commercialization momentum in the new energy heavy-duty truck industry:




*Source:* *Frost & Sullivan.*

*Note:* Under rated load conditions, our vehicles demonstrates the highest power efficiency among mass-produced new energy heavy-duty trucks.

Drawing on our founders' deep expertise in autonomous driving and heavy-duty truck engineering, we believe that achieving large-scale commercialization of autonomous heavy-duty trucking requires overcoming three fundamental challenges:

- **Outdated vehicle structure for the autonomous era:** Conventional heavy-duty truck platforms are not designed for autonomous road freight operations. Large-scale deployment requires forward-engineered vehicles with native autonomous integration, high redundancy, low fault rates and competitive operating economics.

- **Scattered, modular-based autonomous driving systems:** Traditional modular autonomous driving architectures are difficult to generalize across complex real-world freight scenarios. Autonomous trucking requires a more integrated, AI-native approach to handle diverse conditions with greater robustness.

- **Lack of high-quality data for iteration:** Autonomous trucking depends on large volumes of high-quality data to train models, validate performance and support continuous iteration of both software and vehicles. Such data remains scarce, particularly for heavy-duty freight applications.

Recognizing these challenges, we have built a distinctive and deeply integrated model spanning vehicle, algorithm and data capabilities, with each reinforcing the others. We believe this places us among the players best positioned to lead and capture the opportunities of the autonomous trucking era:

- **Vehicle definition**: We forward-engineered new energy intelligent heavy-duty trucks that are purpose-built for autonomous road freight operations, with strong stability and efficiency under complex and diverse operating conditions;

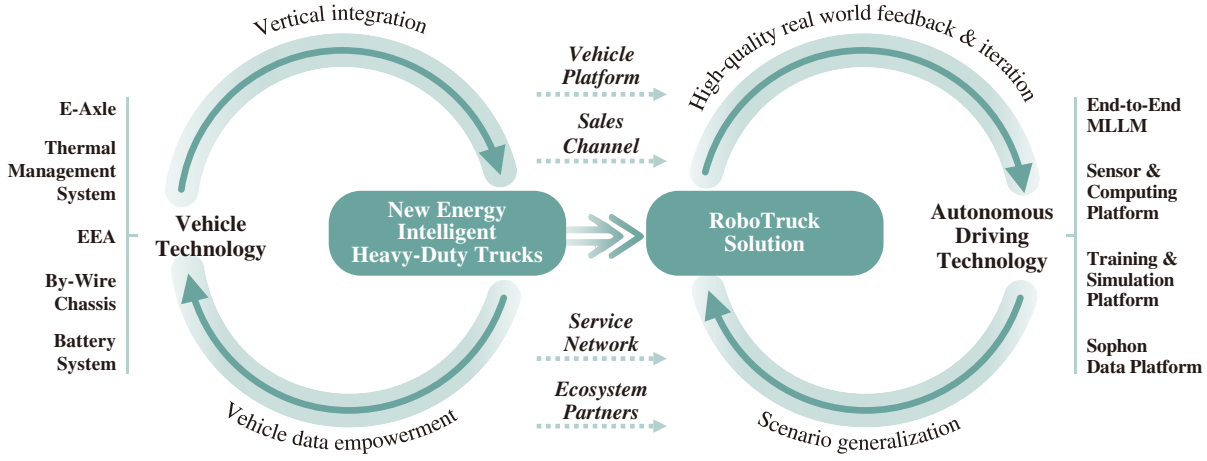
- **Model development**: We designed our end-to-end MLLM for heavy-duty truck autonomous driving, with streamlined system architecture and strong scenario generalization capabilities; and

- **Data-driven empowerment**: Our scaled commercialization enables a data-driven, closed-loop iteration process that continuously refines our vehicle design and strengthens our core technologies.

These three pillars enable us to develop high-quality data capabilities through commercialization and convert it into a powerful engine for continuous R&D advancement.

**Our Business Model**

The diagram below illustrates our business model, including the data-driven iteration flywheel of our vehicle and RoboTruck solution businesses, the synergies and interactions between these two segments, and our commercialization efforts that further reinforce our pioneering position:




***Pioneering the large scale commercialization of RoboTruck***

Developing autonomous-driving-native trucks is both critical and challenging, as it requires re-engineering vehicle architectures and components historically designed around human drivers. Accordingly, we have re-architected our heavy-duty trucks with purpose-built systems and proprietary components. According to Frost & Sullivan, our e-axles have achieved the industry's highest transmission efficiency among mass-produced e-axles, combining lightweight design with high efficiency; we are the first and only company in the industry to mass-produce multi-source heat-pump-based vehicle thermal management system, delivering the highest power efficiency among mass-produced thermal management systems; and we have developed a proprietary vehicle electronic control system to enhance ride smoothness, energy efficiency and operational safety. Our vehicles and technologies have been validated by the market. We are the world's fastest-growing emerging new energy heavy-duty truck company in terms of year-on-year sales volume growth in 2025, and the fastest to surpass 1,000 units in annual sales.

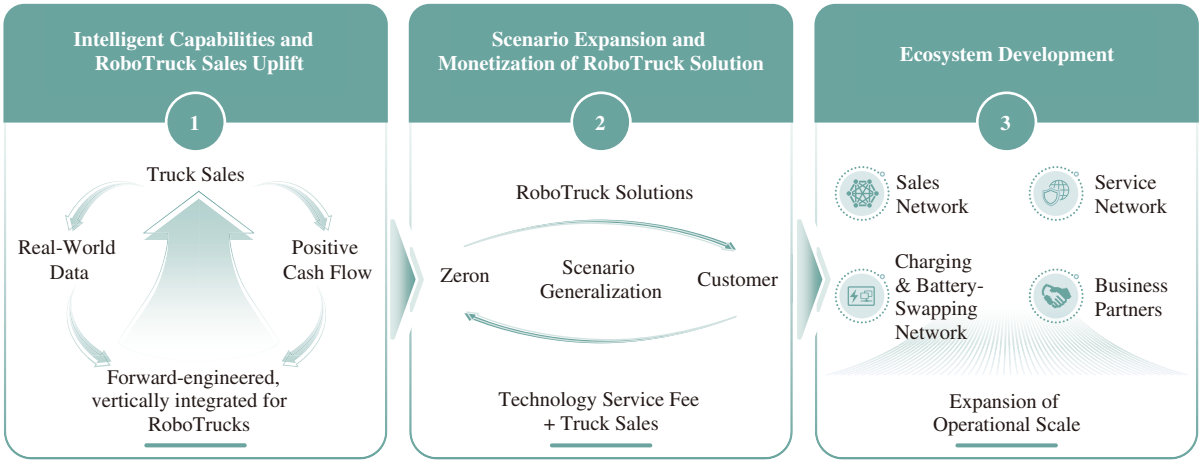
We have developed industry-leading autonomous heavy-duty truck technology, underpinned by our end-to-end MLLM and integrated with our full-vehicle engineering capabilities. Our proprietary ZERON Self-Driving ("**ZSD**") system is the industry's first end-to-end MLLM for heavy-duty truck autonomous driving. It automates the entire process from sensor inputs to driving trajectory generation, with solid algorithm performance and strong scenario generalization capabilities. We participated in the End-to-End Driving at Scale Challenge at CVPR 2024, one of the world's largest and most competitive events of its kind, where our model ranked first among camera-only solutions, demonstrating our technological advancement. Our self-developed by-wire chassis is designed for driverless deployment, featuring multi-layer redundancy and high responsiveness, providing consistent vehicle performance and system reliability. We are in the process of commercializing our RoboTruck solution and intend to use our vehicles as the entry point to expand the deployment of autonomous driving from closed environments to open-road scenarios, supporting scaled commercialization of autonomous trucking.

Through the scaled delivery and operation of our new energy intelligent heavy-duty trucks, our approach has created a flywheel. Our new energy intelligent heavy-duty trucks, operating in real-world conditions, continuously accumulate vehicle data. We access and monitor over 4,000 vehicle signals over the vehicle's lifecycle leveraging our Sophon Data Platform, which enables us to accelerate the iteration of vehicle systems, reduce failure rates, and improve overall vehicle performance. Our vehicles are designed to be able to collect extensive real-world scenario data, which would help us enhance our algorithm capabilities, develop more efficient training and simulation strategies, and support the continuous iteration of our autonomous driving system. Together, the data-driven feedback loop strengthens scenario generalization and improves operational reliability, ultimately supporting the large-scale commercialization of intelligent and autonomous heavy-duty trucks and the development of the broader ecosystem.

We continue to develop a comprehensive commercialization ecosystem for new energy intelligent heavy-duty trucks and RoboTruck solution. We have established commercial-ready delivery capabilities for our vehicles, supported by an extensive sales and distribution network that positions us for scaled deployment. Such network also enables us to engage a broad base of long-tail customers, and capture scenario-specific requirements and demands across diverse operating conditions. Furthermore, working with our ecosystem partners, we are building an integrated sales, service and maintenance network, while expanding the charging and battery-swapping infrastructure. We are also identifying scenario-specific market opportunities to better support customers across the use cases we serve.

## Our Commercialization Roadmap

We are committed to realizing large-scale commercialization of autonomous trucking through a three-step strategy: (i) expanding sales of forward-engineered new energy intelligent heavy-duty trucks, (ii) advancing the deployment of our RoboTruck solution, and (iii) developing the ecosystem for full-scale commercial operations.




We plan to continue developing our industry-leading new-energy intelligent heavy-duty trucks and broaden their commercial adoption. As deliveries scale, we expect to capture a growing volume of real-world vehicle data, which will help us refine our vehicles to meet the practical requirements of a wide range of heavy-duty trucking scenarios. At the same time, we expect higher sales volumes to enhance operating cash flow, supporting the ongoing validation and iterative improvement of our vehicle development capabilities and our autonomous driving technologies.

Furthermore, we are advancing the commercialization of generalized autonomous heavy-duty trucks by expanding both applicable operating scenarios and monetization models. We provide customers with a comprehensive RoboTruck solution spanning vehicles, our ZSD system, and a cloud-based digital platform for operation management. We have been delivering vehicles as part of our RoboTruck solution since 2025, and intend to charge technology service fees. Building on these initial deployments, we plan to expand our RoboTruck solution to more scenarios over time.

Ultimately, we are committed to developing a comprehensive commercialization ecosystem and further scaling our operations. As enabling infrastructure continues to mature, we plan to advance the commercialization of road freight robotics across a broader range of use cases on a global scale. We plan to further strengthen the commercialization ecosystem for new energy intelligent heavy-duty trucks and RoboTruck solution. In particular, we intend to expand our sales, service and maintenance network and work with ecosystem partners to build out charging and battery-swapping networks. Over time, we also expect to further deepen collaboration with ecosystem partners in areas such as asset management, fleet operations and dispatch. Through these initiatives, we aim to build a comprehensive industry ecosystem and reinforce our position as a long-term industry leader.

## Our Vehicles and Solutions

### *Our New Energy Intelligent Heavy-Duty Trucks*

We have launched two new energy intelligent heavy-duty truck models, Awaken (驚蟄) and Ripen (小滿). We forward-engineer our new energy intelligent heavy-duty trucks to address the primary customer requirements of operating efficiency and performance, while meeting the demands of intelligent operations. We develop the key vehicle systems for new energy applications in-house, including our Matrix four-in-one e-axle, multi-source thermal management system and intelligent vehicle control system, integrating them into a unified vehicle platform.

Our vehicles demonstrate the following features:

- ***Forward-engineering and vertical integration***: Our new energy intelligent heavy-duty trucks are forward-engineered with vehicle-level digitalization and intelligent operations. The vehicles integrate our key vehicle systems developed in-house, including our Matrix e-axle, multi-source thermal management system, and intelligent vehicle control, offering meaningful advantages in effective payload, energy consumption control, and operating efficiency.

- ***Outstanding energy efficiency***: Our vehicles deliver high energy efficiency, lightweight curb weight, and strong power performance, enabled by our vertically integrated design and in-house development of key vehicle systems. Under rated load conditions, our vehicles demonstrate the highest power efficiency among mass-produced new energy heavy-duty trucks, with average power consumption across combined empty and loaded operations up to 15% lower than competing vehicles, according to Frost & Sullivan. This would translate into savings of approximately 20 kWh per 100 kilometers and supporting customers' core objectives of improving operating economics and productivity across short- to medium-haul transport applications.

Our vehicles are well recognized by the market. We delivered 1,176 heavy-duty trucks in 2025, becoming the world's fastest emerging new energy heavy-duty truck company to surpass 1,000 units in annual sales. Our scaled commercialization enables a data-driven, closed-loop iteration process that continuously refines our vehicle design and strengthens our core technologies.

***Our RoboTruck Solution***

Building on the foregoing technologies, we offer a comprehensive RoboTruck solution, including vehicles equipped with by-wire chassis designed for autonomous driving, supported by our proprietary ZSD system, and a cloud-based digital platform that can be integrated with each customer's specific operating scenario. Our RoboTruck solution is underpinned by our industry-leading end-to-end MLLM for heavy-duty freight applications with strong scenario generalization capabilities. It is designed for businesses with heavy-duty road freight demands and seek safer, more efficient and less labor-dependent freight operations.

**Our Market Opportunities**

Driven by the growing demand for cost reduction and efficiency improvement as well as technology advancement, the global market size of new energy heavy-duty trucks increased from 12.2 thousand units in 2021 to 267.6 thousand units in 2025 by sales volume, representing a CAGR of 116.4% from 2021 to 2025, according to Frost & Sullivan. The global market size of new energy heavy-duty trucks is expected to grow from 360.0 thousand units in 2026 to approximately 1.2 million units in 2030 by sales volume, representing a CAGR of 34.1% from 2026 to 2030. New energy intelligent heavy-duty trucks are expected to experience rapid growth and accelerate the replacement of retrofit electrified heavy-duty trucks, which primarily serve as transitional solutions. By 2030, the penetration rate of new energy intelligent heavy-duty trucks within the overall new energy heavy-duty truck market is expected to increase from 6.3% in 2025 to 33.9% in 2030, representing a CAGR of 86.8% from 2026 to 2030.

Autonomous heavy-duty truck is poised to become the endgame for technological iteration and autonomous trucking solutions for road freight. According to Frost & Sullivan, the global market size of autonomous heavy-duty truck solution exceeded RMB1.5 billion by revenue in 2025. Driven by further technological maturity and regulatory opening, the application of autonomous heavy-duty truck solution in freight scenarios is expected to scale up substantially. The global market size of autonomous heavy-duty truck solution is projected to maintain rapid growth, reaching RMB192.4 billion by revenue in 2030, at a CAGR of 209.8% from 2026 to 2030. By 2035, the global market size of autonomous heavy-duty trucking solution are expected to reach over RMB1 trillion.

**Our Operating Results**

In 2024, we officially launched and commenced deliveries of two new energy intelligent heavy-duty truck models, Awaken and Ripen, achieving an industry record for the fastest batch delivery of a forward-engineered new energy intelligent heavy-duty truck, according to Frost & Sullivan. During the Track Record Period, we generated revenue primarily from sales of new energy intelligent heavy-duty trucks. In 2023, 2024 and 2025, we delivered 2, 272 and 1,176 new energy intelligent heavy-duty trucks, respectively. In the four months ended April 30, 2026, we delivered 778 new energy intelligent heavy-duty trucks, representing an increase by 334.6% compared to the same period in 2025. In 2023, 2024 and 2025, we recorded revenue of RMB1.2 million, RMB124.1 million and RMB522.2 million, respectively, representing rapid multi-fold growth over the Track Record Period.

We are committed to advancing the commercialization of our RoboTruck solutions. As of December 31, 2025, we had delivered 15 vehicles under the RoboTruck solution. In addition, for the four months ended April 30, 2026, we delivered 41 RoboTruck vehicles. We plan to charge technology service fees for this solution and expand to additional application scenarios.

## OUR STRENGTHS

### Global leading new energy intelligent heavy-duty truck company

We are a global leading provider of new energy intelligent heavy-duty trucks, pioneering in autonomous heavy-duty trucking technology. According to Frost & Sullivan, we were the first company globally to possess both forward-engineering vehicle development capabilities and an end-to-end MLLM for heavy-duty truck autonomous driving. We are the fastest-growing new energy intelligent heavy-duty truck company globally in terms of year-on-year sales volume growth in 2025.

As of December 31, 2025, we had cumulatively delivered 1,465 vehicles under our new energy intelligent heavy-duty truck and RoboTruck solution businesses. Our leading position in delivering new energy intelligent heavy-duty trucks and RoboTruck solution not only validates our strong product competitiveness and compelling operating economics, but also enables us to continuously capture user feedback and accumulate mission-critical real-world data across operating environments. These data-driven iterations further enhance vehicle performance and solution effectiveness, reinforcing our first-mover advantage and strengthening our market position.

### Vertically integrated and forward-engineering full-stack development capabilities across core vehicle systems

We believe that building a heavy-duty truck purpose-built for autonomous driving is the foundation for enabling large-scale deployment and operations of RoboTruck solution. We adhere to a vertically integrated and forward engineering development strategy for our vehicles. In particular, we have self-developed key vehicle systems to achieve the core objectives for our new energy intelligent heavy-duty trucks, namely, energy-efficient operating economics, full lifecycle reliability, and intelligent operations.

- ***Powertrain system:*** Our Matrix four-in-one e-axle, integrating the electric motor, transmission, drive axle, and power take-off into a lightweight and efficient unit, achieving the industry's highest level of integration and the highest transmission efficiency among mass-produced e-axles, according to Frost & Sullivan. We were the first to integrate a power take-off into a drive axle; the first to apply an oil-cooled hairpin motor in heavy-duty truck applications; and among the first to achieve mass production of a segmented axle-housing architecture. By eliminating the driveshaft, it reduces vehicle weight by more than 200 kg, lowers the vehicle's center of gravity, and frees additional space for battery installation, thereby improving vehicle stability, safety, and driving range. Our Matrix e-axle (including the MCU) further improves peak system efficiency to 94%, and supported by its highly integrated design and high-grade ductile iron housing, delivers a maximum load capacity of 16 tons; under the same load conditions, it reduces weight by approximately 100 kg and achieves industry-leading performance across key metrics such as weight, power, and efficiency.

- ***Thermal Management:*** We are the first and only company in the industry to mass-produce multi-source heat-pump-based vehicle thermal management system. The system performs vehicle-level coordinated thermal energy management for the cab, the electric drive system and the power battery, and uses proprietary dual-objective control algorithms oriented toward both energy efficiency and performance to enable refined thermal energy allocation. Compared with distributed solutions, the system reduces weight by 62 kg, volume by 43%, and the number of components by 18%. Under -20°C operating conditions, the multi-source heat pump solution can achieve energy savings of up to more than 70% compared with traditional PTC heating, fundamentally improving low-temperature energy consumption and usability and supporting all-scenario operations. In addition, our battery cold-start preheating reservation function can significantly reduce user waiting time.

- ***Intelligent Electric Control:*** We have self-developed our vehicle electronic control system that serves as the vehicle-level control hub, coordinating propulsion and braking while optimizing torque delivery, stability control and braking performance. Through functions such as multi-drive-source switching and torque distribution targeting optimal efficiency ranges, it delivers energy-efficiency-oriented control. Furthermore, through strategies including anti-slip control at a 10% to 15% slip ratio, multi-level regenerative braking, and automatic auxiliary braking with an electric retarder, the system enhances safety and driving smoothness under complex operating conditions, thereby further unlocking e-axle performance at the vehicle level, optimizing energy efficiency, and improving operational safety.

We adopt a platform-based vehicle development approach that prioritizes modular design and a high degree of reuse across key systems, enabling accelerated development cycles, scalable manufacturing and continuous vehicle iteration. Our vehicle platforms provide a standardized architecture to integrate and upgrade core capabilities across models as we move toward a more forward-engineered vehicle framework.

We have developed our proprietary Sophon Data Platform, a vehicle-level data and intelligent operations platform. It integrates the vehicle, cloud and user ends to provide intelligent, comprehensive and all-weather operational assurance across the vehicle lifecycle. The platform can access and monitor over 4,000 vehicle signals and accumulates lifecycle-level data assets for each vehicle. Leveraging integrated data and analytical models, it enables real-time visualization of vehicle conditions, anomaly identification and fault early warning, thereby shifting maintenance from reactive repairs to predictive maintenance, reducing unexpected downtime and unplanned maintenance, and improving vehicle uptime and reliability. In addition, the platform performs quantitative analysis across the energy-consumption chain from charging and the battery system through the powertrain to wheel-end output, in conjunction with environmental and driving-behavior factors. It thereby identifies sources of energy loss and supports closed-loop optimization, continuously enhancing vehicle efficiency and intelligent operations capabilities.

Leveraging comprehensive development of core components, an integrated and platform-based vehicle architecture, and advanced supply chain capabilities, we believe our vehicles deliver outstanding performance in cost efficiency, reliability, and intelligence, achieving improved vehicle performance and lower energy consumption while effectively controlling costs.

**Deep integration of vehicle platforms and autonomous driving systems to enhance scenario generalization and scalability**

The in-depth, native integration of autonomous driving technology with the underlying vehicle platform is the primary challenge in achieving scenario generalization and scalable deployment of autonomous heavy-duty trucks. By integrating our autonomous driving technologies with vehicle design from the outset, and by developing such technologies in line with the real-world needs and challenges of the heavy-duty trucking industry, we have built industry-leading core capabilities that support the rapid commercialization and scalable deployment of our RoboTruck solution.

Since our inception, we have pursued a forward-engineering strategy and independently developed our vehicle platform. This enables the autonomous driving system to be natively integrated into the vehicle body structure, rather than added later as an aftermarket retrofit. We have redesigned the key systems including electrical/electronic architecture, vehicle control logic, and energy supply system, ensuring consistent, reliable performance of autonomous heavy-duty trucks and providing a solid foundation for large-scale deployment. In terms of technology integration, through vertical integration and forward engineering, we have transformed traditional vehicles into transparent, digitalized platforms. This enhances the vehicle's ability to perceive its own status and enables deep integration between our autonomous driving system and the vehicle body at both the physical and data layers. By seamlessly embedding sensors into the vehicle frame and enabling direct interaction between the computing unit and the vehicle control system, this native deep integration effectively mitigates long-standing compatibility issues commonly encountered under traditional retrofit approaches or cooperation models between standalone autonomous driving technology developers and third-party conventional truck manufacturers.

We are dedicated to developing autonomous driving technologies with an aim to address the core pain points and technical challenges of the heavy-duty truck industry. Our ZSD system is the industry's first end-to-end MLLM for heavy-duty truck autonomous driving, automating the entire process from sensor inputs to driving trajectory generation. Compared with traditional modular architectures, our end-to-end MLLM demonstrates significant advantages in system-level optimization, information transmission efficiency, and scenario generalization, among others. It introduces a language model as an intermediate layer to enhance the system's understanding of traffic rules, complex traffic semantics, and unexpected situations, thereby effectively addressing long-tail issues in autonomous driving and significantly improving overall model performance. According to Frost & Sullivan, we have substantially simplified our system architecture and reduced the complexity of key systems by approximately 95%. Benefiting from our vision-centric, end-to-end architecture, our data annotation costs have been reduced by approximately 95% as compared with industry averages, according to Frost & Sullivan. Our technological capabilities have also received industry recognition. We participated in the End-to-End Driving at Scale Challenge at CVPR 2024, where our model ranked first among camera-only solutions, demonstrating our technological advancement.

By commercializing our mass-produced vehicle models, we are able to maintain an efficient and scalable loop between data capabilities and continuous algorithm iteration, where engineering data from vehicles in use drives ongoing improvement of our vehicle systems, and advances in the models and algorithms further enhance autonomous driving performance and accelerate subsequent iterations. We have successfully launched vehicles equipped with by-wire chassis designed for autonomous driving under the RoboTruck solution and formed the capability for scenario generalization and rapid scaling, laying a solid foundation for subsequent commercialization and sustained volume ramp-up.

**Dual-engine growth through vehicle delivery and RoboTruck solution, underpinned by industry-leading commercialization and ecosystem development**

We pursue a dual-engine commercialization strategy centered on vehicle sales and RoboTruck solution, using our commercial activities to generate business returns and high-quality real-world insights that continuously reinforce our research and development. Our purpose-built vehicle offerings, which represent the embodied form of RoboTruck solution, enable us to reach customers and bring our technologies into real-world operating environments. These vehicles also serve as important entry points, capable of accessing high-quality real-world insights. Together, they form a strong foundation for our long-term development in the autonomous trucking era.

We have established scalable delivery capabilities for our new energy intelligent heavy-duty trucks and built our sales network supported by comprehensive after-sales and service infrastructure. We have established an extensive distributor network designed to accelerate our market penetration and maintain proximity to our core end-market customer base, which primarily comprises individual owner-operators and small-to-mid-sized fleet operators. Meanwhile, we are in the process of commercializing our RoboTruck solution and plan to broaden deployment into additional scenarios over time. In 2023, 2024, and 2025, we delivered 2, 272, and 1,176 new energy intelligent heavy-duty trucks, respectively, making us the world's fastest emerging new energy heavy-duty truck company to surpass 1,000 units in annual sales. We continued to gain market traction in the four months ended April 30, 2026, receiving a total of 1,002 vehicle orders. During the same period, we delivered 778 new energy intelligent heavy-duty trucks and 41 RoboTruck vehicles.

In parallel with our commercialization efforts, we actively contribute to the development of a comprehensive industry ecosystem for new energy intelligent and autonomous heavy-duty trucks. This ecosystem encompasses dedicated service and maintenance network, charging and battery-swapping infrastructure, and other diverse business opportunities developed in collaboration with ecosystem partners. The ongoing maturation of the industry ecosystem not only enhances our end customers' vehicle experience and operating efficiency, but also stimulates incremental demand for our vehicle deliveries and RoboTruck solution, establishing a solid foundation for our sustained long-term growth.

**Experienced founding team with proven expertise in autonomous driving and commercial vehicles, supported by strategic shareholders**

Our management team brings together deep expertise in autonomous driving algorithms, extensive heavy-duty truck engineering experience, and a global operational perspective. Our co-founder and chief executive officer, Mr. Huang Zehua, previously co-founded TuSimple, an autonomous driving company, where he held full responsibility for the research and development and productization of its autonomous driving system software and hardware, leading the team to develop and deploy fully driverless autonomous trucking operations. Our other co-founder and president, Mr. Zhang Hongsong, brings over 30 years of experience in the commercial vehicle industry. He previously served as general manager of SANY Heavy Truck and Vice President of Beijing Foton Daimler Automotive, with a longstanding focus on heavy-duty commercial vehicle development in China, vehicle platform engineering, and supply chain resource management. Our management team's combined expertise in autonomous driving and heavy-duty truck fields underpins our vertically integrated and forward-looking vehicle design approach, as well as our leading algorithmic capabilities in end-to-end MLLM for new energy heavy-duty trucks. Our management provides clear strategic direction on key matters such as

technology roadmap selection, vehicle platform development cadence, commercialization pathways and ecosystem collaboration, ensuring that the company maintains strategic focus and execution efficiency in a rapidly evolving industry environment.

Under the leadership of our management team, we continue to build and expand our research and development team. As of December 31, 2025, we had established a research and development team of 123 members, with over 30% hold a master's degree or above. Our research and development team spans key disciplines including autonomous driving algorithms, vehicle platforms, electric powertrain systems, by-wire chassis, cloud systems, and data platforms, providing full-stack capabilities from underlying hardware to system software. Such capabilities provide robust support for ongoing technology iteration and vehicle deployment across new energy intelligent heavy-duty trucks and RoboTruck solution.

Our rapid business growth and ecosystem development are also supported by strong strategic shareholders. We have attracted leading strategic investors across the industrial chain, including CATL, Momenta and NIO, which is expected to create multi-dimensional synergies in areas such as autonomous driving technology, core supply chain systems, and charging/swapping energy replenishment networks, providing long-term strategic support for our commercialization progress and ecosystem development.

## OUR STRATEGIES

### Accelerate forward development of vehicle technologies to enhance product competitiveness

We intend to continue advancing the development of core vehicle systems and progressively achieve in-house development of all key vehicle technologies. We aim to launch a next-generation six-in-one e-axle. The architecture features a high-voltage platform and a modular design to further improve system integration and overall efficiency. We are developing a new-generation cab to meet the end customers' needs, which reduces aerodynamic drag and improves space utilization, while introducing an intelligent cockpit solution and incorporating autonomous driving sensor layout and control system integration requirements at the design stage. Furthermore, based on the technical characteristics of electrification and the e-axle architecture, we are developing brake-by-wire and steer-by-wire systems through forward development to provide a safer, more efficient chassis solution that is better suited to autonomous driving applications.

Meanwhile, we will continue to drive vehicle innovation leveraging our in-house core technologies, developing new energy intelligent heavy-duty trucks with lower energy consumption, higher performance, and better economic efficiency. We also intend to improve the driving range of our vehicles and collaborate with strategic partners to launch battery-swapping vehicle models, gradually expanding into long-haul transportation scenarios.

### Continuously iterate autonomous driving algorithms to strengthen technology leadership

We intend to continue to invest in and iterate on our autonomous driving technologies, with a focus on core areas including data capability improvement, model capability enhancement, and training efficiency optimization. Through the real-world operations of our new energy intelligent heavy-duty trucks, we expect to continuously accumulate high-quality data insights from real-world scenarios, accelerating the iteration and optimization of our ZSD system. In addition, as our computing capabilities continue to improve and our data capabilities continue to expand, we expect to further scale up our models to enhance overall performance. We will also actively explore more efficient training strategies, including the application of large-scale parallel training and simulation technologies, to continuously improve training efficiency and effectiveness.

**Advance commercialization and build a scalable ecosystem for our new energy intelligent heavy-duty trucks and RoboTruck solution**

By delivering benchmark new energy intelligent heavy-duty trucks and RoboTruck solution, we aim to build a full-cycle commercialization loop spanning deployment, operations and ongoing optimization. Consistent with our scenario-progressive strategy, we intend to expand the commercial application of our RoboTruck solution across a broader set of closed operating environments. We plan to standardize our deployment approach into a low-cost, replicable process that can be rolled out efficiently across customers and scenarios. Subject to the availability of an appropriate regulatory framework, we plan to expand into open-road transportation scenarios and, in parallel, further develop a business model based on technology service fees. In addition, we intend to advance and commercialize innovative business models, and explore more business opportunities for us and our ecosystem partners.

**Enhance domestic and overseas sales networks and increase global brand awareness**

Building on the continued expansion of our sales network and the growing deployment of our new energy intelligent heavy-duty trucks and RoboTruck solutions, we plan to further enhance brand awareness through a coordinated mix of online and offline marketing initiatives and targeted promotional efforts. We also intend to showcase successful customer use cases, translating our technological advantages into stronger brand recognition and measurable commercialization results.

In parallel, we intend to progressively establish overseas business teams and sales networks. We plan to work with local strategic partners to accelerate vehicle certification and sales efforts in overseas markets. Our initial focus will be on selected target markets, including Australia, Europe and Southeast Asia.

## OUR VEHICLES AND SOLUTIONS

We develop new energy intelligent heavy-duty trucks built on our in-house forward-engineered vehicle architecture and core components, creating a robust foundation for autonomous driving integration. Our scaled commercialization enables a data-driven, closed-loop iteration process that continuously refines our vehicle design and strengthens our core technologies. Leveraging our deep expertise in both vehicle development and autonomous driving, we provide businesses with effective autonomous trucking solutions through our RoboTruck solution.

During the Track Record Period, we primarily generated revenue from the sales of new energy intelligent heavy-duty trucks and started offering RoboTruck vehicles in 2025. The following table sets forth the breakdown of our revenue, both in absolute amounts and as percentages of total revenue for the years indicated:

| | For the year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| **New energy intelligent heavy-duty trucks** | **1,150** | **98.9** | **120,756** | **97.3** | **507,382** | **97.2** |
| Ripen | — | — | 16,190 | 13.0 | 306,274 | 58.7 |
| Awaken | 1,150 | 98.9 | 104,566 | 84.3 | 201,108 | 38.5 |
| **RoboTruck solution** | **—** | **—** | **—** | **—** | **8,102** | **1.5** |
| **Others**[(1)] | **13** | **1.1** | **3,355** | **2.7** | **6,686** | **1.3** |
| **Total** | **1,163** | **100.0** | **124,091** | **100.0** | **522,170** | **100.0** |

*Note:*

(1) Others mainly represent revenue from (a) sales of spare parts and accessories, and (b) provision of technical services including R&D, maintenance and trial-drive services.

### Vehicle Design and Engineering

We have adopted a forward engineering strategy for our new energy intelligent heavy-duty trucks, under which vehicle platforms are designed and developed from the outset based on the functional, safety, reliability and economic requirements of autonomous trucking, rather than adapted from conventional heavy-duty truck platforms after initial development. This approach is necessary because large-scale autonomous trucking requires vehicle platforms that are natively compatible with autonomous driving systems, capable of supporting high-redundancy architectures, stable system integration, minimal human intervention and demanding uptime and operating cost targets. Our forward-engineering approach emphasizes modularization and commonality from the outset. At the initial design stage, we design key performance specifications, set modular commonality targets, and determine the overall vehicle architecture. As a result, different vehicle models share a substantial portion of key components, core subsystems, structural elements and core control software, which contributes to shorter development cycles and lower marginal development costs. This strategy enables us to continuously iterate heavy-duty truck models to meet different users' preferences, while improving manufacturing scalability and efficiency.

Our Awaken and Ripen are developed on Platform D, our fully forward-engineered vehicle technology platform built for new energy heavy-duty trucks operating in short- to medium-haul scenarios. Platform D integrates the core electric powertrain systems, namely, the electric drive system, power battery system and electronic control system, with advanced intelligent technologies. Leveraging these technologies, our Platform D-based vehicle models, Awaken and Ripen, offer industry-leading performance in energy efficiency, power performance reliability and remarkable lightweight advantages, delivering exceptional operational value and product competitiveness for our users.

Our next-generation vehicle platform T is designed as a purpose-built autonomous driving platform to address the evolving needs of future vehicle models, further incorporating our in-house by-wire chassis system, a newly forward-engineered digital cab, and a battery system, among other elements, advancing our vehicle capabilities from proprietary development of core systems toward a more complete forward-engineering framework.

### Our New Energy Intelligent Heavy-Duty Trucks

We have launched two mass-produced new energy intelligent heavy-duty truck models, namely Awaken (驚蟄) and Ripen (小滿).

- ***Awaken.*** Launched in 2024, Awaken is strategically targeted at short- to medium-haul and heavy-duty transportation scenarios characterized by high-frequency operations, complex road conditions, and high sensitivity to uptime and charging efficiency. Its primary application scenarios span bulk resource haulage such as coal, aggregates and steel, where rigorous demands for heavy-load climbing, frequent start-stops, and confined operational spaces require a combination of performance, energy efficiency and reliability. The retail price of Awaken standard-load version ranges from RMB530,000 to RMB680,000.

- ***Ripen.*** Launched in 2024, Ripen is tailored for short-haul operations and regional logistics networks, which impose requirements on vehicle lightweighting and versatile road adaptability. With high system integration, strong adaptability, and excellent operating efficiency, Ripen serves customers who prioritize reducing the full lifecycle cost per unit of transport capacity while demanding predictable, scalable operating performance across varied regional terrains. The retail price of Ripen standard-load version ranges from RMB430,000 to RMB600,000.

Guided by our forward-looking engineering and vertical integration approach, we continuously update our existing models by introducing new configurations and versions. Our updates typically include adopting improved vehicle architecture, integrating the latest hardware and intelligent driving systems, and enhancing key technologies and features, with the goal of improving performance, energy efficiency and the overall user experience.

The following table sets forth the specifications of our vehicle models:

| | Awaken | | Ripen | |
|---|---|---|---|---|
| Drive Type | 6x4[1] | 4x2[2] | 6x4[1] | 4x2[2] |
| Curb Weight[3] (kg) | 9,570 | 9,800 | 9,100 | 8,010 |
| Total Battery Capacity[4] (kWh) | 400 | 600 | 400 | 400 |
| Maximum Power (ps) | 1,061 | 544 | 1,061 | 530 |
| Combined Energy Consumption[5] (kWh/km) | 1.05 | 0.95 | 1.05 | 0.92 |
| Battery Charging Time[6] (min) | 40 | 40 | 40 | 40 |

*Notes:*

(1) Represents a drive configuration with six wheels in total, of which four are drive wheels and two are steering wheels.

(2) Represents a drive configuration with four wheels in total, of which two are drive wheels and two are steering wheels.

(3) Represents the announced weight of the standard-load version of our vehicle models.

(4) Optional for versions with a total battery capacity of 600kWh for Awaken 6×4 drive configuration; 600 kWh for Awaken 4×2 drive configuration; 513kWh, 528kWh and 600kWh for Ripen 6×4 and 4×2 drive configurations.

(5) Refers to an empty-to-full load cycle under test conditions of standard load on flat national highways.

(6) Battery charging time is measured under test conditions at the battery state of charge ranges from 20% to 80%.

Focusing on the core pain points of new energy intelligent heavy-duty trucks and the requirements of driverless operations, we adhere to forward engineering and deeply integrate our self-developed key systems in our vehicles, including our in-house integrated e-axle, multi-source thermal management system, and intelligent vehicle control, so that our vehicles achieve benchmark performance and operating economics. Specifically, our vehicles demonstrate the following features:

- ***Vehicle Engineering and Performance.*** Our proprietary Matrix four-in-one e-axle demonstrates the highest transmission efficiency among mass-produced e-axles, according to Frost & Sullivan. It delivers peak output of up to 1,061 horsepower and achieves up to 94% transmission efficiency, with a maximum single-axle rated load of 16 tons, meeting demanding payload requirements. The powertrain supports a maximum gradeability of 37% and can sustain 47 km/h on a 6% grade, enabling our vehicles to navigate extreme operating conditions in mining and mountainous regions. We also implement lightweight design and a high level of system integration across our vehicle platform. For example, the standard-load version of Ripen weighs approximately 9,100 kg, approximately 6.5% lighter than comparable electric heavy-duty trucks, offering meaningful advantages in effective payload, energy consumption control, and operating efficiency.

- ***Energy Efficiency.*** The combination of high-capacity battery systems and multi-source heat pump thermal management system contributes to a driving range exceeding 540 kilometers on Awaken under test conditions, with baseline power consumption as low as 0.95 kWh per kilometer in the 4×2 drive configuration. Our Matrix four-in-one e-axle intelligently switches between single and dual-axle drive modes based on real-time road conditions, yielding 30% energy savings compared to traditional central drive systems. Under rated load conditions, our vehicles demonstrate the highest power efficiency among mass-produced new energy heavy-duty trucks, with average power consumption across combined empty and loaded operations up to 15% lower than competing vehicles, according to Frost & Sullivan. This would translate into saving approximately 20 kWh per 100 kilometers.

- ***Intelligent System.*** Our vehicles employ an integrated vehicle control strategy to reduce the variability in energy consumption arising from individual driving habits, thereby supporting more predictable operating performance and improved fleet management outcomes. The systems dynamically adjust the intensity of energy recovery to enhance recovery efficiency, while extending tire and braking system life. Furthermore, the intelligent electric braking distribution and adaptive constant-speed downhill functions reduce reliance on hydraulic retarders, which are typically associated with higher capital and maintenance costs.

- ***Reliability.*** The underfloor battery layout significantly lowers the vehicle's center of gravity. Coupled with a standard electronic braking system and a 45-degree front axle turning angle that achieves a tight 7.8-meter turning radius, we substantially enhance vehicle maneuverability, anti-rollover performance and braking safety in enclosed factory premises or narrow roads. Our ground clearance of powertrain battery reaches 400 mm and our e-axle ground clearance reaches 295 mm, delivering strong adaptability across a wide range of operating environments, including unpaved surfaces and complex regional terrains.

Together, these capabilities enable us to deliver autonomous heavy-duty trucks with competitive performance and lower total cost of ownership, making them attractive to fleet operators. This is critical to our long-term development strategy, as it establishes the foundation for a sustainable business model and enhances the competitiveness of our RoboTruck solution across scaled fleet deployment in diverse logistics and heavy-haul scenarios.

**Our RoboTruck Solution**

Our RoboTruck solution is built on our integrated expertise in vehicle engineering and autonomous driving technologies for heavy-duty freight applications. Our RoboTruck solution is designed for businesses with heavy-duty road freight demands, including logistics fleet operators, freight enterprises, industrial companies, port operators and other commercial users seeking safer, more efficient and less labor-dependent freight operations. By enabling safer, more efficient and less labor-dependent logistics, our RoboTruck solution has the potential to enhance overall freight operations, improve vehicle utilization and support extended operating hours.

Unlike traditional autonomous trucking approaches, which typically rely on rule-based systems within closed operating areas, our RoboTruck solution is underpinned by our industry-leading end-to-end MLLM. This endows our autonomous heavy-duty trucking solution with strong scenario generalization capabilities. Accordingly, while our RoboTruck solution is currently capable of operating in closed environments, such as logistics parks, industrial zones, and designated transport corridors, we expect, as our model and system capabilities continue to advance, to progressively expand deployment into broader, more diverse and more complex open-road freight scenarios.

Our RoboTruck solution consists of three integrated components:

- ***Forward-engineered vehicle for RoboTruck solution:*** Our vehicles equipped with by-wire chassis designed for autonomous driving under the RoboTruck solution is based on the Awaken vehicle model. Built on our forward-engineering approach, such vehicle features a by-wire chassis system that enables precise control of all actuators via electrical signals, including braking, propulsion, steering, gear shifting, and lighting. With a steering response time under 100 milliseconds and a braking response time under 200 milliseconds, such vehicles can execute driving commands rapidly and precisely even at high speeds. The vehicle also supports seamless, millisecond-level switching between autonomous and manual driving modes, providing a reliable handover channel for special operating conditions.

- ***ZSD system:*** Our ZSD system uses an end-to-end MLLM to automate the entire process from sensor inputs to driving trajectory generation, with solid algorithm performance and strong scenario generalization capabilities. Leveraging advanced hardware system including over 30 multi-type sensors and a dedicated computing platform, and combining an end-to-end autonomous driving software architecture to deliver full unmanned driving capability, our ZSD system enables the vehicle to independently perform complex transportation tasks without human intervention; and

- ***Cloud-based digital platform:*** A cloud-based digital platform encompassing connectivity, remote monitoring and fleet scheduling for fleet operation management, with a customizable architecture designed to scale toward broader, general-purpose applications.

## Commercialization

We are actively commercializing our new energy intelligent heavy-duty trucks and establishing a monetization model for our RoboTruck solution. Our vehicles are able to accumulate real-world scenario data to better address the practical requirements of a broad range of heavy-duty trucking scenarios, and continuously refine our autonomous driving technologies.

### *New Energy Intelligent Heavy-Duty Trucks*

The following table sets forth a breakdown of the sales volume and average selling prices by vehicle models for the years indicated:

| | For the year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Sales volume | Average selling price | Sales volume | Average selling price | Sales volume | Average selling price |
| | *units* | *RMB per unit* | *units* | *RMB per unit* | *units* | *RMB per unit* |
| Ripen | — | — | 39 | 415,111 | 751 | 407,821 |
| Awaken | 2 | 575,221 | 233 | 448,782 | 425 | 473,195 |

In 2023, we commenced pilot sales of the Awaken model. In 2024, we formally launched and commenced commercialization of the Awaken and Ripen models, with sales volumes of 233 units and 39 units, respectively. Our sales volume increased substantially from 2024 to 2025 to 425 units of Awaken and 751 units of Ripen, primarily attributable to our advanced technological strengths in vehicle design, increased market recognition of our brand and vehicles, and the continued expansion of our sales network. We continue to leverage our research and development capabilities to iterate these vehicles for better performance and launch new versions, thereby expanding our vehicle portfolio to meet evolving customer demands.

Our business has maintained solid growth since 2026, driven primarily by our strong market reputation and accumulated technological capabilities. For the four months ended April 30, 2026, the sales of our new energy intelligent heavy-duty trucks amounted to 778 units, representing a year-on-year increase of 334.6% over the same period in 2025.

### *RoboTruck Solution*

For our RoboTruck solution, we operate with a light-asset strategy and do not hold vehicle assets. We generate revenue by selling vehicles under RoboTruck solution during the Track Record Period and plan to charge technology service fees for this solution. We plan to adopt a flexible monetization model that offers customers greater choice, allowing them to purchase hardware, software or integrated solutions based on their specific needs. As of December 31, 2025, we delivered 15 vehicles under the RoboTruck solution, and further delivered 41 vehicles in the four months ended April 30, 2026, with plans to progressively monetize these deployments through technology service fees.

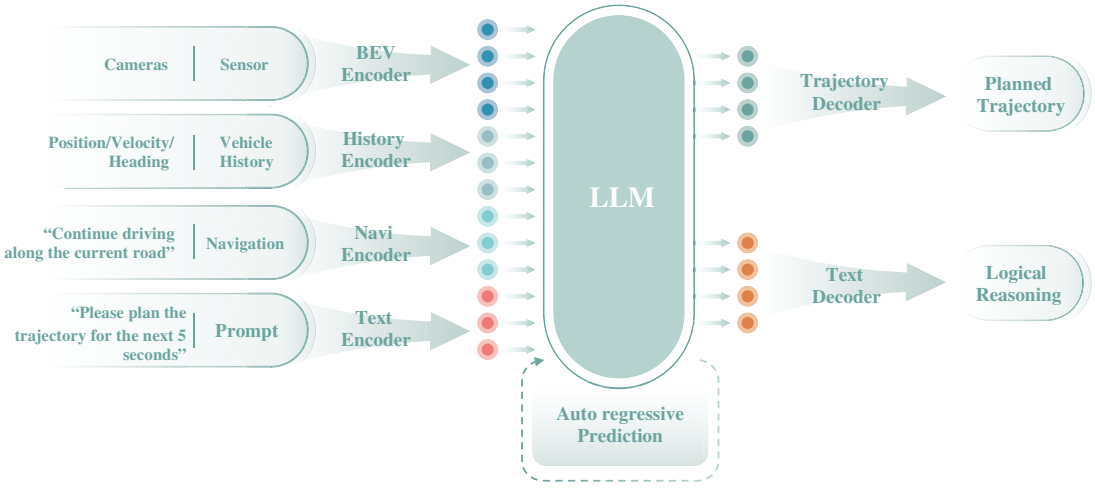
## OUR R&D AND TECHNOLOGIES

Guided by our forward-engineering approach, we focus our research and development efforts on two core technology areas: intelligent driving systems and vehicle technologies. In autonomous trucking, these two technology domains are highly interdependent and must be developed in close

coordination, as the performance, safety, reliability and commercial viability of autonomous heavy-duty trucks depend on deep integration between the autonomous driving system and the underlying vehicle platform. We therefore pursue a co-development approach across these two areas and devote substantial R&D resources to both. Through this approach, we have achieved meaningful breakthroughs and built core technological capabilities that underpin our competitive vehicles and RoboTruck solution.

## Intelligent Driving Systems

### *ZSD-Based End-to-End Autonomous Driving System*



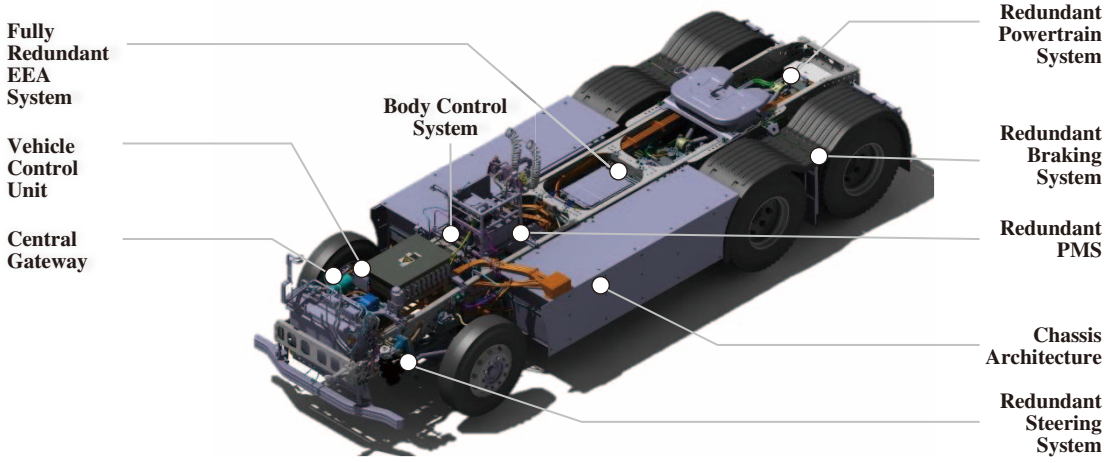

Our proprietary autonomous driving system is purpose-built for autonomous heavy-duty trucks. The unified end-to-end model automates the full workflow, from multi-source sensor inputs to driving trajectory generation. We adopt a ZSD technical approach that integrates perception, language-based reasoning, and action generation within a single unified architecture. Camera and sensor data are processed through a bird's eye view (BEV) representation that compresses multi-frame, multi-view inputs into a geometrically unified format, enabling robust spatiotemporal understanding while supporting real-time on-board inference. A large language model serves as the core reasoning engine, leveraging its internal knowledge to interpret traffic signals and rules, assess intent in complex interactions, and handle unexpected and complicated corner events. This design enables explicit chain-of-thought reasoning, encompassing observation, analysis, decision-making, and execution before generating trajectory outputs, significantly improving interpretability and robustness in long-tail autonomous driving scenarios.

We leverage large-scale data for training and validation, enabling efficient and continuous iteration. Our staged training procedure progresses from modality-specific training through alignment, instruction tuning with chain-of-thought reasoning, and reinforcement learning with verifiable rewards, which systematically enhances scene understanding, action semantics, and planning capabilities. Our end-to-end architecture significantly reduces the engineering complexity of key systems, eliminating the module fragmentation and integration overhead typical of traditional modular algorithms. Compared to traditional systems, our scenario generalization capability allows faster transfer to different operating scenarios and supports deployment. This architecture also facilitates efficient adaptation to various downstream vertical scenarios, thereby addressing certain challenges that have historically limited the

scalability of traditional solutions. We participated in the End-to-End Driving at Scale Challenge at CVPR 2024, where our model ranked first among camera-only solutions, demonstrating our technological advancement.

Building on our vehicle development capabilities, our autonomous driving technology is designed for deep integration with the vehicle body across both physical architecture and data systems. Sensors are embedded into the body structure, and the onboard computing unit interfaces directly with the vehicle control system, thereby reducing integration complexity and mitigating compatibility issues. Moreover, our mass-produced vehicle models support continuous collection of high-value real-world driving data across a broad range of operating scenarios. This data feeds directly into our end-to-end closed-loop infrastructure to support data preprocessing, chain-of-thought label generation supported by simulation-based evaluation and reinforcement learning, which in turn strengthens our model training and accelerates iterative performance improvement.

***By-Wire Chassis Systems***




Our platform integrates brake-by-wire, steer-by-wire, and drive-by-wire capabilities into an engineered, vehicle-level chassis control and redundancy solution. It overcomes the capability limitations of conventional internal-combustion vehicle architectures in electrification and advanced automated driving use cases, and addresses the core requirements for functional safety and redundancy for autonomous driving. Leveraging a multi-sensor and multi-motor coordinated control approach, we have focused on improving overall vehicle performance across drive-and-brake coordination, precise wheel-speed and slip-ratio regulation, regenerative braking efficiency, and operational safety. In addition, the redundant braking system is equipped with ABS functionality and steering architectures including dual-motor electric power steering. These redundancies are designed to help ensure that, in the event of failures in critical components, the vehicle can maintain basic steering and braking capability and meet the safety objectives associated with higher levels of automated driving.

***Sophon Data Platform***

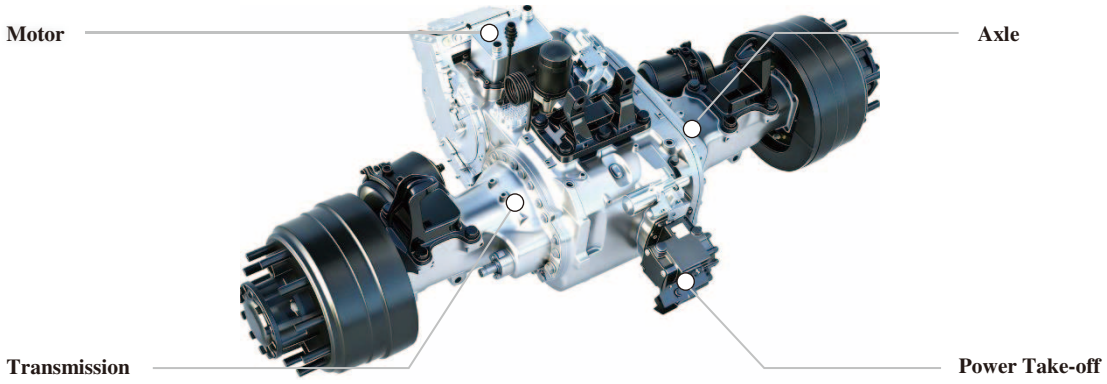
We have developed our proprietary Sophon Data Platform, a vehicle-level data and intelligent operations platform. It integrates the vehicle, cloud and user ends to provide intelligent, comprehensive and all-weather operational assurance throughout the vehicle lifecycle. Our Sophon Data Platform is capable of monitoring and analyzing over 4,000 vehicle signals and accumulates full lifecycle data

assets for each vehicle. Leveraging integrated data and analytical models, the Sophon Data Platform provides real-time visualization of vehicle status, anomaly identification and early-stage fault warning, thereby shifting the vehicle maintenance from reactive repairs to predictive maintenance, reducing unexpected downtime and unplanned maintenance, and improving vehicle uptime and reliability. In addition, the Sophon Data Platform performs quantitative analysis across the energy-consumption chain from charging and the battery system through the powertrain to wheel-end output, in conjunction with environmental and driving-behavior factors. It thereby identifies sources of energy loss and supports closed-loop optimization to continuously enhance vehicle efficiency and intelligent operations capabilities.

## Vehicle Technologies

### *Core Electric Powertrain Systems*

*Matrix Four-In-One E-Axle*




Our self-developed Matrix four-in-one e-axle integrates the electric motor, transmission, axle, and power take off ("**PTO**") into a lightweight and highly efficient unit. Our e-axles have achieved the industry's highest level of integration and the highest transmission efficiency among mass-produced e-axles, according to Frost & Sullivan. Moreover, we were the first in the industry to bring segmented axle-housing architecture into mass production, the first to integrate the PTO into the drive axle, and the first to apply an oil-cooled flat-wire motor in heavy-duty trucks. Our e-axle eliminates the driveshaft in conventional chassis-mounted central drive systems, lowers the truck's gravity center and increases available space for battery installation, thereby enhancing stability, safety and range.

Our Matrix four-in-one e-axle delivers industry-leading power-to-torque density, lightweight and functionality, positioning it at the forefront of technological advancement in commercial vehicles. With comprehensive intelligent control enabled by our self-developed vehicle control unit ("**VCU**") and transmission control unit ("**TCU**") systems, the four-in-one e-axle delivers smoother power output, stronger and more precise power delivery, higher reliability and up to a 30% reduction in energy consumption, substantially improving the operating efficiency and driving performance for new energy heavy-duty trucks.

*Electronic Control System*

Our electronic control system is designed to fully realize the performance potential of the e-axle and enhance energy management through precise control of the powertrain and braking systems, delivering smoother and more efficient power output, significant energy savings, and improved operational safety. Developed in-house across hardware, software, and core algorithms, it enables intelligent switching between single-axle and dual-axle drive modes and among three power sources, 10%–15% slip-rate traction control, intelligent traction and braking coordination, optimization across 17 gear combinations, optimal allocation of motor operation to maximize efficiency, and five levels of regenerative braking.

***Multi-Source Heat-Pump-Based Vehicle Thermal Management System***

We are the first and only company in the industry to mass-produce multi-source heat-pump-based vehicle thermal management system, according to Frost & Sullivan. Our system provides vehicle-level coordination of thermal management across the cab, electric drive system and power battery, supported by a proprietary control algorithm that optimizes energy efficiency and performance through precise control of thermal energy flows.

Our thermal management system is designed to improve overall energy efficiency and occupant comfort across a wide operating range. The battery cold-start scheduling function enables intelligent preheating, while heat pump-based cabin heating can reduce energy consumption by up to 70% compared with conventional PTC heating. Real-time operating-condition recognition and dynamic strategy adjustment further enable optimized thermal allocation across diverse driving scenarios.

Through ongoing iterations, we have enhanced battery cooling capability, supporting sustained charging at up to 1,200A at an ambient temperature of 40°C. Our next-generation thermal management system is expected to further increase component integration and raise supported charging capacity to up to 1,800A.

***Electronic Architecture ("EEA")***

Our proprietary EEA platform adopts a centrally integrated, domain-control architecture that unifies computing resources to deliver stronger vehicle functionality, higher performance, and improved cost efficiency. The platform supports full software autonomy, configurable core hardware, and secure memory partitioning, while integrating in-vehicle networking and remote diagnostics. According to Frost & Sullivan, compared to traditional distributed EEA architectures, our design is expected to reduce wiring by approximately 30%. In addition, the architecture enables continuous software optimization across key domains such as energy efficiency and drivability, supporting faster iteration, smarter control, and improved reliability over the full life cycle of our new energy intelligent heavy-duty trucks.

**Our R&D Capabilities and Process**

We have assembled a robust research and development team with expertise spanning key disciplines including autonomous driving algorithms, vehicle platforms, electric powertrain systems, by-wire chassis, cloud systems, and data platforms, providing full-stack capabilities from underlying hardware to system software. As of December 31, 2025, our R&D team consisted of 123 members, and over 30% of whom hold a master's degree or above. In 2023, 2024 and 2025, our research and

development costs amounted to RMB71.4 million, RMB116.2 million and RMB126.0 million, respectively. The investment in R&D during the Track Record Period reflects our continuous pursuit of product innovation and iteration, contributing to our continued breakthroughs in intelligent vehicle development and autonomous driving technologies.

We pursue the in-house development of core technologies for new energy intelligent heavy-duty trucks through an agile, phased R&D methodology, enabling continuous improvement and rapid iteration. Our R&D process follows a structured framework spanning concept development, engineering development, testing and validation and mass production, all organized around clearly defined milestone gates. Throughout this process, customer-centric and engineering-driven perspectives operate in parallel, ensuring close alignment among product concept, target market, cost objectives and user value.

We have established a rigorous and systematic vehicle development and lifecycle management framework. Based on industry-leading Commercial Vehicle Development System standards, our standardized development process encompasses four core phases: concept development, engineering development, testing and validation, and mass production. Throughout the development cycle, we have established 10 to 12 critical milestone gates, each governed by stringent delivery and assessment criteria.

- ***Concept development:*** During the concept development phase, we conduct upfront planning and definition for the proposed vehicles, including confirming vehicle model positioning, target customer segments and sub-segments, as well as setting cost targets and the principal technical direction.

- ***Engineering development:*** During the engineering development phase, we translate the concept into an executable engineering solution by advancing system architecture and component design, bill of materials development and cost breakdown, supplier sourcing and nomination, and manufacturing process planning. Throughout this phase, we continuously optimize the design and perform engineering validation against our cost targets to ensure manufacturability, deliverability and economic viability.

- ***Testing and validation:*** During the validation phase, we conduct systematic verification of vehicle performance, reliability, durability and regulatory compliance through testing on samples, prototypes and trial vehicles, and implement closed-loop issue resolution and design improvements based on the results. As the program progresses, product maturity is progressively enhanced to meet the quality and safety requirements for production ramp-up.

- ***Mass production:*** During the mass production phase, we collaborate with contract assembly partners to carry out production line and tooling validation, pilot builds and capacity ramp-up, verification of supply chain delivery capability, and implementation of quality control systems to achieve stable mass production and ongoing deliveries. Following the commencement of mass production, we continue to improve our vehicles and process performance based on market feedback and vehicle data, with a view to enhancing consistency, yield and cost performance.

## SALES AND MARKETING

### Sales Model

We adopt a balanced sales model combining distributor-based sales and direct sales to achieve broad and efficient market coverage across diverse regions and customer segments. As a relatively young market participant, we have earned the trust of a broad distributor network for sales of our new energy intelligent heavy-duty trucks and RoboTruck vehicles. We believe our distributors' established customer reach, local market knowledge and service capabilities help us expand market coverage efficiently. We maintain a direct sales channel across all of our business lines, which enables us to deepen customer engagement over time. We have an experienced and highly trained sales and marketing team, consisting of 69 personnel as of December 31, 2025, who proactively identify market opportunities and design sales strategies. The table below sets out a breakdown of our total revenue by sales channel for the years indicated:

| | For the year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Distributorship | — | — | 85,184 | 68.6 | 372,870 | 71.4 |
| Direct Sales | 1,163 | 100.0 | 38,907 | 31.4 | 149,300 | 28.6 |
| **Total** | **1,163** | **100.0** | **124,091** | **100.0** | **522,170** | **100.0** |

***Distributorship***

Our distributors form an integral part of our sales and service network, representing an important extension of our customer reach and service capabilities across different regions. According to Frost & Sullivan, it is in line with the practice in the heavy-duty truck industry to collaborate with established distributors, which not only enables broader market penetration and more efficient provision of customer services, but also reflects market validation of the quality, reliability and commercial competitiveness of the vehicles. As of December 31, 2023, 2024 and 2025, we had nil, 33 and 98 distributors, respectively. For the years ended December 31, 2023, 2024 and 2025, revenue generated from our distributors amounted to nil, RMB85.2 million and RMB372.9 million, respectively, representing nil, 68.6% and 71.4% of our total revenue for the corresponding years.

*Distribution Network*

The following table sets forth the movements in the number of our distributors during the Track Record Period.

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Number of distributors at the beginning of the year | — | — | 33 |
| Addition of new distributors[(1)] | — | 33 | 83 |
| Termination of existing distributors[(2)] | — | — | 18 |
| Net increase/(decrease) in distributors | — | 33 | 65 |
| **Number of distributors at the end of the year** | **—** | **33** | **98** |

*Notes:*

(1) New distributors refer to distributors with whom we had an effective distribution agreement in the relevant period and did not have any effective distribution agreement in the immediately preceding calendar year.

(2) Terminated distributors refer to distributors with whom we did not have any effective distribution agreement in the relevant period and had an effective distribution agreement in the immediately preceding calendar year.

Our distribution network has been expanding in tandem with our business growth, with the number of our distributors growing from nil as of December 31, 2023, to 33 as of December 31, 2024, and further to 98 as of December 31, 2025, primarily driven by the commercialization of our vehicles and our continued efforts to broaden market coverage. As our operations continue to develop, we have been actively establishing and strengthening relationships with our distributors and will continue to deepen such relationship to further broaden our market coverage and enhance the accessibility of our vehicles and solution to end customers.

*Distributor Management*

We select distributors based on a defined set of criteria, taking into account their qualifications such as requisite automotive sales licenses and an established place of business, their financial position, industry credentials, marketing capabilities and their operational capability of maintaining dedicated sales and after-sales service teams. We adopt a uniformed management approach across our distributors, offering a consistent brand image and customer experience. We monitor our distributors' operations through regular evaluations, on-site inspections and training programs for our distributors. In addition, distributors should follow our policy and criteria for storefront design, and train their employees to comply with our operational guidelines.

We maintained a seller-buyer relationship with our distributors during the Track Record Period and typically enter into standard sales agreements with our distributors on an annual basis. Such agreements are on normal commercial terms based on arm's-length negotiation. The salient terms of our standard distribution agreements during the Track Record Period are set out below:

- ***Exclusivity and designated distribution area.*** Distributors are granted the distributorship right for specified vehicle types in their designated distribution areas, generally on a non-exclusive basis. Our distributors are generally not allowed to sell or distribute our vehicles outside of their designated distribution areas.

- ***Minimum purchase amount.*** We set a minimum annual sales target for our distributors and adjust the sales target on a case-by-case basis.

- ***Pricing.*** Our selling prices to distributors may vary depending on the specific purchase orders. We provide our distributors with a recommended resale price for our vehicles.

- ***Payment and credit terms.*** We provide tiered sales rebates to our distributors based on payment collection cycle and sales volume. We generally require payment of deposit shortly after the execution of the sales agreement with the remaining balance settled in accordance with the prescribed period.

- ***Delivery and transfer of risks.*** In accordance with the delivery schedule confirmed on the dealer management system, we are responsible for either delivering our vehicles to locations designated by relevant distributors or making such vehicles available for the distributors' self-collection. The risks transfer to such distributors upon completion of delivery.

- ***Acceptance.*** Our distributors shall inspect the delivered vehicles upon receipt for quality and appearance, and raise any issue identified at the time of delivery. Otherwise, the vehicles are deemed accepted.

- ***Warranty.*** We provide warranty services to our customers in accordance with the terms and within the warranty periods set out in our warranty manual. For details, see "— Quality Control — Warranty and After-Sale Services."

- ***Product return and exchange.*** We typically do not allow any product return or exchange, except for quality issues identified at the time of acceptance inspection, which is in line with the industry practice.

- ***Termination.*** We are entitled to terminate the distribution agreements under mutual agreement or, among other circumstances, if the customers fail to make payment within the prescribed payment period.

- ***Compliance.*** Our distributors are required to comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations.

To the best of our knowledge, during the Track Record Period, all of our distributors were Independent Third Parties and none of our distributors were wholly-owned or majority controlled by our employees. During the Track Record Period and up to the Latest Practicable Date, we did not provide any advance or financial assistance to any of our distributors.

*Prevention of Channel Stuffing*

We adopt a sales model under which full ownership of the vehicles is transferred to our counterparties upon completion of delivery, and product return or exchange are generally prohibited except for quality issues identified at the time of acceptance inspection. This model shifts the responsibility and risk of unsold inventory to distributors, incentivizing them to order based on actual sales demand to reduce holding costs and obsolescence risk.

We operate primarily on a made-to-order basis, with production and delivery scheduled after receiving relevant purchase orders and deposits. Orders are accepted in line with actual market demand, and our production plans are calibrated accordingly to maintain optimal inventory levels. Accordingly, we believe our distributors maintain a reasonable level of inventory of our vehicles to avoid channel stuffing.

Based on the above, we believe we are at low risks of channel stuffing. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any unusual procurements or sales activities that were inconsistent with distributors' past practices.

*Prevention of Cannibalization*

To mitigate potential sales cannibalization between existing and new distributors, we have implemented a series of targeted measures. Prior to appointing any new distributor, we conduct in-depth customer and market research to assess the actual market potential of the targeted region, and reasonably plan the geographic layout of distributors to avoid overlapping business areas. We also manage cannibalization risk among our distributors through enforcement of our distribution agreements, which specify the designated vehicles and geographic regions for each distributor. Our distributors are prohibited from distributing our vehicles to customers outside their specified regions unless with our approval. To prevent channel cannibalization, we require all distributors to align with our guided pricing, so that the identical vehicle models are generally offered consistent prices across regions. In addition, the engagement of sub-distributors by our distributors is subject to our consent.

We believe the above measures are sufficient to mitigate potential cannibalization and competition among our distributors. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors in the distribution network within the same geographical areas.

***Direct Sales***

Through our direct sales channel, we engage directly with customers, such as fleet operators and logistic companies, to gain first-hand insights into their operational needs, which enables us to build closer customer relationships, strengthen customer loyalty and to better define our vehicles in response to customer demand. The direct engagement with customers facilitates close and long-term collaborations with such customers to adapt the iteration of our vehicles to their evolving needs. For the years ended December 31, 2023, 2024 and 2025, revenue generated from direct sales amounted to RMB1.2 million, RMB38.9 million and RMB149.3 million, respectively, representing 100.0%, 31.4% and 28.6% of our total revenue for the corresponding years. The salient terms of our standard direct sales agreements during the Track Record Period are set out below:

- ***Payment term.*** We generally require our direct sales customers to pay a deposit shortly after signing the sales agreement, with the remaining balance settled in accordance with the prescribed periods.

- ***Delivery and transfer of risks.*** In accordance with the delivery schedule specified in the sales agreement, we are generally responsible for delivering our vehicles to locations designated by our customers. The risks transfer to such customers after they confirm receipt of our vehicles and/or the full settlement of considerations.

- ***Acceptance.*** Our customers shall inspect the delivered vehicles upon receipt for quality and appearance, and raise any issue identified at the time of delivery. Otherwise, the vehicles are deemed accepted. The risks transfer to our customers upon completion of delivery.

- ***Warranty.*** We provide warranty services to our customers in accordance with the terms and within the warranty periods set out in our warranty manual. For details, see "— Quality Control — Warranty and After-Sale Services."

- ***Product return and exchange.*** We typically do not allow any product return or exchange, except for quality issues identified at the time of acceptance inspection.

- ***Termination.*** We are entitled to terminate the sales agreement if the customers fail to make payment within the prescribed payment date.

**Service Network**

As of December 31, 2025, we had maintained an extensive service station network of over 250 service stations across the Chinese Mainland, strategically designed to support the operating characteristics of our new energy intelligent heavy-duty trucks that typically run on short- to mid-distance routes. We follow a "expand where we sell" regional deployment strategy to ensure timely, nearby support, and we provide a one-stop, whole-vehicle service model to improve repair efficiency and customer experience through our service stations. During the Track Record Period, such service stations were operated under our authorization and supervision to provide after-sales and maintenance services in accordance with our warranty policies, using only parts and components supplied us to ensure the consistency of our vehicles and solution. We primarily collaborate with automotive service stores on a non-exclusive basis to establish and expand our service network, supplemented by a small number of service stations operated by our distributors. In addition to providing maintenance and repair services, these service stations operated by our distributors also serve as sales outlets for the sales of our new energy intelligent heavy-duty trucks. These stations serve as key customer touchpoints for vehicle promotion, technical support, maintenance, and after sales services, thereby strengthening brand visibility and reinforcing customer loyalty.

We manage our service stations under a structured framework that differentiates between complex repair cases and routine maintenance services, ensuring efficient resource allocation and service responsiveness. A unified management system is applied across all service stations to maintain a consistent brand image, service quality and customer experience. Our oversight spans technician training, operational compliance and after-sales service performance, supported by standardized operating procedures and regular inspections. In addition, professional service engineers are deployed to provide systematic technical training to distributor and technicians of third-party service partners, continuously enhancing the service capability across service stations and reinforcing product reliability as our sales and customer base continue to expand.

**Pricing**

We price our new energy intelligent heavy-duty trucks based on a range of factors, including (i) product costs, (ii) customer demand, and (iii) the competitive landscape, taking into account our relative strengths and weaknesses, competitors' pricing strategies and customers' price sensitivity.

We are in the process of establishing a monetization model for our RoboTruck solution. In addition to the sales price for vehicles equipped with by-wire chassis designed for autonomous driving under the RoboTruck solution, we also intend to charge technology service fees on a usage basis. In determining the pricing of our technology service fees, we will take into account the competitive landscape in the autonomous trucking market as well as the overall cost efficiencies that our solutions are expected to deliver to customers relative to their existing logistics operations.

**Marketing**

We focus on technology-driven brand building and market-driven sales growth. We are committed to delivering genuine vehicle and establishing technology leadership in the new energy intelligent heavy-duty truck industry, with an emphasis on performance, efficiency, and measurable customer

value. By highlighting our proprietary innovations and distinct economic advantages of our vehicles and solution, we appeal directly to customers' commercial priorities. Our pragmatic and credibility-focused approach, supported by our strategic investors and industry partners, accelerates our brand recognition and resource access, positioning us to rapidly strengthen market presence and achieve leadership through technological excellence and proven customer returns. Our vehicles and solution are primarily marketed to new customers through industry exhibitions, promotional events, online promotions, recommendations from existing customers, and direct business development by sales managers and our distributors.

## SUPPLY CHAIN MANAGEMENT

Unlike certain industry participants that rely more heavily on external parties across the vehicle value chain, we operate under a vertically integrated philosophy grounded in our in-house vehicle design and engineering capabilities. Under this approach, we maintain control over each critical stage of the supply chain, including vehicle model design and development, procurement of raw materials and components, and collaboration with our contract assembly partners. We believe this reflects our accumulation across the heavy-duty truck value chain and enables us to ensure that the vehicles ultimately produced are consistent with our intended design, performance and quality standards. This approach differentiates us from peers and provides the foundation for delivering competitive vehicles and solution.

### Contract Assembly

During the Track Record Period and in line with industry practice, we collaborated with contract assembly partners, C&C Trucks, Hubei Tri-Ring and Shenhe Automobile, to assemble our new energy intelligent heavy-duty trucks. Our contract assembly partners are established vehicle manufacturers with extensive experience in the production of heavy-duty trucks with solid industry credentials.

Under such collaboration arrangements, our contract assembly partners provide contract assembly services based on the vehicle design, engineering specifications and technical standards developed and provided by us, using our supply of parts and components used in vehicle assembly to ensure consistency and quality of our vehicles. We retain full ownership of all pre-existing and independently developed intellectual properties related to our vehicles, and neither party may infringe the other party's intellectual property rights.

The salient terms of our manufacturing collaboration agreements during the Track Record Period are set out below:

| | |
|---|---|
| **Collaboration model** | Our contract assembly partner provides the comprehensive manufacturing services for the relevant truck models, including component management and assembly, production process development and final vehicle inspection. |
| **Quality assurance** | Our contract assembly partner shall be responsible for product quality issues arising from manufacturing defects. |
| **Service fee model** | We pay service fees to our contract assembly partner based on our production volume. |

| | |
|---|---|
| **Delivery** | We are responsible for arranging the dispatch and transportation of the completed vehicles in accordance with the agreed delivery arrangements. |
| **Intellectual property** | Each party retains full ownership of its pre-existing and independently developed intellectual property. Neither party may infringe the other party's intellectual property rights. |
| **Termination** | The manufacturing collaboration agreement may be terminated, among other events, if a material breach committed by either party is not duly remedied within the prescribed period. |

We believe that such manufacturing collaborations have provided a stable, flexible, and scalable foundation to support the continued growth of our business. We believe that (i) our contract assembly arrangements have provided a stable, flexible and scalable foundation to support the continued growth of our business; (ii) we have maintained long-term and stable relationships with our contract assembly partners in a smooth and mutually beneficial approach, under which the light-asset model allows us to focus on vehicle design, core systems development and supply chain management, while enabling our partners to fully leverage their manufacturing facilities and operational expertise; and (iii) we retain strong control over the supply chain, procurement of key parts and components, as well as technical specifications, whereas our contract assembly partners primarily perform the assembly work in accordance with our design and production requirements. Our Directors are of the view that we do not place undue reliance on any individual contract assembly partner, and that any existing concentration is commercially manageable and does not pose a material adverse risk to our business, operations or financial performance, considering that we retain control over our vehicle design, core vehicle systems and relevant intellectual properties, while our contract assembly partners perform the assembly functions under our technical specifications and quality requirements. Our contract assembly arrangements are conducted on normal commercial terms and are non-exclusive in nature, and do not restrict us from engaging additional contract assembly partners. According to Frost & Sullivan, there is a large number of qualified vehicle manufacturers in the Chinese Mainland capable of providing comparable contract assembly services, which would allow us to further diversify our contract assembly partner base, thereby preserving operational flexibility and reducing reliance on any particular contract assembly partner. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any production delays, quality issues, or delivery defaults in our collaborations with contract assembly partners.

### Raw Materials and Components

Following our vertically integrated approach, we maintain strong control across the heavy-duty truck value chain and play a central role in the procurement of raw materials and components. For key systems and components that are critical to vehicle performance and differentiation, we undertake in-house design and development, including our by-wire chassis, four-in-one e-axle, electronic control system and thermal management system. We collaborate with qualified component manufacturers to produce these systems and components in accordance with our designs, technical specifications and interface standards, while we manage the bill of materials and oversee their integration with our self-developed software systems and overall vehicle architecture. For more standardized raw materials and components, such as tires, driving compartment components and other interior parts, we procure them directly from suppliers. Given the critical importance of batteries to our vehicles' performance and cost structure, we are developing a battery system that directly integrates the battery into the truck

chassis to replace the tradition design that uses a standalone battery box and separate supporting frame. We believe this model strikes a balanced approach between ensuring the performance and differentiation of our core systems and achieving procurement efficiency and cost effectiveness. During the Track Record Period, we did not experience any material shortages of raw materials and components. Set forth below is a summary of the salient terms in our contracts with key raw materials and components suppliers:

- ***Term.*** Generally with a duration of one year, after which we conduct a new price-comparison process.

- ***Products and services.*** Suppliers are responsible for providing the products and/or services specified in the relevant procurement documents and purchase orders.

- ***Pricing and payment.*** Prices and payment arrangements are determined in accordance with the relevant procurement documents and purchase orders. Payments are typically made in instalments based on delivery and acceptance schedules agreed between the parties. For certain components, the supplier delivers the products after full payment has been settled.

- ***Delivery and acceptance.*** Suppliers are required to deliver products to the locations designated in our purchase orders within the agreed delivery timeframe. In the event of short delivery, excess delivery, delay, damage, non-conformity or other performance issues, suppliers are responsible for supplementing delivery, repair, replacement, re-delivery or other remedial measures, and for compensating us for losses arising from such issues.

- ***Quality assurance and after-sales service.*** Suppliers must ensure that all products and/or services comply with the drawings, samples, digital models, technical agreements, product development agreements and other requirements confirmed by both parties, as well as applicable national standards, industry standards and our enterprise standards.

- ***IP and confidentiality.*** Suppliers must ensure that the products and/or services they provide are free from ownership disputes, intellectual property disputes and other third-party claims. The IP rights of supplied products and related technical materials remain with the suppliers. Both parties are bound by confidentiality obligations with respect to proprietary and commercial information, which remain effective after the termination of the agreements.

- ***Termination.*** Either party may terminate the agreement early by written notice in the event of material breach, force majeure, or other circumstances rendering performance impracticable.

We adhere to a systematic and standardized process for the development, design and outsourced manufacturing of key components of our vehicles, forming a solid foundation for product reliability, performance and safety. We conduct rigorous evaluations of potential contract assembly partners' technical competence, production experience, quality management, production capacity and financial stability. Formal cooperation agreements are signed with qualified partners to specify technical standards, production requirements, quality benchmarks, delivery schedules and after-sales commitments, ensuring stable and consistent manufacturing. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material quality issues, delivery delays or technical failures related to the outsourced key components.

## Supplier Management

To maintain supply chain stability, quality and cost-effectiveness, we formulate procurement plans with reference to production schedules, inventory levels, supplier lead times, delivery requirements and sales forecasts, and manage raw material and component price volatility through price-comparison procurement and strict procurement budget control.

We have established a structured supplier qualification and management framework, and we will establish necessary relationships with alternative sources based on supply continuity risk assessment. Under such framework, new suppliers are admitted to our qualified supplier list only after completing our qualification assessment and due diligence review, which typically includes sample verification and internal approval. Once approved, suppliers included in our qualified supplier list may proceed with the procurement process. In selecting and evaluating suppliers, we consider factors including reputation, qualifications, industry experience, technical capabilities, pricing, quality and delivery timelines. Framework agreements with key suppliers are generally renewed on an annual basis, and we conduct a new price-comparison process. We also perform annual technical and commercial evaluations of framework suppliers, maintain a centralized supplier database managed by our procurement team, and implement material substitution and supplier audit procedures where appropriate to ensure procurement quality in line with our internal policies and prevailing industry standards. For parts and components customized for our vehicles, we require suppliers to carry out testing and production in accordance with our project plans, technical specifications and quality control standards, and to comply with our labeling and packaging identification requirements to ensure traceability. Our designated quality control team communicates quality standards to suppliers, inspects product samples, conducts regular or ad hoc on-site inspections where appropriate, and requires suppliers to promptly rectify any identified quality issues.

During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with our suppliers that would, individually or in the aggregate, have a material adverse impact on our results of operations, financial condition and growth prospects.

## Major Suppliers

During the Track Record Period, our suppliers mainly include contract assembly partners, suppliers of batteries and vehicle components. For the years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers in each year during the Track Record Period in aggregate amounted to RMB18.2 million, RMB135.6 million and RMB422.6 million, respectively, representing 33.3%, 48.6% and 49.6% of our total purchases in the corresponding years. Our purchases from our largest supplier in each year during the Track Record Period amounted to RMB4.9 million, RMB67.4 million and RMB98.1 million, respectively, representing 8.9%, 24.2% and 11.5% of our total purchases in the corresponding years. During the Track Record Period, we made prepayments to certain suppliers. For the suppliers that granted us credit terms, we were generally given credit periods ranging from 30 to 90 days.

The following table sets forth details of our five largest suppliers in each year during the Track Record Period:

| Supplier | Supplies/Services Purchased | Commencement of Business Relationship (Since) | Purchase Amount | % of Total Purchases |
|---|---|---|---|---|
| | | | *(RMB'000)* | *(%)* |
| *For the year ended December 31, 2023* | | | | |
| Supplier A | key vehicle components | 2023 | 4,850 | 8.9 |
| Supplier B | testing and certification services | 2023 | 3,646 | 6.7 |
| Supplier C | financial advisory services | 2023 | 3,525 | 6.5 |
| Supplier D | power battery | 2023 | 3,497 | 6.4 |
| Supplier E | property leasing services | 2023 | 2,635 | 4.8 |
| **Total** | | | **18,153** | **33.3** |
| *For the year ended December 31, 2024* | | | | |
| Supplier D | power battery | 2023 | 67,351 | 24.2 |
| Supplier A | key vehicle components | 2023 | 40,995 | 14.7 |
| Supplier F | contract assembly services and key vehicle components | 2024 | 11,430 | 4.1 |
| Supplier G | key vehicle components | 2024 | 8,447 | 3.0 |
| Supplier H | power battery | 2024 | 7,330 | 2.6 |
| **Total** | | | **135,553** | **48.6** |
| *For the year ended December 31, 2025* | | | | |
| Supplier I | power battery | 2025 | 98,097 | 11.5 |
| Supplier D | power battery | 2023 | 86,515 | 10.1 |
| Supplier A | power battery | 2023 | 84,254 | 9.9 |
| Supplier J | key vehicle components | 2025 | 83,247 | 9.8 |
| Supplier K | power battery | 2025 | 70,494 | 8.3 |
| **Total** | | | **422,607** | **49.6** |

*Notes:*

(1) Supplier A is an automobile components manufacturer incorporated in Jiangsu, China.

(2) Supplier B is an automobile inspection company incorporated in Tianjin, China.

(3) Supplier C is a financial consulting company incorporated in Beijing, China.

(4) Supplier D is a lithium-ion batteries manufacturer incorporated in Chongqing, China.

(5) Supplier E is a commercial real estate company incorporated in Jiangsu, China.

(6) Supplier F is an automobile manufacturer incorporated in Anhui, China.

(7) Supplier G is an automobile components manufacturer incorporated in Jiangsu, China.

(8) Supplier H is an automobile components manufacturer incorporated in Fujiang, China and listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange.

(9) Supplier I is a lithium-ion batteries manufacturer incorporated in Hubei, China.

(10) Supplier J is a lithium-ion batteries manufacturer incorporated in Guizhou, China.

(11) Supplier K is a lithium-ion batteries manufacturer incorporated in Jiangsu, China and listed on the Hong Kong Stock Exchange.

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers in each year during the Track Record Period.

### Inventory Management

Our inventories primarily include raw materials and finished goods. We implement strict inventory control policies and monitor our inventory levels. We generally adopt a made-to-order approach to minimize inventory funding occupation. We manage finished vehicle inventories through a standardized order-to-delivery process, under which vehicles are produced and delivered based on confirmed orders, and are recorded, tracked and managed through a centralized digital management system to ensure consistency between system records and physical inventory. For components with long procurement cycles or limited supply, we conduct advance procurements based on our sales forecasts. In addition, we adjust our procurement schedule and set safety stock levels for different component categories based on current inventory levels and forecasts of future demand to balance delivery timeliness and cost efficiency. We also implement detailed inventory management measures for finished vehicles, including first-in-first-out principles to control vehicle aging, mandatory inspection procedures upon inbound and outbound delivery to ensure product quality, and regular inventory checks and reconciliations to ensure the accuracy of inventory records. Furthermore, we establish inventory standards based on market conditions and dealer classifications, and conduct regular monitoring and reporting of inventory levels. Vehicles held in inventory beyond a specified period are subject to enhanced management, including condition maintenance and disposition plans, to ensure timely turnover and maintain product quality.

## CUSTOMERS

### Our Major Customers

During the Track Record Period, our customers primarily consisted of our distributors and logistics companies and we did not experience any material disputes with our customers. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from sales to our five largest customers in each year during the Track Record Period in aggregate amounted to RMB1.2 million, RMB75.4 million and RMB186.7 million, respectively, representing 98.9%, 60.8% and 35.8% of our total revenue in the corresponding years. Our revenue generated from sales to our largest customer in each year during the Track Record Period amounted to RMB1.2 million, RMB29.0 million and RMB65.4 million, respectively, representing 98.9%, 23.4% and 12.5% of our total revenue in the corresponding years. The relatively high customer concentration during the Track Record Period was primarily attributable to our early stage of commercialization, during which our customer base and delivery capabilities were continuing to expand. We do not rely any individual customer during the Track Record Period. During the Track Record Period, we generally granted credit periods of up to 30 days to our customers. For certain customers, we may allow monthly installment payments, with the installment period for up to 36 months by installments.

The following table sets forth details of our five largest customers in each year during the Track Record Period.

| Customer | Products Sold | Commencement of Business Relationship (Since) | Revenue | % of Total revenue |
|---|---|---|---|---|
| | | | *(RMB'000)* | *(%)* |
| *For the year ended December 31, 2023* | | | | |
| Customer A | New energy intelligent heavy-duty trucks | 2023 | 1,150 | 98.9 |
| **Total** | | | **1,150** | **98.9** |
| *For the year ended December 31, 2024* | | | | |
| Customer A | New energy intelligent heavy-duty trucks | 2023 | 28,999 | 23.4 |
| Customer B | New energy intelligent heavy-duty trucks | 2024 | 14,708 | 11.9 |
| Customer C | New energy intelligent heavy-duty trucks | 2024 | 11,703 | 9.4 |
| Customer D | New energy intelligent heavy-duty trucks | 2024 | 11,449 | 9.2 |
| Customer E | New energy intelligent heavy-duty trucks | 2024 | 8,531 | 6.9 |
| **Total** | | | **75,390** | **60.8** |
| *For the year ended December 31, 2025* | | | | |
| Customer A | New energy intelligent heavy-duty trucks | 2023 | 65,389 | 12.5 |
| Customer C | New energy intelligent heavy-duty trucks | 2024 | 38,564 | 7.4 |
| Customer F | New energy intelligent heavy-duty trucks | 2024 | 32,976 | 6.3 |
| Customer G | New energy intelligent heavy-duty trucks | 2025 | 30,921 | 6.0 |
| Customer B | New energy intelligent heavy-duty trucks | 2024 | 18,895 | 3.6 |
| **Total** | | | **186,745** | **35.8** |

*Notes:*

(1) Customer A is a new energy vehicle sales company incorporated in Henan Province, China. As our commercialization only commenced in 2024, we had only one major customer in 2023.

(2) Customer B is a new energy vehicle sales company incorporated in Guangxi Province, China.

(3) Customer C is a vehicle sales company incorporated in Shanxi Province, China.

(4) Customer D is a vehicle sales company incorporated in Hebei Province, China.

(5) Customer E is a vehicle sales company incorporated in Sichuan Province, China.

(6) Customer F is a new energy vehicle sales company incorporated in Shanghai, China.

(7) Customer G is a new energy vehicle sales company incorporated in Guangdong Province, China.

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers in each year during the Track Record Period.

**Overlapping of Customers and Suppliers**

During the Track Record Period, certain of our major customers, namely Customer A, Customer B, Customer C and Customer E, Customer F and Customer G also acted as our suppliers. Such overlapping relationships arose as these customers, while serving as our distributors for the sales of new energy intelligent heavy-duty trucks, also provide after-sales maintenance services and/or promotion services to us for our vehicles. The dual roles of these counterparties reflect the close and mutually supportive nature of our collaboration with distributors, which is commercially reasonable and consistent with common industry practice.

Customer A, one of our five largest customers in each year during the Track Record Period, was also one of our suppliers in 2024 and 2025. Our purchase of after-sales maintenance services and promotion services from Customer A amounted to RMB0.5 million and RMB1.0 million in 2024 and 2025, respectively, representing less than 1% of our total purchase amount for the same years.

Customer B, one of our five largest customers in 2024 and 2025, was also one of our suppliers in 2025. Our purchase of promotion services from Customer B amounted to RMB78.7 thousand in 2025, representing less than 1% of our total purchase amount for the same year.

Customer C, one of our five largest customers in 2024 and 2025, was also one of our suppliers in 2024 and 2025. Our purchase of promotion services from Customer C amounted to RMB1.2 million and RMB0.4 million in 2024 and 2025, respectively, representing less than 1% of our total purchase amount for the same years.

Customer E, one of our five largest customers in 2024, was also one of our suppliers in 2024. Our purchase of promotion services from Customer E amounted to RMB24.2 thousand in 2024, representing less than 1% of our total purchase amount for the same year.

Customer F, one of our five largest customers in 2025, was also one of our suppliers in 2024 and 2025. Our purchase of after-sales maintenance services from Customer F amounted to RMB13.8 thousand and RMB65.2 thousand in 2024 and 2025, respectively, representing less than 1% of our total purchase amount for the same years.

Customer G, one of our five largest customers in 2025, was also one of our suppliers in 2025. Our purchase of promotion services from Customer G amounted to RMB55.3 thousand in 2025, representing less than 1% of our total purchase amount for the same year.

During the Track Record Period, one of our five largest suppliers in each year during the Track Record Period, namely Supplier A, was also one of our customers in 2024 and 2025. Supplier A is an automobile components manufacturer, who manufactures and provides the e-axle applied to our vehicles. During the course of our collaboration, we occasionally supplied limited quantities of auxiliary materials and components to Supplier A upon its ad hoc requests. Accordingly, we generated a

small amount of revenue from Supplier A of nil, RMB17.9 thousand and RMB66.9 thousand in 2023, 2024 and 2025, respectively, representing less than 1% of our total revenue for the same years. The selling prices were generally in line with those charged for comparable items, taking into account the surplus nature of such materials and components.

Our Directors confirm that (i) such overlapping customer-supplier relationships represented normal commercial arrangements in the ordinary and usual course of business, (ii) the terms of these transactions were fair and reasonable, and (iii) such arrangements did not have any adverse impact on our operational independence, pricing mechanisms or business arrangements. We are not reliant on such overlapping relationships. Save as disclosed above, to the best of our knowledge, none of our five largest suppliers during each year or period of the Track Record Period was a customer of us, and none of our five largest customers during each year or period of the Track Record Period was a supplier of us.

**Finance Lease Arrangements**

During the Track Record Period, we collaborated with one qualified finance lease company, which is an Independent Third Party specializing in the provision of financial leasing services within the Chinese Mainland, to offer financing solutions to an end-customer that required assistance with its capital needs. Before entering into such arrangements, we implemented a comprehensive decision-making mechanism to determine the amount of guarantees to be provided and this end-customer for whom we would act as guarantor. Such decision was made on an arm's length basis through negotiations with the customer and finance lease company, taking into account our assessment of the customer's default risk, our relationship with the customer and an in-depth risk-benefit analysis.

As requested by the finance lease company, we provided guarantees in relation to the finance lease arrangement for that customer. The maximum exposure to such customer was nil, RMB13.6 million and RMB9.0 million in 2023, 2024 and 2025, respectively, representing nil, 10.9% and 1.7% of our total revenue for the same years. As of the Latest Practicable Date, we had not been required to perform any guarantee obligations. Such arrangements are consistent with common industry practice according to Frost & Sullivan.

**Third-Party Payment Arrangements**

***Background and Implications Relating to Third-Party Payment Arrangements***

During the Track Record Period, certain of our customers (individually or collectively, the "**Relevant Customer(s)**") settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales agreements. In 2023, 2024 and 2025, the number of the Relevant Customers was nil, 17 and 38, respectively. The aggregate amount settled in relation to the Relevant Customers (the "**Third-Party Payment Arrangements**") was nil, RMB20.2 million and RMB41.3 million in 2023, 2024 and 2025, respectively, representing nil, 16.3% and 7.9% as a percentage of our total revenue for the same years. No individual Relevant Customer had made material contribution to our revenue during the Track Record Period.

The Relevant Customers settled their payments through bank transfer. To the best of our knowledge, the designated third-party payors primarily consisted of (i) authorized financial institutions engaged by the Relevant Customers under finance lease arrangements to which we were not a party; (ii) persons or entities affiliated with the Relevant Customers; (iii) other third-party payors such as

downstream customers who make direct payments to us for sales entered into through our distributors. According to Frost & Sullivan, it is common commercial practice for businesses in the road freight industry in the Chinese Mainland to settle their payments through third-party payors with their suppliers or customers for convenience and flexibility. To the best knowledge of our Directors, the Relevant Customers mainly utilized Third-Party Payment Arrangements because:

(i) certain Relevant Customers may, from time to time, satisfy their financing needs through finance lease arrangements entered into with authorized financial institutions, to which we are not a party. Under such arrangements, it is also common for authorized financial institutions to make payments to us directly pursuant to such financing arrangements to ensure that the funds are used solely for the intended purpose in accordance with the agreed financing arrangement, which is in line with common commercial practice for financing arrangement to ensure the use of funds complies with the terms of the financing arrangements and reduces risks of fund misappropriation, according to Frost & Sullivan;

(ii) it is more convenient for or in line with the internal financial management practice of some Relevant Customers to use the accounts of certain affiliated persons such as their legal representatives or actual controllers (and/or their family members) or accounts of associated entities; and

(iii) Third-party payments were made in certain circumstances for general commercial reasons, including administrative convenience and the facilitation of business operations.

During the Track Record Period, we implemented internal control measures to monitor and manage the Third-Party Payment Arrangements. We required the Relevant Customers to provide us with the relevant information including, among other things, the identity of the involved designated third-party payors and their account information. We identify the Relevant Customers with reference to (i) where a designated third-party payor is authorized by a written confirmation of delegation or third-party payment agreement, the Relevant Customer's identity under such arrangement; (ii) in the absence of a written confirmation of delegation or third-party payment agreement, if the third-party payor is an affiliated person or affiliated entity of a contracting customer, the Relevant Customer's identity based on the underlying sales agreement; and (iii) where neither of the foregoing applies, direct confirmation with the contracting customer to match the payment with the corresponding transaction. Furthermore, we also met with our customers periodically to understand the nature of their businesses, business models and ownerships. Based on the above, our Directors believe that the Third-Party Payment Arrangements during the Track Record Period, to the best of our knowledge, have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period and up to the Latest Practicable Date, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Customers' requests. To the best of our knowledge, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those customers not involved in the Third-Party Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or

surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

As advised by our PRC Legal Advisor, in light of the above, our Third-Party Payment Arrangements during the Track Record Period and as of the Latest Practicable Date were not in breach or contravention of mandatory requirements of applicable laws or regulations in China. Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the know-your-customer procedures and internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships, and (ii) there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements.

During the Track Record Period, to the best knowledge of our Directors, all other Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were Independent Third Parties.

***Enhanced Internal Control Measures of Third-Party Payment Arrangements***

To safeguard our interest against risks associated with Third-Party Payment Arrangements, we have significantly enhanced and implemented various internal control measures in order to rectify Third-Party Payment Arrangements.

*Payment Arrangements with Authorized Financial Institutions*

During the Track Record Period, all the authorized financial institutions engaged by the Relevant Customers under finance lease arrangements were Independent Third Parties of our Group. These authorized financial institutions possess the requisite qualifications to provide finance lease services in the Chinese Mainland subject to stringent regulatory oversight and compliance requirements, which help ensure transparency and risk control in their business processes. Accordingly, we believe risks associated with third-party payment arrangements relating to such authorized financial institutions are low. In addition, we have implemented enhanced internal control measures to further mitigate potential payment risks:

(i) going forward, we will seek to enter into standardized tri-party arrangement agreements with our customers and their designated authorized financial institutions. The tri-party arrangement agreements will specify the customer's delegation of its payment obligation to authorized financial institution and list the relevant finance lease agreement entered into between such customer and the authorized financial institution as an appendix thereto. Accordingly, the designated authorized financial institution will become a party to the relevant tri-party arrangement agreement and will assume liability for the corresponding payments in accordance with the prescribed terms set out therein; and

(ii) for authorized financial institutions who have not entered into, or unable to enter into our standardized tri-party arrangement due to their commercial arrangements, we will obtain from our customer complete information of the relevant authorized financial institutions, finance lease agreements entered into between such customer and the authorized

financial institutions and other relevant documents to verify the identity and bank accounts of the authorized financial institutions making payments to us;

(iii) additionally, we have maintained a whitelist of bank accounts of the authorized financial institutions making payments to us pursuant to finance lease agreements entered into with downstream customers. Payments made from accounts not included in the whitelist will not be accepted. Instead, our finance department will conduct manual verification and request the relevant payment arrangement agreement specifying the designated authorized financial institution, the sales agreement and payment remark or other supporting information to confirm that the payment originated from our downstream customers.

*Other Third-Party Payment Arrangements*

Our efforts to rectify the other Third-Party Payment Arrangements include, among other things:

(i) we have implemented the Third-Party Payment Arrangements rectification measures and informed our employees regarding the enhanced internal control measures;

(ii) we have maintained a whitelist bank accounts of our contractual counterparties. Payments received from accounts that are not included in the whitelist accounts will not be accepted. Instead, our finance department will conduct manual verification and request the relevant tri-party payment arrangement agreement specifying the designated third-party payor, the sales agreement and payment remark or other supporting information to confirm that the payment originated from our downstream customers;

(iii) going forward, we will enter into standardized tri-party arrangement agreements with downstream customers and their designated third-party payors, under which the third-party payor delegated by such customer becomes a party to the relevant sales agreements with us and becomes jointly liable with the underlying customer for payments thereunder; and

(iv) to prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we further strengthened our know-your-customer procedures to gain a comprehensive understanding of our customers and performing verification of payment details against our records to confirm payments are made in accordance with the agreements. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction.

Pursuant to the enhanced internal control measures, we only allow payments (i) directly from the accounts of the customers, including the aforementioned parties to the tri-party arrangement agreement, or (ii) if not directly from the accounts of the customers, through the authorized financial institutions which make payments to us directly pursuant to the relevant finance lease agreements with our customers. As of the Latest Practicable Date, we had ceased all the Third-Party Payment Arrangements, except for certain payment arrangements with financial leasing companies under the finance lease arrangements for which we have relevant enhanced internal control measures to govern such arrangements going forward.

Our Directors consider that the rectification of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, taking into account its relationship with its customers, liquidity, business operation and financial performance, as (i) the majority of the Relevant Customers cooperated with our rectification process; and (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us, under which we typically require our Relevant Customers to settle deposits before we provide our vehicles.

We will review the effectiveness of our internal control measures in relation to the Third-Party Payment Arrangements from time to time and promptly address any abnormalities. Based on the review of the implementation of the abovementioned measures, our Directors are of the view that such measures are effective and adequate in identifying the sources of funds from the Relevant Customers, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with Third-Party Payment Arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations. Our Directors will oversee the effectiveness of these measures in the future.

## QUALITY CONTROL

### Quality Control Measures

We collaborate with our contract assembly partners to produce the new energy intelligent heavy-duty trucks with defined quality control arrangements and requirements. For details, see "— Supply Chain Management — Contract Assembly." We have established a comprehensive quality monitoring system, and our contract assembly partners have established a comprehensive quality control system in accordance with the statutory requirements and our requirements, which covers all stages of the truck production at our partner facilities. Our quality monitoring system is implemented through multiple layers, including self-inspection, in-process inspection, functional testing after assembly and final inspection by our dedicated inspectors before the storage of the new energy intelligent heavy-duty trucks. In addition, pursuant to statutory requirements and subject to our monitoring, our contract assembly partners have established a standardized management framework for monitoring and measurement equipment across our contract assembly partner facilities, ensuring that all inspection, testing and measurement devices used in the production process are subject to unified procurement, acceptance, registration and lifecycle management, and are calibrated or verified in accordance with applicable national standards or internal specifications prior to use. All such equipment is clearly labeled with calibration status and validity, and only qualified equipment within its effective calibration period is permitted to be used in production and quality inspection activities. We also require, and will verify that, our contract assembly partners to maintain centralized and department-level equipment registers, implement periodic calibration plans with a target calibration coverage rate of 100%, and ensure traceability of measurement data through certified calibration records and documentation.

Our quality monitoring system further incorporates strict requirements on the proper use, maintenance and periodic verification of measurement equipment, including routine inspection, maintenance and timely repair and re-calibration of any malfunctioning devices prior to reuse, thereby preventing inaccurate measurements and ensuring reliability of inspection results.

We have implemented a comprehensive quality accountability designed to prevent defects from entering, being created during, or moving through our production process. This framework is supported by our routine checks during the assembly process, as well as final inspection before the storage, with clearly defined responsibility assigned to the relevant contract assembly partners. Under this framework, quality issues are intended to be identified and escalated in a timely manner, traced to their underlying causes, and addressed through corrective actions and process changes to reduce the likelihood of recurrence.

### Warranty and After-Sale Services

Supported by a comprehensive warranty system and dedicated after-sales service infrastructure, we are committed to providing high-quality and responsive support throughout the full lifecycle of our vehicles. As of December 31, 2025, we had maintained an extensive network of over 250 service stations across the Chinese Mainland. A 24-hour service hotline, remote diagnostics, and an AI-assisted service management system enable rapid fault identification and dispatch coordination. We commit to providing definite after-sales support, with initial response to customer requests within 30 minutes and 24-hour emergency repair coverage. For fleet customers, we offer one-stop lifecycle management services and customized maintenance solutions to optimize vehicle availability, operational efficiency and the total cost of ownership.

We offer differentiated warranty periods depending on the specific characteristics of different components and systems. We generally offer a warranty period of 36 months for our new energy heavy duty trucks with no mileage limit from the date of vehicle delivery, while key components and parts including the e-axle, by-wire chassis system, gearbox, battery, and VCUs are covered from 6 months up to 96 months or on mileage depending on their types. During the warranty period, any faults arising from design, manufacturing, assembly, or material defects are repaired free of charge after verification. All of our warranty policies are formulated in compliance with applicable laws and relevant industry standards.

We have established an extensive service network to provide customers with repair, maintenance, and other after-sales services. In particular, we cooperate with authorized third-party to operate our service stations in designated regions to carry out vehicle maintenance and warranty services, while maintaining unified service standards and quality supervision across all service outlets. Prior to vehicle delivery, our service personnel or authorized maintenance partners conduct a comprehensive pre-delivery inspection comprising over 60 inspection items to check the overall vehicle condition. We further require all of our vehicles to undergo a mandatory break-in maintenance service at 5,000 km or three months since the receipt of vehicle, which we provide free of charge including labor and materials, to ensure optimal vehicle condition during the initial service period. We also provide comprehensive training for our service personnel and authorized partners to ensure consistent, high-quality services across our network.

During the Track Record Period, we did not experience any material product recalls, large-scale returns, or product liability claims. All identified warranty or quality-related incidents were resolved through standard after-sales processes without any material disputes or penalties. During the Track Record Period, we did not receive any major complaints or penalties for these issues.

## PATH TO PROFITABILITY

As a global leader in new energy intelligent heavy-duty truck technology, we have been dedicated since inception to the research and innovation of cutting-edge full-stack solutions across the vehicle platform and autonomous driving, providing customers with new energy intelligent heavy-duty trucks and RoboTruck solution to improve operational efficiency, reduce costs, and enhance safety in road freight transportation. The new energy intelligent heavy-duty truck and RoboTruck solution industry is characterized by high barriers to entry, including the reliance on forward engineering and vertically integrated technological know-how, the complexity of translating autonomous driving and vehicle technologies into commercially viable vehicles, the extended and research-intensive development cycle required to achieve large-scale deployment, and the necessity of coordinating fragmented value chain players spanning battery suppliers, energy replenishment operators, contract assembly partners, and after-sales service networks, all of which require substantial upfront investment. In the early stages of our operations, we focused on executing our development strategy, building up our full-stack vehicle platform and autonomous driving technology capabilities, and scaling up our offerings, rather than pursuing short-term financial returns or profitability. As a result, we invested significant resources in

strengthening R&D capabilities, expanding our vehicle portfolio including the launch of our Awaken and Ripen models, growing our sales and distribution network, and enhancing our brand image, laying a solid foundation for long-term development and growth. This also led to certain losses during our Track Record Period. In 2023, 2024 and 2025, we incurred net losses of RMB114.3 million, RMB240.8 million, and RMB280.7 million, respectively.

With the expansion of our offerings and significant growth in sales volume, our revenue increased substantially during the Track Record Period, amounting to RMB1.2 million, RMB124.1 million and RMB522.2 million in 2023, 2024 and 2025, respectively. During the same periods, our gross loss margin narrowed significantly from 287.2% in 2023 to 34.7% in 2024 and further to 2.5% in 2025, and notably, the gross loss margin of our Ripen model has been further improved to a gross loss margin of 0.4% in 2025. While our operating expenses increased in absolute terms to support our business expansion, our revenue grew at a significantly faster pace. As a result, in 2025 our operating expenses accounted for 43.5% of our revenue, reflecting a substantial improvement in our operating efficiency.

**Expanding Volume and Revenue Growth**

Our business is experiencing a phase of rapid growth, with revenue increasing by 320.8% from RMB124.1 million in 2024 to RMB522.2 million in 2025. We expect that our revenue will continue to grow as a result of the following factors:

- ***Leverage industry tailwinds and our leading market position***. Benefiting from the growing demand for cost reduction and efficiency improvement in heavy-duty truck operations, continuing technological advancement in electrification and intelligent driving, and favorable government policies, the global new energy intelligent heavy-duty truck and autonomous trucking markets are expected to maintain a high pace of growth. According to Frost & Sullivan, driven by the overall growth of the global road freight market, the global market size of new energy heavy-duty trucks is expected to grow from 360.0 thousand units in 2026 to approximately 1.2 million units in 2030 by sales volume, representing a CAGR of 34.1% from 2026 to 2030, while the penetration rate of new energy intelligent heavy-duty trucks increased from 6.3% in 2025 to 33.9% in 2030. Meanwhile, the global market size of autonomous heavy-duty truck solution is projected to reach RMB192.4 billion by revenue in 2030, with a CAGR of 209.8% from 2026 to 2030. This vast market is characterized by various entry barriers, including the barriers of vehicle manufacturing technology, algorithm and data accumulation, and ecosystem development. According to Frost & Sullivan, we were the first company globally to possess both forward-engineering vehicle development capabilities and an end-to-end MLLM for heavy-duty truck autonomous driving; we have achieved the industry's highest level of integration and transmission efficiency for mass-produced e-axles; and we are the fastest emerging new energy heavy-duty truck company globally to surpass 1,000 units in annual sales since establishment. Going forward, we expect to reinforce our market leading position and achieve sustainable growth by further leveraging our competitive advantages in technology, vehicle portfolio, and sales network, while continuing to improve our gross margin profile as we scale up.

- ***Enhance our vehicle portfolio and expand RoboTruck solution***. Powered by our forward-engineered vehicle platforms and vertically integrated core technologies, we have developed a comprehensive and scalable vehicle portfolio. We commenced pilot sales of Awaken in 2023. In 2024, we formally launched and commenced commercialization of the Awaken and Ripen models, achieving a sales volume of 272 units new energy intelligent heavy-duty trucks for that year. The sales volume of our new energy heavy-duty trucks substantially increased to 1,176 units in 2025, primarily attributable to our advanced technological strengths in vehicle design, increased market recognition of our brand and vehicles, and the continued expansion of our sales network. We plan to continue iterating our existing Awaken and Ripen models and launching new vehicle versions. We also intend to gradually expand into long-haul transportation applications by collaborating with strategic

partners to launch battery swapping models and extend driving range. Furthermore, we are advancing the commercialization of our RoboTruck solution by expanding applicable operating scenarios, and we expect to introduce a technology service fee-based revenue model. Through the continuous expansion and diversification of our offerings, we aim to broaden our market reach, create diversified revenue streams and establish multiple sustainable growth drivers.

- ***Expand sales network and enter new geographies***. We plan to continue to strengthen and expand our distributor network domestically, increasing the breadth and depth of coverage in core markets nationwide. Our distribution network has grown rapidly, from nil as of December 31, 2023 to 33 as of December 31, 2024, and further to 98 as of December 31, 2025. At the same time, we intend to further strengthen our business development and sales capabilities through the expansion of our sales networks and collaboration with strategic partners to accelerate vehicle certification and sales efforts in our target markets. We also plan to strengthen our brand presence through a combination of online and offline media marketing and promotional campaigns, as well as the promotion of successful application cases, effectively translating our technological strengths into brand recognition and tangible commercialization outcomes.

**Improving Gross Margin Profile**

Our ability to improve our margin profile is critical to achieving profitability. Our gross loss margin narrowed significantly from 287.2% in 2023 to 34.7% in 2024 and further to 2.5% in 2025, primarily due to decreasing average raw material and manufacturing cost per vehicle as delivery volume increased. Specifically, our Ripen model achieved a gross loss margin of 0.4% in 2025, and our RoboTruck solution recorded a gross profit margin of 4.3% in its first year of commercialization. We expect a continuously improved gross margin as we scale up, and we intend to achieve this by:

- ***Sustained technological innovation and vehicle design optimization.*** Sustained technological innovation is critical to improving our cost structure and gross margin. We continue to iterate on our proprietary core technologies, such as our Matrix four-in-one e-axle, multi-source heat pump thermal management system and intelligent vehicle control system, to enhance vehicle energy efficiency, lightweight design and overall vehicle performance for lower per-unit material consumption and reduced energy costs for end users. In addition, our platform-based R&D strategy promotes extensive reuse and standardization of key components, core subsystems, and structural parts across vehicle models, accelerating development cycles, reducing marginal development costs, and improving manufacturing scalability.

- ***Battery cost optimization and supplier diversification.*** Raw material costs, in particular batteries, e-axles and other key components, constituted the largest component of our cost of sales. The improvement in our gross loss margin from 34.7% in 2024 to 2.5% in 2025 was mainly attributable to our engagement with a new battery supplier for Ripen at more favorable prices. We plan to continue optimizing and diversifying our supplier base by introducing secondary and tertiary suppliers for key components, including batteries. This approach is expected to strengthen our bargaining position, secure more competitive pricing and procurement terms, improve supply continuity and resilience, and mitigate supply chain risks. We manage the price volatility of raw materials and components through a price-comparison procurement mechanism and strict procurement budget control.

- ***Economies of scale in procurement and manufacturing.*** As our sales volumes continue to increase, we expect the average unit cost of our new energy intelligent heavy-duty trucks to gradually decrease. Higher production volumes are expected to improve the absorption of fixed manufacturing costs, such as engineering molds and tooling, and larger-scale procurement and enhanced supply-chain coordination are expected to improve purchasing

efficiency and reduce per-unit component costs. The improvement in our 2025 gross loss margin was also attributable to a reduction in per-unit manufacturing costs, as higher production volume allowed the depreciation and amortization of engineering molds to be allocated over more vehicles.

- ***Diversified revenue streams from higher-margin RoboTruck solution.*** Our RoboTruck solution achieved a gross profit margin of 4.3% in 2025, its first year of commercialization, primarily because our vehicles equipped with our proprietary by-wire chassis designed for autonomous driving under the RoboTruck solution, embody higher technology content and command higher selling prices. Going forward, we expect to further improve our margin profile as we ramp up the deployment of our RoboTruck solution, leveraging vehicle data-driven insights from our delivered vehicles to streamline operations and capture sustainable and promising revenue model.

**Achieving Operating Leverage**

During the Track Record Period, we incurred significant operating expenses, including research and development costs, selling expenses, and administrative expenses, to develop and iterate our vehicle models and enhance our brand recognition. In the near to medium term, we will continue to invest in our R&D, vehicle development, selling and marketing activities, as well as sales and service network expansion. As we continue to scale up and our brand becomes more well-known, the operating expenses as a percentage of revenue is expected to decrease.

The following table sets forth a summary of our operating expenses in absolute amounts and as a percentage of our revenue for the periods presented:

| | For the year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Research and development costs | (71,423) | (6,141.3) | (116,166) | (93.6) | (126,038) | (24.1) |
| Administrative expenses | (24,799) | (2,132.3) | (41,283) | (33.3) | (53,778) | (10.3) |
| Selling expenses | (3,754) | (322.8) | (24,799) | (20.0) | (47,473) | (9.1) |

- *Research and development costs*. Our research and development costs amounted to RMB71.4 million, RMB116.2 million, and RMB126.0 million in 2023, 2024 and 2025, respectively, accounting for 6,141.3%, 93.6%, and 24.1% of our revenue in the same years. The significant decline as a percentage of revenue reflects our substantial revenue growth while we dedicated significant resources to building full-stack in-house development capabilities. Looking forward, our research and development costs are expected to increase as we continue to invest in autonomous driving algorithms, vehicle hardware technologies including our next-generation vehicle platform and e-axle of higher power-density, and the expansion of our offerings. However, our research and development costs as a percentage of revenue are expected to decrease as our revenue continues to grow and we leverage our platform-based R&D strategy, which promotes extensive reuse and standardization of key components, core subsystems, and structural parts across vehicle models, enabling us to apply the latest proprietary technologies across all new energy intelligent heavy-duty truck models with shorter development cycles and higher cost efficiency. Employee compensation expenses constituted an important portion of our research and development costs, which accounted for 65.8%, 64.5%, and 58.8% of total research and development costs in 2023, 2024 and 2025, respectively. Such expenses do not grow proportionally with our sales volume or revenue, thus allowing us to benefit from the economies of scale.

- *Administrative expenses*. Our administrative expenses amounted to RMB24.8 million, RMB41.3 million, and RMB53.8 million in 2023, 2024 and 2025, respectively, accounting for 2,132.3%, 33.3%, and 10.3% of our revenue in the same years. During the Track Record

Period, the increase of our administrative expenses was primarily driven by an increase in staff costs as we expanded our administration team to support operational expansion, and increases in professional service expenses with respect to equity financing activities. We expect our administrative expenses to increase as our business continue to expand, but to decrease as a percentage of revenue. The majority of our administrative expenses consist of employee compensation expenses, which accounted for 56.5%, 65.5%, and 62.6% of total administrative expenses in 2023, 2024 and 2025, respectively. which do not grow proportionally with our sales volume and revenue.

- *Selling expenses*. Our selling expenses amounted to RMB3.8 million, RMB24.8 million, and RMB47.5 million in 2023, 2024 and 2025, respectively, accounting for 322.8%, 20.0%, and 9.1% of our revenue in the same years. The increase in selling expenses was primarily driven by the expanded headcount and recruitment of more experienced sales professionals to support our business expansion, and the increased sales and marketing efforts. We expect our selling expenses to increase alongside our business expansion in the future but to decrease as a percentage of revenue, as the majority of selling expenses consist of employee compensation expenses, which accounted for 74.0%, 61.9%, and 64.1% of total selling expenses in the respective years, which do not grow proportionally with our sales volume and revenue. Furthermore, as our brand awareness strengthens and our distributor network matures, we expect incremental sales to be achieved with lower marginal selling costs per unit sold.

**Enhancing Working Capital Efficiency**

We also expect to improve our cash flow position by continuously enhancing working capital efficiency and disciplined liquidity management. On the receivables side, we generally require both direct sales customers and distributors to pay deposits shortly after signing sales agreements, with remaining balances settled within prescribed periods, and we will continue to monitor collection cycles and enforce payment terms to maintain efficient cash conversion. On the payables side, we review supplier payment terms, negotiate favorable credit arrangements, and utilize bills payable for raw material procurement where appropriate to extend payment cycles and reduce immediate cash outflows while preserving stable supplier relationships. On the inventory side, we adopt a made-to-order approach, produce and deliver vehicles based on confirmed dealer orders after receiving purchase orders and deposits, track inventories through a centralized digital management system, and conduct advance procurement only for components with long procurement cycles or limited supply based on sales forecasts. Through these measures, we aim to align working capital deployment with actual market demand, improve liquidity as our production and delivery volumes scale, and support sustainable business expansion.

## DATA PRIVACY AND SECURITY

In the course of our business operations, we mainly collect, store and process data relating to transactions with and services provided corporate customers, such as their names, delivery addresses, contact information, order details vehicle data and data related to the vehicle driver and fleet operation. We did not have any cross-border data transactions during the Track Record Period, and we are not an operator of a network platform or an operator of a critical information infrastructure under the Cybersecurity Review Measures. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the laws and regulations related to data security in all material aspects.

However, in recent years, data privacy and cybersecurity have become critical governance priorities for companies globally. This is relevant as the PRC legislature and government authorities may introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, use, storage, disclosure and transfer of various types of data may be subject to increased administrative scrutiny. We have engaged a qualified map provider with a Class A

Surveying and Mapping Qualification Certificate (甲級測繪資質證書) for collecting, processing, and storing data in the course of our operations. See "Risk Factors — Risks Related to Our Business and Our Industry — We collect, process and store data relating to vehicles, drivers and fleet operations, and any failure to protect such data or comply with applicable data protection laws may materially and adversely affect our business, reputation and results of operations."

## COMPETITION

The road freight industry's technological evolution has followed a clear trajectory, from traditional fuel-powered heavy-duty trucks to electrified, digitalized new energy intelligent heavy-duty trucks, and ultimately to autonomous heavy-duty trucks with end-to-end operations. Currently, we mainly compete with traditional heavy-duty truck manufacturers, construction machinery manufacturers and New Force. Competitors differentiate themselves across vehicle platform design, electrified architecture, autonomous driving capability, vehicle performance and reliability, cost efficiency, delivery scale, sales and service network, supply chain resources, ecosystem partnerships and customer experience. According to Frost & Sullivan, we are the world's second-largest emerging new energy heavy-duty truck emerging company by sales volume in 2025, with the fastest sales growth rate in the industry in that year. According to Frost & Sullivan, we are also one of the few companies in the world that develops new energy intelligent heavy-duty trucks through a vertically integrated and forward engineering approach while also possessing end-to-end autonomous driving technology. We believe our forward-engineered vehicle platform, proprietary core technologies, ZSD system, scalable delivery capabilities and growing commercialization ecosystem position us to compete effectively as the new energy intelligent heavy-duty truck and autonomous trucking markets continue to develop. See "Risk Factors — Risks Related to Our Business and Our Industry — The market for new energy intelligent heavy-duty trucks is evolving and highly competitive."

## INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business. We currently hold many intellectual properties related to our core technologies, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright, domain name, trade secret and other proprietary rights protection laws in the PRC as well as confidentiality procedures and contractual provisions to protect our intellectual properties.

As of the Latest Practicable Date, we had 84 registered patents and 231 pending patent applications in the PRC. As of the Latest Practicable Date, we had 14 trademarks, 43 copyrights and one domain name registered in the PRC. For details of our material intellectual property rights, see "Appendix VI — Statutory and General Information — Further Information About the Business of the Company — Intellectual Property Rights."

We have used our best efforts to comply with applicable intellectual property laws. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any material intellectual property infringement actions brought by third parties. Our Directors further confirm that that we were not involved in any material intellectual property infringement actions that, individually or in the aggregate, would have a material and adverse effect on our business, financial condition and result of operations. For details, see "Risk Factors — Risks Related to the Business and Our Industry — We may receive claims of intellectual property infringement, which could be costly to defend and adversely affect our business and results of operations."

We protect our intellectual property through strategic planning, such as submitting intellectual property registrations and applications, anti-counterfeiting mechanism, especially for trademarks and designs, and litigation mechanism to defend against any existing or potential intellectual property infringement. Despite our efforts, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business and

results of operations. For details of related risk, see "Risk Factors — Risks Related to Our Business and Our Industry — Our intellectual property rights may not be adequately protected, and our patents and applications may not be granted, maintained or enforced, which could adversely affect our business."

## EMPLOYEES

As of December 31, 2025, we had 252 full-time employees in total, and all of them were located in the Chinese Mainland. The following table sets forth the number of our employees categorized by function as of December 31, 2025.

| Functions | Number of employees | Percentage |
|---|---|---|
| Research and Development | 123 | 48.8% |
| Sales and Marketing | 69 | 27.4% |
| General Administration | 46 | 18.2% |
| Procurement | 14 | 5.6% |
| **Total** | **252** | **100.0%** |

We recruit our employees through recruitment websites, recruiters and internal referrals. In compliance with the relevant PRC laws and regulations, we enter into standard employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. We also enter into standard confidentiality and non-compete agreements with all our employees.

Although we have not established a labor union to represent our employees for employee affairs, we believe that we have maintained good working relationships with our employees. Recognizing the importance of talent cultivation, we offer a diverse array of the training and professional development opportunities to equip our employees with the technical expertise and competence required for their respective functions, while supporting their long-term career advancement. Every new employee participates in a comprehensive onboarding program with systematic trainings tailored to their functions and responsibilities, covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to our business. During daily operations, we organize both regular and ad-hoc, online and offline training programs to continuously foster the professional skills for our employees at all levels.

During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operation.

## INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations, and personal accident insurance. During the Track Record Period, we did not make any material insurance claim in relation to our business. See "Risk Factors — Risks Related to Our Business and Our Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims."

## AWARDS AND RECOGNITIONS

The following table summarizes the major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date.

| Year Granted | Awards or Recognitions | Granting Authority |
|---|---|---|
| 2026 | Hurun Global Gazelle Enterprise (胡潤全球瞪羚企業) | Hurun Research Institute (胡潤研究院) |
| 2025 | Specialized, Refined, Differential and Innovative Small and Medium-sized Enterprise (專精特新中小企業) | Industry and Information Technology Department of Jiangsu (江蘇省工業和信息化廳) |
| 2025 | China Artificial Intelligence Top500 (中國人工智能500強) | DBC, CIW, CIS (DBC、CIW、CIS) |
| 2025 | Forbes China Top100 Investment Value Startups List (福布斯中國投資價值初創企業百強榜) | Forbes (福布斯) |
| 2024 | China's Most Investment-worthy Enterprises in Technology Mobility Industry Ranking (中國科技出行產業最具投資價值企業排行榜) | EO Auto (億歐汽車) |
| 2024 | 2024 China Top100 Technological Innovation Brands (2024中國科技創新品牌100強) | Xiou Network, Asian International Brand Research Institute (希鷗網、亞洲國際品牌研究院) |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

We attach great importance to the ESG matters and have formulated the Environmental and Social Responsibility Management Policy to incorporate ESG responsibilities into our business management. Our ESG management focuses on vehicle life-cycle management, environmental risk management, climate change response, resource recycling and utilization, employee career development, supply chain responsibility, and business ethics and compliance. Through institutionalized management, we seek to support the development of a safe, efficient and low-carbon smart logistics ecosystem.

### ESG Governance

#### *ESG Strategy*

With a focus on autonomous trucking, we integrate ESG principles into every stage of our operations, from R&D to supply chain and business management. Our ESG initiatives emphasize (i) environmental and climate-related topics, including greenhouse gas ("**GHG**") emissions, energy use, water use, waste management and vehicle life-cycle environmental impacts; (ii) product responsibility and safety topics, covering the design and development of autonomous heavy-duty trucks, whole-vehicle testing, component verification, product quality and vehicle safety validation; (iii) supply chain topics, including supplier development, admission, evaluation, delivery tracking and quality control of outsourced components; (iv) employee-related topics, including equal employment, remuneration and benefits, employee training, career development, and occupational health and safety; and (v) governance-related topics, including risk management, internal audit, compliant operations, business ethics, confidentiality and intellectual property protection.

In terms of environmental responsibility, our Environmental and Social Responsibility Management Policy emphasizes vehicle life-cycle carbon footprint control, environmental risk management, climate change response, and the recycling and efficient use of resources. In terms of social responsibility, we have established policies including the employee handbook, human resources management procedure, recruitment policies and training management policies to govern employee recruitment, compensation and benefits, training and professional development. In terms of product and supply chain responsibility, we uphold quality and compliance in vehicle development and supplier management through procedures covering design and development, whole-vehicle testing, component verification, vehicle change control and procurement management.

***Environmental Performance Indicators and Targets***

For environmental impacts arising from our operations, we have gradually established data collection and management mechanisms for environmental indicators such as GHG emissions, energy use, water use, logistics transportation, and office and operational waste.

***GHG Emissions***

We classify greenhouse gas emissions into Scope 1, Scope 2 and Scope 3 in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard. Based on existing data on energy, fuel, business travel, accommodation, logistics transportation and downstream processing electricity use, we have calculated Scope 1, Scope 2 and part of Scope 3 emissions. Scope 1 emissions mainly comprise direct emissions from fuel combustion from sources owned or controlled by us; Scope 2 emissions mainly arise from purchased electricity; and Scope 3 emissions mainly include indirect emissions from employee business travel, accommodation, vehicle transportation and distribution, and downstream processing electricity use. During the Track Record Period, our business operations were limited in 2023 as we were at the initial stage of vehicle design and development, and launched and commercialized our first vehicle model in 2024.

Vehicle transportation and distribution is an important component of our Scope 3 emissions during the Track Record Period. We calculate emissions from road transportation of vehicle based on detailed data such as transportation weight, distance and mode. Emissions from road transportation of vehicle were approximately 118.6 tCO2e and 1,320.9 tCO2e in 2024 and 2025, respectively, with the significant increase mainly attributable to the expansion of vehicle transportation activities during the period. The table below sets forth our GHG emissions during the indicated years.

| | | For the year ended December 31, | |
|---|---|---|---|
| **Metrics** | **Unit** | **2024** | **2025** |
| Scope 1 GHG emissions | $tCO_2e$ | 284.1 | 306.9 |
| Scope 2 GHG emissions | $tCO_2e$ | 205.4 | 224.7 |
| Scope 3 GHG emissions | $tCO_2e$ | 842.3 | 2,070.8 |
| **Total GHG emissions intensity[(1)]** | **$tCO_2e$/RMB million** | **10.7** | **5.0** |

*Notes:*

(1) The change in total GHG emissions intensity was mainly affected by fluctuations in revenue during the year, as revenue increased at a higher rate than the increase of total GHG emissions driven by higher volume of road transportation for our vehicles recorded under Scope 3 GHG emissions.

### *Resource Use and Waste Management*

Our major resource use includes purchased electricity, purchased photovoltaic electricity, gasoline consumption, water resources and office and operational resource consumption. To support low-carbon operations and environmental performance data management, we purchased photovoltaic electricity in addition to conventional purchased electricity in 2025, with annual purchased photovoltaic electricity amounting to 117.1 MWh. We separately record purchased photovoltaic electricity as part of our energy structure management, which helps improve the completeness of our energy use profile.

The table below sets forth our resource consumption during the indicated years.

| | | For the year ended December 31, | |
|---|---|---|---|
| **Metrics** | **Unit** | **2024** | **2025** |
| Electricity consumption | MWh | 382.8 | 418.8 |
| Photovoltaic electricity consumption[(1)] | MWh | N/A | 117.1 |
| Water consumption | $m^3$ | 379 | 507 |

*Note:*

(1) Purchased photovoltaic electricity consumption is disclosed to reflect our energy structure and was not included in the GHG emissions calculation.

Waste generated in our operations mainly arises from daily office activities, material receipt and dispatch, and the circulation of samples and components, including courier packaging, strapping, paper, cartons and foam as general solid waste. We have started to record the amount and classification of office and operational waste on a monthly basis and plan to gradually establish a continuous and traceable data foundation. We will also promote classified management of recyclable packaging materials, paper waste and other general waste at office and operating premises, and further improve waste-related statistics and disclosure.

### *Environmental Indicators, Targets and Data Management*

To strengthen greenhouse gas emissions management, environmental indicator statistics and target setting, we have formulated the Greenhouse Gas Emissions Reduction and Environmental Indicators and Targets Management Policy to regulate emissions management, environmental indicator statistics and target setting for our company and subsidiaries. At the current stage, we adopt a data-first approach, using the 2025 data that has been compiled as the reference baseline year, and have set phased targets for GHG emissions intensity. We aim to keep total GHG emissions intensity at no higher than the baseline year level in 2026 while our business scale continues to grow, reduce it by 3% to 5% by 2027 compared with the baseline year, and reduce it by 8% to 10% by 2030 compared with the baseline year.

### Social Responsibility Indicators and Targets

We attach importance to the protection of employee rights, talent development, and occupational health and safety. As a new energy intelligent heavy-duty truck technology company, our business involves research and development design, supply chain coordination, whole-vehicle and component verification, project management and commercialization, which require employees to possess

professional capabilities, quality awareness, collaboration skills and safety awareness. We therefore continue to improve our human resources management and employee training mechanisms to support employee development and our steady operations.

***Employee Diversity and Equal Opportunity***

We adhere to lawful and compliant employment practices, protect the basic rights and interests of employees, and regulate employee recruitment, hiring, labor contracts, remuneration and benefits, leave, performance appraisal, job transfer and separation through the employee handbook, human resources management procedure and recruitment policies. These policies set out the rights and obligations of employees and the company, and require employees to comply with our policies and rules.

***Occupational Health and Safety***

We attach importance to employee occupational health and safety, and maintain the safe operation of office and operating premises through employee conduct requirements, infrastructure management, fire safety requirements and training mechanisms. The employee handbook sets out requirements for employee conduct, no smoking at premises, prohibition of alcohol consumption during working hours, fire safety, professional ethics and avoidance of conflicts of interest, and requires employees to comply with our safety management requirements.

## PROPERTIES

As of the Latest Practicable Date, we operated our business through five leased properties with a total gross floor area of 34,170.5 sq.m. in the Chinese Mainland. Such properties primarily serve as our office and vehicle testing facilities. Our lease agreements in respect of the aforementioned five leased properties generally have expiration dates ranging from one to four years. We plan to renew our leases or negotiate new terms when the existing leases expire. All lessors are Independent Third Parties. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date. We believe that there is sufficient supply of properties in China.

As of December 31, 2025, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

## LICENSES AND PERMITS

We are subject to regular inspections, examinations and audits by local regulators and are required to maintain or renew the necessary permits, licenses and certificates for our business. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits and certifications all remain in full effect. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview" in this document.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulty in obtaining or renewing the required licenses, permits, approvals, and certificates for our business operations. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals and certificates as they expire in future as long as we are in compliance with applicable laws, regulations, and rules.

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material legal or administrative proceedings that could significantly impact our operations, financial position, growth prospects, or reputation. Like all companies in our industry, we may occasionally face routine claims or proceedings arising from normal business activities. For details, see "Risk Factors — Risks Related to Our Operations — We may from time to time be subject to claims, disputes, lawsuits, investigations and other legal or administrative proceedings."

### Compliance

We maintain rigorous compliance with all applicable laws and regulations governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation.

## RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. Our Directors oversee and manage the overall risks associated with our operations. To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have established and maintained risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations. We have adopted, among other things, the following risk management measures:

- **Financial Reporting Risk Management**: We have adopted comprehensive accounting policies and procedures for financial reporting, budget management, and financial statement preparation, supported by ongoing training for finance staff;

- **Information System Risk Management**: We have implemented internal procedures and controls to protect data and comply with data privacy and security requirements;

- **Compliance and Intellectual Property Risk Management**: We have established procedures for regulatory compliance reviews and for protecting intellectual property rights, with the legal department overseeing contracts, licenses, and governmental approvals; and

- **Human Resources Risk Management**: We maintain high recruitment standards, specialized training programs, performance-based remuneration, and regular monitoring of code of conduct compliance.

We have also formulated the Internal Audit Management Policy to regulate internal audit work. Through independent and objective supervision, evaluation and consulting activities, we evaluate and improve the effectiveness of our risk management, internal control and governance procedures. The internal audit department is established with the approval of the Audit Committee of the Board and reports functionally to the Audit Committee, supporting the continuous improvement of our internal control and risk prevention mechanisms.