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OVERVIEW

Who We Are

We are a leading battery-swapping solutions provider in China, focusing on providing safe, efficient, convenient, green and smart battery-swapping solutions for riders of light electric vehicles (“LEV”). We are the fourth largest battery-swapping solutions provider in the LEV battery-swapping industry in terms of revenue in 2025 in China, with a market share of 5.8%, according to Frost & Sullivan.

We provide battery-swapping solutions primarily through self-operated stations as well as through partnerships with local companies that desire to enter the LEV battery-swapping industry (“**business partners**”), relying on our integrated hardware-software operational infrastructure. We have been actively exploring diversified businesses and revenue streams, including sales of battery-swapping related hardware, such as self-developed lithium batteries, chargers and adapter cables.

Our hardware network comprises batteries and battery swapping cabinets. Our software infrastructure, Zhizu Cloud Platform, comprises two sub-platforms: (i) our cloud-based smart IoT platform, Zhizu Battery-swapping Application Platform (智租換電移動應用平台), which is the cornerstone of our battery-swapping solutions enabling our full-stack management over operational assets and data, and (ii) our algorithms-based decision-making platform, Zhizu Brain (智租大腦), which is responsible for multi-dimensional smart operational decisions. Zhizu Cloud Platform acts as the core digital operational hub of our battery-swapping solutions, integrates technologies such as IoT, AI and algorithms, and big data analytics, achieves seamless connections among battery-swapping cabinets, smart batteries and riders, and provides technological foundation for smart management over the full cycle of battery-swapping solutions, enabling our efficient, stable and safe battery-swapping services. Thus, our battery-swapping solutions comprehensively combine hardware, software, algorithms, data, and services, enabling us to deliver integrated “R&D-Production-Operation-Service” solutions. As of December 31, 2025, we had established a swapping network (through both our self-operated stations and business partners) that covered more than 90 cities across China, installed approximately 22,400 smart battery-swapping cabinets, and deployed 416,180 units of batteries. As of December 31, 2025, we had a cumulative total of approximately seven million registered users, with a total number of approximately 650 million times of battery-swapping, empowering a riding mileage of over 22.1 billion kilometers.

With the wide application of LEVs in various scenarios such as instant delivery, daily commuting, and short-distance travel, many drawbacks of the traditional charging mode have become increasingly prominent. The market’s demand for a safer, more efficient, and more economical energy replenishment solution is becoming more urgent, and battery-swapping for LEVs can effectively tackle these needs:

- **Efficiency.** Traditional battery charging takes approximately six to eight hours for LEVs, which requires riders to plan in advance and exposes them to the risk of sudden power failure during the journey. Moreover, riders conduct traditional charging from time to time, accelerating battery degradation. In addition, residential charging has issues such as insufficient facilities and potential safety hazards caused by unauthorized external wiring charging. These problems have long-term practical implications for LEV riders, including difficulties in charging, slow charging, and

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unsafe charging. Our battery-swapping solutions offers ultra-fast battery replacement in just approximately ten seconds so that riders can leave the swapping station immediately after battery-swapping, enjoying uninterrupted power. Through advanced charging and discharging technologies, we can also extend our batteries’ service life.

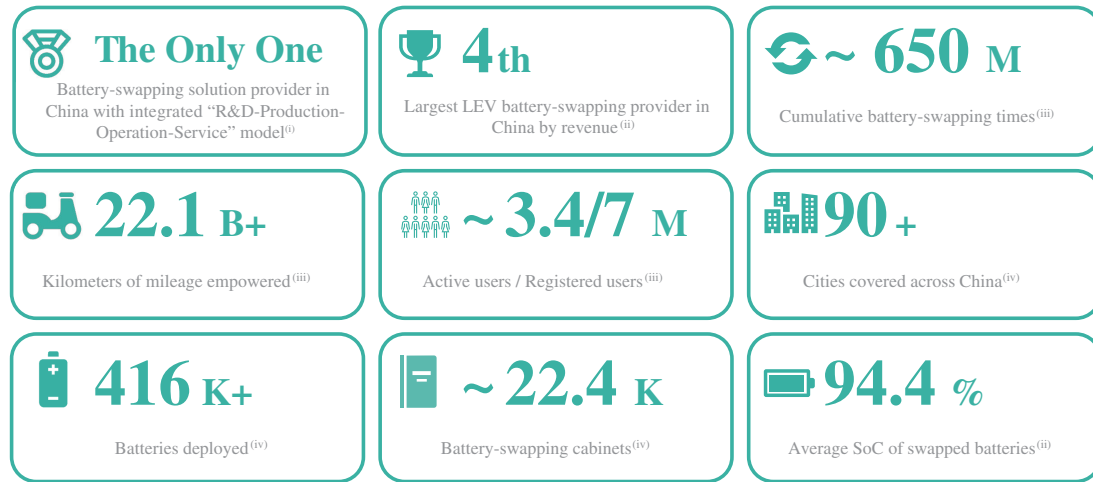
- **Safety.** Traditional battery charging has three major safety issues: (i) the quality of batteries and chargers is uneven and lacks unified certification; (ii) high-risk charging behaviors such as home charging and unauthorized, illegal external wiring charging are difficult to regulate; and (iii) no professional emergency response after fires. Our battery-swapping solutions have been able to resolve the major issues faced by traditional battery charging, achieving safe energy replenishment: (i) we deployed batteries that had passed mandatory certification of national standards in the battery-swapping cabinets; (ii) we monitor unsafe charging scenarios at our stations, and (iii) relying on our pre-warning system, automatic water level monitoring, automatic temperature control system for battery-swapping cabinets and fire-fighting facilities of our cabinets, we can quickly handle and control accidents and reduce losses.
- **Cost-efficiency.** In high-frequency energy replenishment scenarios such as instant delivery, battery-swapping has remarkable economic benefits. For example, the upfront investments in the purchases and the subsequent maintenance costs of batteries place a critical burden on delivery riders, while battery-swapping only charges much lower service fees. In addition, delivery riders are highly sensitive to time consumption, while battery-swapping can significantly save charging time, improving riders’ delivery efficiency and number of orders. With the expansion of our battery-swapping network and the increasing utilization rate of swapping cabinets, we will achieve economies of scale and our unit cost will gradually decline.

We entered the Shanghai market in January 2019, establishing our market presence and gradually developed a global operation strategy. We are among the first batch of market players to produce batteries that have passed mandatory certification for national standards, and we launched the world’s first pilot station for electric bicycle battery-swapping with all solid-state batteries in Beijing, according to Frost & Sullivan. We expanded our global footprints into Southeast Asia in March 2026.

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Our Achievement

Since our inception, we have achieved a series of milestones and strive to continue carrying forward our planned, strategic initiatives:



Notes:

- (i) As of the Latest Practicable Date, according to Frost & Sullivan
- (ii) In 2025, according to Frost & Sullivan
- (iii) Since our inception and as of December 31, 2025
- (iv) As of December 31, 2025, including both self-operated battery-swapping stations and stations operated by business partners.

Our Market Opportunities

Our business has benefited and will continue to benefit significantly from the tremendous demands for fast, low-cost battery replenishment from approximately 14.0 million of B-end riders, the increasing market penetration rate of battery-swapping, our overseas expansion, and favorable national and local policies. For example, Shanghai has clearly proposed an energy replenishment policy of “battery-swapping as primary and battery-charging as supplementary,” including battery-swapping into local infrastructure construction and providing support such as electricity fee reduction and loan interest discounts.

According to Forst & Sullivan, the size of the LEV battery-swapping market in China grew from RMB3.1 billion in 2021 to RMB12.3 billion in 2025 with a CAGR of 41.2%, and is expected to further grow from RMB15.8 billion in 2026 to RMB43.2 billion in 2030 with a CAGR of 28.6%. In addition, the size of the LEV battery-swapping market in Southeast Asia reached RMB0.4 billion in 2025, and is expected to grow from RMB0.5 billion in 2026 to RMB2.1 billion in 2030 at a CAGR of 42.4%, according to the same source. We believe that our market leadership in China and our expansion strategy in Southeast Asia will drive our further growth.

Our Commitment to ESG

We are committed to environmental protection by promoting green, low-carbon travel through our battery-swapping solutions. Compared with traditional charging models, our

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battery-swapping solutions allow us to manage batteries in a more centralized and standardized manner, helping to improve energy and resource utilization efficiency, extend battery service life and reduce resource waste. As a testament to our contribution to environmental protection, our charging, storage, and swapping equipment for LEVs was enlisted in the 2024 Green Low-Carbon Products (綠色低碳產品) of Anhui Province.

Moreover, we always place rider safety at the core of our business operations, using a standardized swap model to protect riders’ lives and properties to address charging safety issues. Our battery-swapping network has provided efficient energy supply to millions of riders, shortening the timeline for their order delivery, resulting in more income. In addition, we actively contributed to national economic development by offering employment opportunities along our operations, including R&D, manufacturing, operations, sales and marketing, and services, in more than 90 cities across the country as of December 31, 2025.

Our Financial Performance

During the Track Record Period, our business maintained steady growth. Our total revenue was RMB695.8 million, RMB734.6 million, and RMB738.6 million in 2023, 2024 and 2025, respectively. Our gross profit was RMB98.0 million, RMB198.7 million and RMB196.2 million in the same years, respectively. Our EBITDA was RMB171.1 million, RMB246.7 million and RMB307.8 million in the same years, respectively.

OUR COMPETITIVE STRENGTHS

A leading battery-swapping solutions provider in China

We are a leading battery-swapping solutions provider in China, with market leadership in China’s most developed regions, scale advantage, and deep collaborations with major delivery platforms.

- **Leading industry position.** We ranked fourth in China’s LEV battery-swapping industry in terms of revenue in 2025, with a market share of 5.8%, according to Frost & Sullivan. Further, as we started our business from Shanghai and focus our business in the most developed regions in China, i.e. the Yangtze River Delta and the Pearl River Delta, we were among the three largest battery-swapping solutions providers in terms of revenue in 2025 in each of the two regions, according to the same source.
- **Leading market scale.** As of December 31, 2025, we had a cumulative total of approximately seven million registered users and 3.4 million active users, and the total times of our battery swaps reached approximately 650 million, empowering mileage over 22.1 billion kilometers. This industry-leading market scale have made us one of the fastest growing battery-swapping solutions providers, according to Frost & Sullivan. Specifically, the number of our monthly active users during peak period reached 530,493 in 2025, above industry average according to the same source.
- **Deep collaboration with major delivery platforms.** We have collaborated with leading delivery platforms, covering various aspects including system integration and rider referrals. Specifically, we embed our battery-swapping functions into these platforms’ backend systems for riders’ convenience, supporting station search and service package management. Such cross-platform interactions further improve riders’ use

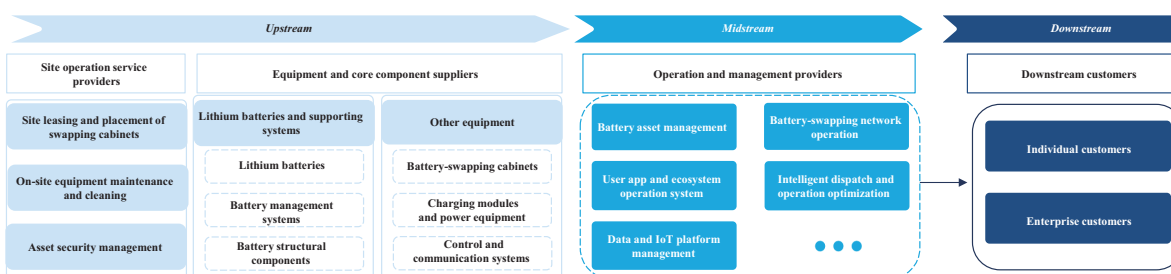
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experience. Our high-quality service is demonstrated by awards from major delivery platforms, including the Supplier of Outstanding Contribution of the Year by JD Logistics and the Outstanding Brand Award by Meituan.

Create synergies and benefits to empower the entire LEV battery-swapping industry value chain

With the accumulation of operational experience and technological know-how, we integrate and share the resources collected during our operations, empower industry chain participants, thereby fostering a synergistic ecosystem beneficial to multiple stakeholders.

The following diagram is an illustration of the ecosystem of the battery-swapping industry:



- ***We foster synergies via collaboration with market participants.*** At the upstream of the value chain, we collaborate with leading battery cell manufacturers for more stable supply and better quality of core component of our batteries, which can in turn support their product sales, iteration and development. At the downstream of the value chain, we collaborate with LEV rental service providers and share user traffic and resources, expanding revenue resources for both parties. In addition, we partner with enterprises with rider resources, such as delivery platforms and LEV rental companies, to provide battery-swapping services to the riders, enabling these enterprises to provide complementary support to the riders.
- ***We empower market participants across the battery-swapping value chain.*** We actively contribute to city development and assist in transportation safety and public service delivery. For example, we provide real-time data covering equipment status, battery data, order information and system alerts, to enable government authorities to alert the commuters as required. We also partner with commercial property developers to deploy battery-swapping facilities across commercial complexes, residential communities and industrial parks, enhancing their service coverage and asset value and improving convenience for riders. In addition, we collaborate with information infrastructure operator and major delivery platforms to drive rapid market expansion. By combining their resources with our established network and operational expertise, we jointly advance local infrastructure development and continuously make a safe, efficient, convenient, green and value-creating battery-swapping services.

The deep connectivity between various touch-points within our business ecosystem is one of our competitive strengths, enabling us to achieve safety, efficiency, scalability and versatility.

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We distinguish ourselves from our competitors by offering a unique set of benefits that cater to the dynamic needs of riders and our business partners. Emphasizing compliant operations, our smart battery-swapping solutions provide enhanced user experience, improved efficiency, assured safety, and reduced costs.

- ***Practical benefits to riders.*** We provide fast, safe and cost-efficient battery-swapping solutions to riders. Our smart solutions are fast, with the entire swapping process taking approximately ten seconds to address the pain point of long charging times for LEV riders. For delivery riders, the time reduced from energy replenishment means more time on the road, implying more deliveries and higher earnings. Additionally, our smart cabinets, batteries and battery-swapping solutions entail safety assurance. For instance, our Zhizu Cloud Platform monitor battery-swapping cabinets and batteries in real-time, assuring higher safety for riders and the society. In addition, our battery-swapping services have a much lower financial burden on riders than battery charging, which requires upfront investment and subsequent maintenance of batteries. Moreover, our network of battery stations deployment has a high density in key areas of major cities, providing convenience and efficiency for riders.
- ***Supportive contribution to local governments.*** Our controllable, clean-energy, and digital battery-swapping solutions provide supportive contribution to local governments. Firstly, our standardized and controllable solutions can enhance the city governance, since riders use our battery-swapping solutions instead of unsafe charging, which can mitigate e-bike charging fire risks. Secondly, as we cooperated with certain local government investment platform to build energy replenishment infrastructure, our clean-energy solutions can facilitate the implementation and achievement of the national carbon reduction policy. Thirdly, our digital solutions provide data support for city governance, as we provide real-time data feeds to local government authorities as required. With authentic and dynamic local LEV riding data, we contribute to informed decision-making, smart management, and optimized urban governance.
- ***Synergistic development with market participants.*** Our comprehensive and smart battery-swapping solutions foster synergistic development with market participants. For the major delivery platforms, we provide them with comprehensive battery-swapping services. Notably, our fast swapping capabilities and widespread stations can facilitate their delivery efficiency, and our standardized swapping kits assure safety in reducing home charging practices, fire liabilities and regulatory risks for the platforms. Overall, our solutions improve riders’ experience and further contribute to sustained business growth of delivery platforms. For our business partners, we help them build a complete operational system, providing a set of standardized solutions which back their business operations and development. For other stakeholders across the value chain, such as battery cell manufacturers and LEV manufacturers, our battery-swapping solutions can contribute to their product R&D, business expansion and user experience.

Closed-loop “R&D-Production-Operation-Service” operational model

According to Frost & Sullivan, we were the only battery-swapping solution provider in China that adopted an integrated “R&D-Production-Operation-Service” model as of the Latest Practicable Date, where we undertake in-house design and manufacturing of batteries and

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swapping cabinets, self-operate battery-swapping solutions, and provide maintenance and supporting services with our own workforce. As a result, we have been able to maintain end-to-end quality control, from technology development to customer delivery, and optimize operational efficiency and cost structure, thereby establishing meaningful competitive barriers.

- **R&D.** Our R&D capabilities lay the foundation for our operations. As a national-level “Specialized and Sophisticated Little Giant Enterprise” (專精特新小巨人企業), we held 86 patents and 120 software copyrights as of the Latest Practicable Date. Our core R&D team comprises seasoned professionals from the new energy, internet and manufacturing sectors, specializing in hardware engineering, computer science, and software development.

We possess in-house capabilities in the design, development, and validation of core hardware for battery-swapping cabinets and batteries. Furthermore, we have developed and continuously iterated our proprietary Zhizu Cloud Platform, which serves as our comprehensive operational hub providing decision-making and crucial support for our efficient, stable and safe battery-swapping services. Our Zhizu Cloud Platform is built to support millions of requests per day, maintaining system availability at an industry-leading level. It deploys core service functions across various categories including battery-swapping operations, battery assets management, data analytics, business decision-making and customer service. As a result, our technological advantages underlying our battery-swapping solutions have enabled us to maintain an industry-leading position in terms of technologies and operations, according to Frost & Sullivan.

- **Production.** Our manufacturing capabilities provide the backbone for our pervasive business layout. We carry out in-house manufacturing of our smart batteries and swapping cabinets to enable direct control of core hardware supply and rapid technology iteration. Our smart manufacturing is driven by our self-developed manufacturing execution system (“MES”), ensuring efficient operations and strict quality control on the factory floor. Our products undergo rigorous testing, such as extreme temperatures, vibration, free fall, and waterproofing, to ensure compliance with China Compulsory Certification (3C) requirements and the prevailing global safety standards. As a result, the mass production yields of our battery-swapping cabinets and batteries reached 97.6% and 99.97% respectively in 2025. Our production bases house independent production lines for smart batteries and smart swapping cabinets. Our smart battery production lines have an annual capacity of 250,000 units, supporting production of batteries with various specifications. Our smart swapping cabinet production line has an annual capacity of 7,000 units, supporting multi-model mixed-line production to meet diversified production requirements.
- **Operation.** Our Zhizu Cloud Platform empowers our operation capabilities and ensures our efficient business operations. Our operational efficiency in terms of asset utilization is at an industry-leading position according to Frost & Sullivan.
- **Service.** Our service capabilities contribute to our safe and effective solutions. We have established operation dispatch and maintenance teams that respond quickly to errors and solve problems immediately. For our battery-swapping solutions through business partners, we provide assistance and support covering equipment installation,

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maintenance and battery testing, and access to our system and platforms, ensuring consistent service quality across our entire swapping network. The average failure rate of our smart battery-swapping cabinets was significantly below the industry average according to Frost & Sullivan, contributing to superior user experience and asset security.

Through this integrated “R&D-Production-Operation-Service” operational model, we have achieved control of technology innovation, product delivery, operational efficiency and service quality. Benefiting from this comprehensive operational capability, we have been able to leverage (i) our R&D capabilities and scale production to optimize our cost structure and (ii) our digital operations and standard product and system maintenance to safeguard service quality, forming a competitive strength over our competitors.

AI empowered, integrated software and hardware capabilities

We emphasize on technology innovation as one of the core drivers to our development. Our technology framework encompasses the integration of fully digitalized software systems and self-developed core hardware, underpinned by our proprietary Zhizu Cloud Platform to achieve end-to-end smart operations across diverse scenarios.

Our software system, Zhizu Cloud Platform, paves the cornerstone of our battery swapping solutions, enabling our multi-dimensional management over our battery-swapping assets and operational data. Our Zhizu Cloud Platform integrates into our system new-generation information technologies such as IoT, AI and algorithms, and big data analytics. Zhizu Cloud Platform comprises of Zhizu Battery-swapping Application Platform and Zhizu Brain. For more details, see “– Our Technology and Platform – Our Digital Platform.”

- ***Zhizu Battery-swapping Application Platform (換電移動應用平台)*** serves as the comprehensive digital operational hub for our battery-swapping solutions. The platform has achieved unified connection, centralized management and intelligent dispatch of all nationwide end devices, including batteries and battery-swapping cabinets, integrating front-end device and back-end data to provide the technical foundation for efficient, stable and secure swap services. Our Zhizu Battery-swapping Application Platform can process millions of orders daily and handles query rates of tens of thousands per second during peak time, facilitating smooth, uninterrupted operation under high-traffic conditions. It also implements multi-end accessibility: the rider end of the platform delivers core features including 10-second one-button swap, swap navigation, battery level visualization and trip history, with flexible billing configurations to materially enhance rider experience; the operation and maintenance end features an automated work-order system for error auto-assignment and progress tracking, while the management end includes device online management and a real-time, network-wide monitoring dashboard that presents consolidated key operational metrics, including device online rate, swap frequency and revenue data.
- ***Zhizu Brain (智租大腦)*** is our algorithms-based smart decision-making platform. It integrates LLM, algorithms, data analytics and a centralized data hub to manage battery assets and operational data. On asset management, Zhizu Brain features battery health monitoring, early-warning of errors and charge/discharge strategy optimization, thereby helping to extend battery life and improve battery utilization efficiency. On

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operation management, Zhizu Brain provides panoramic operational dashboards, error cause analysis, smart site recommendation and user-tagging services to furnish data-driven support for optimized operations and business decisions.

Our hardware network, comprising our smart batteries and swapping cabinets, provides assurance for our safe, efficient, and quality solutions. For more details, see “– Our Technology and Platform – Our Hardware Technologies.”

- **Smart batteries.** Our self-developed smart batteries possess safety, versatility and durability. They incorporate multi-layer protection against overcharging, over-discharging, short circuits and thermal runaway. They are suited to various scenarios, for both high-frequency on-demand delivery and low-frequency residential and/or leisure travel scenarios. Equipped with high-quality battery cells, they can operate reliably across temperatures from -20°C to 55°C . In addition, our batteries incorporate our BMS with proprietary software algorithm, which provide hardware-level data support for intelligent asset management. Such system collects cell-level voltage and current data, synchronizes battery health data in real time to Zhizu Cloud Platform, and protects battery safety through active cell balancing and anomaly alerts.
- **Smart battery-swapping cabinets.** Our self-developed smart battery-swapping cabinets demonstrate reliability and efficiency. Our reliable cabinets have obtained multiple national mandatory and voluntary certifications, are equipped with HD video surveillance, and demonstrate robust performance in complex outdoor environments.

Visionary and experienced management team

Our management team is led by Mr. Li Xuejun, our chairman of the Board and Chief Executive Officer, Mr. Du Yan, our executive Director and the vice chairman of the Board, and Mr. Li Ziang, our executive Director and executive officer. Mr. Li has been engaged in the new energy sector with substantial experience in the NEV industry. He is recognized as an “Outstanding Private Entrepreneur of Anhui Province.” Mr. Du Yan, has solid industry background and previously served as chief deputy general manager of Sundiro Honda and Motorcycle Co., Ltd. (新大洲本田摩托車有限公司) and executive vice president of Yadea Technology Group Co., Ltd. (雅迪科技集團有限公司), bringing extensive management and operational experience in the LEV industry and is awarded the “Entrepreneurship Anhui Star of Anqing City” in 2023. Mr. Li Ziang, our executive Director and executive officer, participate in formulating our development strategies with a global vision, oversees our daily operations, and implement our business plans.

Our management team is dedicated to maintaining an unwavering commitment to battery-swapping mobility and continuing to drive industry convergence and innovation. Our management team have attracted professionals from the new energy, internet and manufacturing sectors. Together they continuously advance our technological and service capabilities, strengthen our core competencies and provide a solid foundation and robust support for our long-term development.

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OUR DEVELOPMENT STRATEGY

Continue to expand our national network and global footprints

According to Frost & Sullivan, China’s LEV battery-swapping market is projected to grow from RMB15.8 billion in 2026 to RMB43.2 billion in 2030, representing a CAGR of 28.6%. In light of this fast-growing market, we plan to continue to expand our domestic market share through an integrated online-and-offline approach, further enhancing our brand awareness and industry position. Specifically,

- For domestic offline expansion, we plan to adopt differentiated market-expansion strategies tailored to each region’s situations. In more developed regions in China, we plan to increase our investments in our self-operated battery-swapping stations to expand our swapping network. In other cities, we plan to further explore cooperation opportunities with business partners, leveraging their local resources and influence to accelerate our market penetration efficiently and reduce our expansion costs.
- For domestic online channels, we plan to strengthen our online marketing presence across mainstream social medial platforms to improve brand awareness, increase customer acquisition, and further business scale.

In addition, our overseas expansion is expected to be a key driver of our future growth. Drawing on our established operational experience in China, we are extending our solutions to the Southeast Asian market where demand for LEV battery-swapping solutions is strong. We have selected Indonesia as our first destination in overseas expansion, and have commenced operation in Indonesia in March 2026. With respect to overseas business development, on one hand, we will formulate appropriate market entry strategies based on local conditions, either operating our own stations to build brand reputation or partnering with established local operators to reduce our expansion costs and entry risks. On the other hand, we also plan to build local teams in overseas markets, by engaging professionals familiar with local regulations, market conditions and business practices, to precisely match local needs and mitigate the operational risks associated with overseas expansion.

Further diversify application scenarios and product offerings

Beyond our established on-demand delivery scenario, we are diversifying our battery-swapping scenarios, targeting C-end riders, including residents, daily commuters, campus users and short-distance leisure travelers, among others. Such expansion is driven by growing adoption of the “green mobility” concept, increasingly stringent community charging regulations, and the inherent convenience advantages of battery swapping compared to charging. According to Frost & Sullivan, the C-end market presents substantial untapped opportunities for battery-swapping solutions. For example, the size of China’s C-end household charging market by expenditure reached RMB45.5 billion in 2025, according to the same source. To capture this opportunity, we plan to acquire more C-end riders through a combination of online and offline marketing efforts.

- For offline channels, we will deploy additional battery-swapping stations in residential and commercial complexes that are near or convenient for C-end riders to cultivate their battery-swapping habits.

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- For online channels, we plan to increase our brand exposure through targeted marketing campaigns across mainstream online platforms to acquire more C-end riders. In the meantime, we will use live-streaming and video content to introduce product details, build product reputation and enhance the engagement and acquisition of consumer riders.

We will also expand our product portfolio to unlock new growth potential. We expect that the separated sales of batteries will be the future market trend. In light of that prospect, we have launched our battery retail sales business branded as “ZhiBa Lithium Battery” (智霸鋰電) since March 2026, with accumulated revenue of approximately RMB11.5 million as of the Latest Practicable Date, ranking first in the same product category across multiple leading e-commerce platforms.

Continue to invest in R&D to upgrade and iterate our products and technologies

R&D is the backbone of our products, technologies, and operations. We plan to continue to invest in our R&D across both our Zhizu Cloud Platform and hardware products, to strengthen the safety, intelligence and interactivity of our solutions, optimize battery-swapping efficiency, and further enhance user retention.

- **AI Empowerment.** We will deeply integrate LLM to drive the comprehensive, smart upgrade of our Zhizu Cloud Platform. We are developing an LLM tailored for the LEV battery-swapping, which will enable more precise user need exploration, more refined battery products, and smarter decision-making, to improve user conversion rates and extend user retention.
- **Smart Batteries.** We will upgrade core parameters including battery capacity, voltage and current to improve charging efficiency while ensuring safety. We will also continue to iterate real-time monitoring of battery health and alert functions, to develop high-quality, refined battery products. In addition, we plan to develop battery variants tailored to overseas markets to better achieve our overseas expansion strategy.
- **Smart Battery-Swapping Cabinets.** We plan to optimize our smart battery-swapping cabinets through continuous R&D efforts across multiple dimensions, including, among others, charging efficiency, multi-model battery compatibility, safety performance, error rate, intelligence level and human-machine interaction.

OUR BUSINESS MODEL

We have constructed an integrated business model centered on smart battery-swapping solutions, underpinned by our Zhizu Cloud Platform supplemented by hardware sales. We provide battery-swapping solutions through (i) self-operated stations, where we provide diverse battery-swapping solutions in our self-owned and self-operated stations to (a) riders directly or (b) enterprises with rider resources such as delivery platforms and LEV rental companies, which bring our battery-swapping solutions to the riders and (ii) business partners, which we sell our battery-swapping equipment and provide our software system access to, and share profits with. Typically, our battery-swapping business through self-operated stations and business partners do not operate in the same regions. During the Track Record Period, our battery-swapping stations primarily served LEVs, such as two-wheeled electric bicycles, two-wheeled electric motorcycles, and delivery tricycles. In addition, we sold battery-swapping related hardware to facilitate riders’ everyday demand during the Track Record Period. The following table sets forth a breakdown of our revenue by business segments for the years indicated.

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	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Battery-swapping solutions						
Battery-swapping solutions through self-operated stations	692,723	99.6	732,790	99.8	715,460	96.9
Battery-swapping solutions through business partners	2,310	0.3	1,175	0.2	21,160	2.9
Sub-total	695,033	99.9	733,965	100.0	736,620	99.8
Hardware retail sales⁽ⁱ⁾	813	0.1	622	— ⁽ⁱⁱ⁾	2,019	0.2
Total	695,846	100.0%	734,587	100.0%	738,639	100.0%

Note:

- (i) Included sales of battery-swapping related hardware, such as adapter cables and chargers.
- (ii) Less than 0.1%.

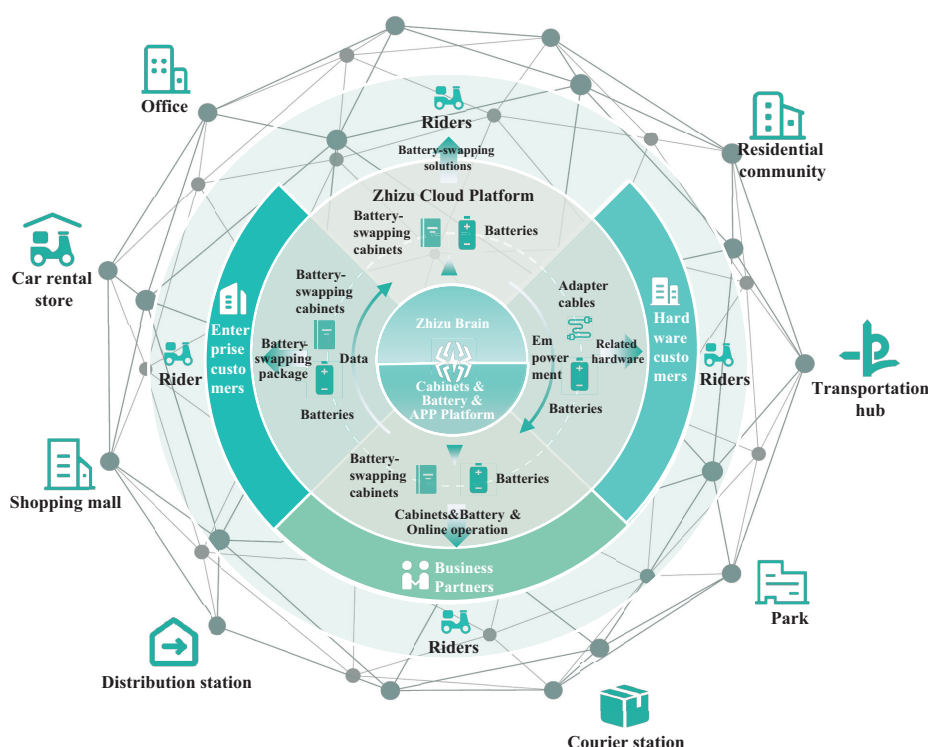
See “Financial Information – Consolidated Statements of Profits or Loss and Other Comprehensive Income – Revenue” for detailed discussion of our revenue fluctuations during the Track Record Period.

Riders, or the end users, of our battery-swapping solutions comprise: (i) business-end (“**B-end**”) commercial riders, our major users, primarily for delivery, courier, and logistics distribution. B-end riders have high-frequency battery-swapping needs due to their daily long-distance riding and intensive work rhythms, and are highly sensitive to solution effectiveness and cost-efficiency; and (ii) consumer-end (“**C-end**”) civilian riders including daily commuters, short-distance travel enthusiasts and campus riders, among others. C-end riders have low-frequency but real-time battery-swapping needs, focusing on service convenience and flexibility.

We are committed to developing comprehensive, technology-driven battery-swapping solutions that cater to energy replenishment needs for LEVs across diverse scenarios. We, through our comprehensive digital operation platform, Zhizu Cloud Platform, have established in-depth connectivity with riders, enterprise customers and business partners. Our solutions integrate hardware with IoT, AI and algorithms, big data analytics, and other new-generation information technologies. Together with our core capabilities of safety management, efficient operations, operating cost optimization and full-chain quality control, we flexibly respond to diverse market demands and build significant competitive barriers in the industry.

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The following diagram illustrates our business model:



Since the inception of our battery-swapping business, our business model has been undergoing a strategic transition to asset-light, replicable battery-swapping solutions through business partners, leveraging our business partners’ local resources to achieve cost-efficient market penetration. In addition, we have proactively expanded our customer base from primarily targeting B-end riders to acquiring more C-end riders to capture the huge market potentials in the residential charging market.

Battery-swapping Solutions

During the Track Record Period, we generated substantially all of our revenue from our battery-swapping solutions. We provide our battery-swapping solutions by operating our own battery-swapping stations in more developed regions and also sell battery-swapping cabinets and batteries and provide support to business partners in less developed regions.

- **Battery-swapping solutions through self-operated stations.** We have been operating our self-owned battery-swapping stations since the inception of our battery-swapping business, primarily focusing on more developed regions. As our major revenue contributor, under this business model, we possess full ownership of battery-swapping assets, such as cabinets and lithium batteries, and provide solutions directly to the riders via our self-operated network in key areas of cities in exchange for service fees. Our battery-swapping solutions are provided to riders (i) directly and (ii) through enterprises with rider resources, such as delivery platforms and LEV rental companies, who bring our battery-swapping solutions to the riders. See “– Our Battery-swapping Solutions – Battery-swapping Solutions through Self-operated Stations” for detailed business arrangement.

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- **Battery-swapping solutions through business partners.** In less developed regions, we collaborate with business partners, which are typically local companies that desire to enter the LEV battery-swapping industry. We primarily sell battery-swapping equipment, including primarily battery-swapping cabinets and lithium batteries, and provide supporting services to our business partners in exchange for sales revenue and revenue sharing. See “– Our Battery-swapping Solutions – Battery-swapping Solutions through” for detailed business arrangement.

Hardware Retail Sales

To diversify our solution offerings and revenue streams, we are actively expanding into new businesses, such as sales of our self-developed batteries. See “– Our Battery-swapping Solutions – Hardware Retail Sales” for details.

Our Footprint

As of December 31, 2025, we had 21,400 self-operated cabinets and 995 cabinets under our collaborations with 38 business partners, and had business presence in over 90 cities in China. We had a cumulative total of approximately seven million registered users, as of the same date.



OUR BATTERY-SWAPPING SOLUTIONS

We commenced our battery-swapping business by operating our own battery-swapping stations. With the accumulation of operational experience and technology know-how, we have strategically expanded our business to collaborate with business partners to reach more riders, increase our market share, and enhance our brand awareness.

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Battery-swapping Solutions through Self-operated Stations

Our battery-swapping solutions comprise primarily energy replenishment services for LEV riders through battery-swapping stations network covering high-traffic locations, accompanied with flexible and diverse service fees arrangements.

To enter a new regional market, we first assess suitability based on local policies, market conditions, user demand and competitive landscape, and formulate a development plan and financial projections. We then conduct preparatory work such as cabinets installation and batteries deployment. After the stations commence operation, we manage the network dynamically by adjusting pricing according to local market conditions, monitoring operations and safety through our cloud-based smart IoT platform, the Zhizu Battery-swapping Application Platform. We focus on deploying battery-swapping cabinets in core areas including communities, commercial complexes, delivery stations, hospitals and campus, and industrial parks to ensure service accessibility and high usage demand. As of December 31, 2023, 2024 and 2025, the number of our self-operated battery-swapping cabinets was 20,720, 22,092 and 21,400, respectively, and the number of batteries deployed in our self-operated cabinets was 403,214, 376,534 and 408,580, respectively.

Product	Configurations	Characteristics
 Smart Battery-swapping cabinet	8 slots; 10 slots; 12 slots; 15 slots	Our moveable multi-configuration smart battery swapping cabinets can be flexibly configured according to specific business demand. It uses a charging module with one AC input and multiple DC outputs, dynamically allocating power and satisfying high-power charging demands. For more details, see “– Our Technology and Platform – Our Hardware Technologies.”
 Lithium Battery	48V30Ah; 48V43Ah; 48V50Ah; 60V30Ah; 60V43Ah; 60V50Ah; 72V50Ah	Our lithium batteries offer various capacity options tailored to different voltage platforms, fitting diverse LEV models. Each battery is connected to Zhizu Cloud Platform, which enables continuous monitoring of battery performance in bulk, and facilitates safe and reliable operation. For more details, see “– Our Technology and Platform – Our Hardware Technologies.”

We offer 24/7 self-service battery-swapping through our Zhizu APP, enabling real-name authentication, package selection, payment, nearby cabinet positioning, and unlocking of the nearest battery-swapping cabinet based on rider location. In addition, the Zhizu Cloud Platform realizes real-time monitoring of battery-swapping cabinets and lithium batteries, including battery status, cabinet operation data and user usage records. Through our proprietary intelligent scheduling algorithms, we dynamically allocate battery resources between B-end and C-end scenarios to improve asset utilization. We maintain a certain quantity of backup batteries to support continuous service availability.

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Under our self-operated battery-swapping solutions, we provide solutions to, and generate revenue from individual customers and enterprise customers. The table below sets forth the major solution arrangement with the two types of customers.

Key arrangement	Individual Customers	Enterprise Customers
Customers	Riders	Enterprises with rider resources, such as delivery stations, food delivery platforms, parcel courier companies and LEV rental companies
Service scope	We provide battery-swapping solutions directly to riders registered as our users, by renting our charged smart batteries stored in our smart battery-swapping cabinets.	We provide battery-swapping solutions directly to riders engaged by our enterprise customers.
Revenue model	We generate revenue directly from the individual customers	We sell battery-swapping solution packages to our enterprise customers in bulk, and they bring the specific solutions to riders, forming a stable user acquisition channel.
Service fees	We provide flexible and diverse service fee arrangements, including: (a) Package fees. Daily package, weekly packages, monthly packages, dual-month packages, quarterly packages and annual packages, with the fees varying based on locations and type of batteries. Open to all riders but mainly targeting B-end riders with high-frequency battery-swapping needs. Theses package adopts unlimited battery swapping without additional charges. (b) Pay-as-you-go (“PAYG”) fees. Primarily targeting C-end riders with low-frequency battery-swapping needs, charging based on actual usage times under two PAYG models: (i) swap card model, where we offer multiple times of swap and (ii) rental model, where the PAYG fees include fixed battery rental fees and separate usage fee based on the actual SoC.	In addition to a discount, which is typically negotiated on a case by case basis based on the transaction amount, our service fee arrangement with enterprise customers is identical to those with individual riders.

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Key arrangement	Individual Customers	Enterprise Customers
Battery-swapping Platform	On Zhizu APP (individual version), after registering as our users, riders can purchase, renew or terminate service packages, take out or return batteries by swapping via scanning the QR code on our cabinets, check battery status, locate batteries, and make deposits for use of and pay penalties for loss or damage of our smart batteries. See “– Our Technology and Platform.”	Riders engaged by enterprise customer can also use our battery-swapping services through our Zhizu APP (individual version). Zhizu APP (enterprise version) enables enterprise customers to add riders to or delete riders from its account registered on our Zhizu APP, purchase, renew and manage service packages for riders they engage and opt to pay deposit for riders’ use of our smart batteries. It also displays key operating metrics including the number of newly added riders, riders whose packages will expire in three days, and the balances prepaid by such enterprise customer. In addition, we also provide web version incorporated with key functions of Zhizu APP (enterprise version) to our enterprise customers as an alternative.

We engage with enterprise customers as they have a large amount of available rider resources, enabling us to acquire riders quickly and cost-efficiently. We do not have any control over our enterprise customers. It is a common practice for enterprises with rider resources to purchase battery-swapping solutions packages and bring such solutions to riders just for the convenience of the riders, according to Frost & Sullivan. The table below sets forth the movement of our enterprise customers during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
At the beginning of the year	114	521	808
Increase	425	485	552
Decrease	18	198	285
At the end of the year	<u>521</u>	<u>808</u>	<u>1,075</u>

The number of our enterprise customers increased during the Track Record Period, reflected our strategic efforts to expand our network of enterprise customers, which offer a stable supply of B-end riders with high frequency battery-swapping needs.

Battery-swapping Solutions through Business Partners

We form strategic partnership to provide battery-swapping solutions primarily in less developed regions in China, achieving cost-efficient market expansion through collaboration with business partners with local resources. We seek to collaborate with business partners with strong robust resources, such as venue resources, rider resources, local business networks.

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Under this partnership model, we sell hardware, such as battery-swapping cabinets and lithium batteries to our business partners in exchange for sales revenue and revenue sharing in general; while we authorize our business partners to use our system platforms, operational SOPs and brand in designated regions, and provide hardware and technical support as well as system maintenance to facilitate standardized operation of our battery-swapping solutions and service quality. Specifically, we provide upgrades of and maintenance for our Zhizu Cloud Platform, particularly Zhizu APP, addressing technical issues encountered by our business partners. We also provide operational guidance and training to help our business partners’ operation of their battery-swapping business. As of December 31, 2023, 2024, 2025, the number of our battery-swapping cabinets was 304, 343 and 995, respectively.

The number of our business partners increased from five in 2023 to six in 2024 and further to 38 in 2025, reflecting our strategic efforts to expand our asset-light business model by collaborating with more business partners, in line with our revenue growth attributable to our business partners.

The table below sets forth the number and average selling prices of the major battery-swapping equipment we sold to business partners for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Number</i>	<i>Average selling price (RMB)</i>	<i>Number</i>	<i>Average selling price (RMB)</i>	<i>Number</i>	<i>Average selling price (RMB)</i>
Cabinets	1	14,053	17	14,378	766	8,974
Lithium batteries	403	2,038	237	1,995	7,157	1,951

The cabinets we sold increased significantly during the Track Record Period, due to our efforts in expanding our business partner network. The average selling price of our self-developed cabinets decreased from 2024 to 2025, in line with the decrease in the unit costs of our cabinets and reflecting our proactive initiatives to expand our business scale.

In addition to revenue generated from sales of battery-swapping equipment, we have a revenue sharing arrangement with our business partners, typically lower single-digit percentage of their total revenue, with monthly settlements synchronized via our Zhizu Cloud Platform to ensure transparency and accuracy.

HARDWARE RETAIL SALES

Leveraging our extensive station network and vast rider base, we are strategically expanding our retail business, selling various battery-swapping related hardware, such as self-developed lithium batteries, chargers and adapter cables, with the goal of providing more comprehensive battery-swapping solutions and building a more resilient business and revenue mode.

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KEY OPERATING METRICS

The following table sets forth certain of our key operating metrics.

	Since our inception and as of December 31,		
	2023	2024	2025
Number of registered users	2,746,852	4,529,135	6,921,046
Number of effective battery-swapping ⁽ⁱ⁾	295,125,434	470,742,958	646,035,255
	As of December 31,		
	2023	2024	2025
Number of batteries ⁽ⁱⁱ⁾	407,341	380,525	416,180
Number of battery-swapping cabinets ⁽ⁱⁱ⁾	21,024	22,435	22,395
	For the year ended		
	2023	2024	2025
Number of paying users	930,405	1,333,585	1,989,991
Number of active users	943,280	1,344,397	2,015,854

Notes:

- (i) Effective battery-swapping refers to battery-swapping where the time interval between retrieving a charged battery and returning a used battery is longer than 3 minutes.
- (ii) Including those deployed in self-operated battery-swapping stations and stations operated by business partners.

OUR TECHNOLOGY AND PLATFORM

According to Frost & Sullivan, we were the only battery-swapping solution provider in China that adopted an integrated “R&D-Production-Operation-Service” model as of the Latest Practicable Date, where we undertake in-house design and manufacturing of batteries and swapping cabinets, self-operate battery-swapping solutions, and provide maintenance and supporting services with our own workforce. We have a comprehensive technology portfolio, spanning smart hardware, software and IoT platforms, AI and algorithms, and big data analytics. Leveraging this technology stack, we have developed an integrated battery-swapping workflow. This allows us to continuously achieve cost efficiency, enhance operational efficiency, and deliver enhanced user experience, while maintaining autonomy over our core algorithms and data.

Our Hardware Technologies

Our batteries feature (i) a built-in battery management system (“BMS”) that monitors core parameters such as temperature, voltage, and current, supporting fault self-diagnosis and data upload; and (ii) our proprietary battery health prediction and safety protection system with advanced technology to detect potential issues and prevent overheating. This safety management system has been awarded with “Scientific and Technological Achievement Appraisal” by China

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Academy of Information and Communications Technology (“CAICT”). We provide both large-capacity, high-reliability lithium batteries and small-capacity lithium batteries, catering to the demand of both B-end riders and C-end riders. Notwithstanding, idle B-end lithium batteries may also be deployed to C-end riders, maximizing asset utilization.

Since the inception of our battery-swapping business, the battery-swapping stations we designed and manufactured have undergone a series of innovations: (i) we have continuously enhanced our battery-swapping technology, enabling ultra-fast swaps in as short as ten seconds and accommodating up to 15 battery slots per station; and (ii) we diversified the configurations of our battery-swapping cabinets, providing greater flexibility in capacity and costs to better align with the diverse preferences of our business partners. We are further exploring and expanding the functionalities of our battery-swapping solutions, aiming to integrate battery swapping, energy supply and charging capabilities.

We offer 8-slot, 10-slot, 12-slot and 15-slot configurations for our battery-swapping cabinets. In addition, precise battery positioning and backend big data smart diagnosis capabilities embedded in our lithium batteries enhance battery safety and extend their service life. Featuring high-strength protection design, built-in intelligent BMS, and accurate battery positioning systems, our cabinets support smart battery-swapping.

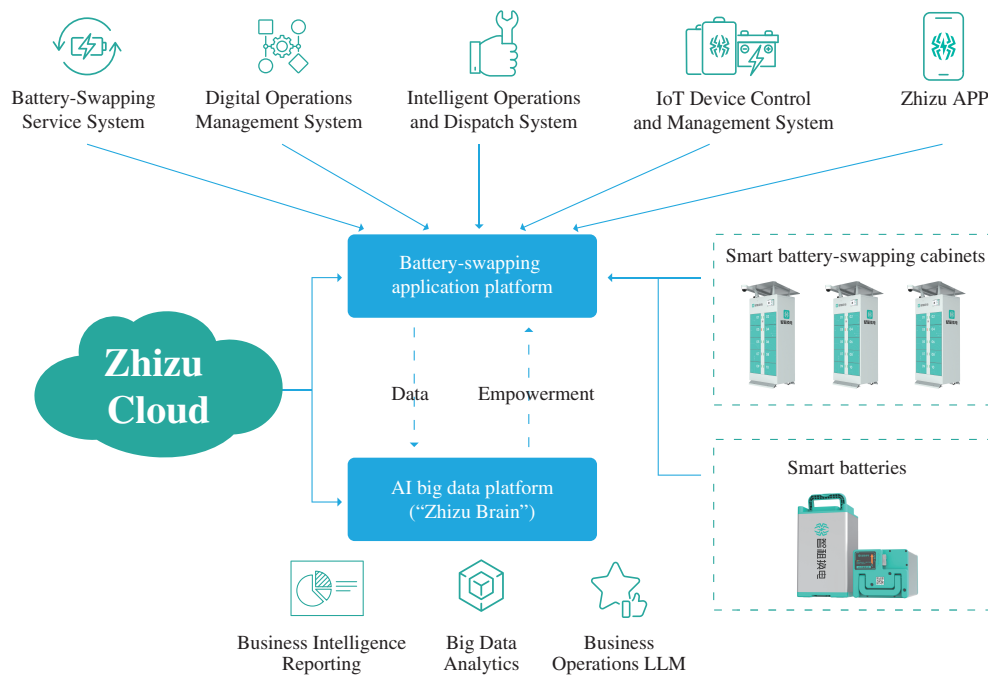
Our smart battery-swapping cabinets possess multiple functions, including (i) fast QR-code-based swap, completing without staff assistance in approximately ten seconds; (ii) simultaneous charging of batteries in multiple slots of the battery-swapping cabinets, dynamically adjusting power delivery to accommodate batteries of different capacities; (iii) water detection and flood prevention, enabled by water sensors installed at the base of each cabinet which will cut power to the affected cabinets and send alert signal to our operation center for prompt inspection and maintenance if water reaches a pre-set warning level; (iv) slot-level automatic fire suppression, achieved through smoke detectors, temperature sensors and automatic fire suppression device installed in each slot of the cabinet; (v) intelligent temperature and humidity control, achieved through sensors continuously tracking temperature and humidity levels throughout the cabinet, and a built-in automatic ventilation and heat dissipation structure; (vi) security and remote monitoring, enabled by anti-theft features and remote connection to our Zhizu Cloud Platform transmitting information of the cabinet including real-time equipment status, battery performance, environmental conditions, and any fault alerts; (vii) overload, lightning and insulation protection, integrating power overloads, lightning strikes and insulation failures protection to each cabinets, and further ensuring stable and reliable operation even under challenging environmental conditions; and (viii) cross-compatibility of multiple battery models, enhancing equipment utilization efficiency.

We also specialize in scenario-specific hardware adaptation technologies. For instance, we have developed high-rate discharge battery technology for overseas markets, such as Southeast Asia, to meet the high-speed requirements of local electric motorcycles, and sodium-ion battery adaptation technology customized for northern China markets to improve low-temperature performance and reduce costs.

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Our Digital Operation Platform – Zhizu Cloud Platform

As a core technology underlying our smart battery-swapping solutions, we have built a comprehensive digital operation platform, Zhizu Cloud Platform, that connects our hardware and software, digitizes the management of our battery-swapping and after-sales network, and supports our community-shared smart lithium batteries. It integrates technologies, such as IoT, AI and algorithms, and big data analytics. The platform consists of two primary sub-platforms: (i) Zhizu Battery-swapping Application Platform, our cloud-based smart IoT platform, through which we connect, manage, allocate and maintain hardware assets, including vehicles, batteries, cabinets and (ii) Zhizu Brain, our algorithms-based smart decision-making platform, whereby we process, analyze and apply full-scale operational data. Altogether, Zhizu Cloud Platform constructs a closed loop of operation and management functions, including equipment management, user operation, and data analysis.



The platform is built to process millions times of battery-swapping in a single day, with peak query throughput of tens of thousands of queries per second (“QPS”), with dynamic capacity expansion managed automatically based on traffic volume. System availability is maintained at an industry-leading level, providing a stable and reliable operational foundation for our business.

Zhizu Cloud Platform also maintains data security and regulatory compliance. We classify transaction data as highly sensitive information and IoT device data as standard sensitive information; all sensitive information is stored in encrypted form. The Company conducts regular security vulnerability scans and simulated attack tests, and maintains an incident response mechanism in accordance with applicable laws and regulations.

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Zhizu Battery-Swapping Application Platform

Zhizu Battery-Swapping Application Platform is the critical link connecting riders, battery-swapping cabinets and our operations team, and is responsible for the convenient delivery of battery-swapping services, the digitalization of operation management, and the intelligent control of hardware devices. The platform comprises five integrated modules:

Battery-Swapping Service System. The battery-swapping service system is the backbone of our business. It supports flexible billing configurations including per-swap, monthly package and bundled battery-swapping solutions, enabling us to serve B-end riders and C-end riders under differentiated pricing structures. The system covers the full swap cycle, from battery collection, swap to return, with QR-code-based completion and real-time transaction logging.

Digital Operations Management System. This system supports the digitalization of our end-to-end operational workflow, covering three primary functions, including (i) digital marketing management enables campaign design, user-segmented promotions and post-campaign performance tracking; (ii) the cabinet deployment assistant provides location recommendation for new swap stations based on order density, user distribution and area data, achieving a deployment accuracy rate of over 80%; and (iii) asset risk management provides real-time monitoring of cabinets and batteries to detect and prevent asset loss, damage or theft, while also monitoring user behavior for transaction anomalies.

Intelligent Operations and Dispatch System. This system intelligently optimizes the allocation of our field maintenance resources. It leverages multi-dimensional inputs such as device fault data and battery supply levels, and is deployed with smart dispatch algorithms which automatically assign maintenance work orders and track progress end-to-end through automated work order management. This system is designed to maintain device uptime at stable high levels, reducing service interruptions caused by equipment downtime.

IoT Device Control and Management System. This system is the crucial module that connects our cloud platform and physical hardware. It is compatible with multiple generations of smart battery-swapping cabinets and BMS-enabled intelligent batteries. Key capabilities include (i) command issuance (covering remote reboot and discharge control of the batteries, charging strategy adjustment, (ii) over-the-air (“OTA”) firmware updates and real-time abnormality blocking to prevent overcharging and overheating); and (iii) device management from manufacture to decommissioning with real-time tracking of device status such as temperature, voltage and current.

Zhizu APP. Zhizu APP is the user-facing entry point of our battery-swapping service. It provides QR-code-based swap completion in approximately ten seconds, combined with nearby cabinet search, delivery-route-optimized swap recommendations, account management and service package management. These functions directly address the core pain points of charging station scarcity, long charging times and range anxiety.

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Zhizu Brain

Zhizu Brain is our smart decision-making component of Zhizu Cloud Platform. As an algorithms-based AI platform, it aggregates riders, IoT and business data across multiple dimensions, processes it through distributed computing, and applies the results to support operational decisions, business performance management and asset optimization. Its role is to break down data and support our shift from a digitally-managed operation toward a more intelligence-driven one. Sensitive data is stored in desensitized and encrypted form in accordance with applicable data security requirements. Zhizu Brain is organized into three function modules:

Business Intelligence (“BI”) Reporting. The BI reporting function provides management with a comprehensive, real-time view of our operational performance. It consolidates core KPIs including number of users, new users, batteries and cabinets and the relevant ratios, and presents them with historical trend analysis. The system monitors these KPIs continuously and automatically triggers alerts when anomalies are detected, with multi-dimensional attribution analysis identifying the root causes of fluctuations. It also generates business forecasts regarding order volume, revenue and user growth. Using historical data and predictive algorithms, it provides a data foundation for management decisions.

Big Data Analytics. This big data analytics function translates aggregated data into operational outcomes across three areas. Asset risk management uses multi-dimensional modelling across device, user and transaction data to detect, on a real-time basis, any threats to asset security or transaction integrity. User tagging builds a layered classification system based on user behavior, spending patterns and swap frequency, enabling targeted marketing and service optimization. Smart station recommendation combines order density data and user location when the user applies our services to predict regional battery supply and demand, enabling intelligent cabinet and battery routing to balance utilization across the network.

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Business Operations LLM. This business operations LLM function represents the highest tier of intelligence within Zhizu Brain, deploying large AI models trained on our proprietary operational data. It delivers a broad perspective of diagnostics of business performance across business dimensions, regions and stations, automatically generates strategy recommendations based on anomaly detection, and supports conversational operational query and decision-making for management teams. Integrated with industry knowledge and BMS data, our business operations LLM can monitor battery state of health (“SOH”) in real time, automatically optimizes charging strategies based on environment, usage frequency and demand patterns, and provides early fault prediction with a warning accuracy rate of over 90% for conditions including overcharging, overheating, short circuit and abnormal internal resistance. These capabilities can extend battery asset lifespan, reduce replacement costs and protect rider safety.

RESEARCH AND DEVELOPMENT

Our passion for innovation coupled with our strong R&D capabilities have allowed us to remain competitive in the industry. Our team of engineers forms the foundation for our R&D competitiveness. Our R&D team collaborates with our production and supply chain teams to continually optimize and improve manufacturing processes and supply chain management. In 2023, 2024 and 2025, our R&D expenses were RMB44.9 million, RMB30.2 million and RMB29.9 million, respectively.

R&D Infrastructure

As of December 31, 2025, our R&D team comprised 69 employees, over 18.8% of whom hold master’s degree, including professionals specializing in various disciplines such as hardware engineering, computer science, and software development. In addition, we have instituted a thorough internal talent development mechanism, including regular training and an R&D knowledge-sharing mechanism for employees at all levels.

As of the Latest Practicable Date, we had two R&D centers strategically located in Shanghai and Anqing. While our Shanghai headquarters serve as the core of our R&D efforts, by coordinating our overall R&D work and housing a diverse team of professionals, our Anqing R&D center mainly focuses on the R&D of our smart batteries and battery-swapping cabinets to facilitate our quality mass production.

R&D Process

We possess full in-house capabilities in the design, development, and validation of core hardware for battery-swapping cabinets and batteries. Our digitized R&D management enables end-to-end visibility across the R&D process of hardware and embedded software system achieving. Swapping cabinets generally undergo annual iterations, while most technological improvements are modular upgrades built upon existing platforms, allowing for efficient reuse of proven technologies. We have established separate comprehensive R&D process for hardware and software. Our hardware R&D process consists of multiple stages as follows:

- **Product and Market Research.** Collect market data and competitor data to evaluate industry trends; compile and analyze key factors such as market size, pricing, cost structure, and user requirements.

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- **Project Planning.** Define development objectives and technical specifications, and formulate a master schedule spanning the entire development cycle.
- **Engineering Design.** Complete detailed engineering design encompassing key parameters such as product structure and appearance, manufacturing and assembly operability, performance parameter, quality-critical control points, and preliminary cost estimation with procurement feasibility assessment.
- **Prototyping.** Produce prototype samples and conduct sample review against the design targets, iterate and optimize the sample accordingly.
- **Design Output and Review.** Deliver and review formal development outputs including the bill of materials (“BOM”), key component drawings and technical specifications, quality management protocols, and sales support documentation.
- **Pilot Production.** Prepare materials for pilot production, such as molds, tools, gauges, and fixtures alongside process documentation, testing software, MES integration, and enterprise resource planning data; conduct small-batch pilot production to verify manufacturing process maturity and quality assurance capability.
- **Mass Production Ramp-Up.** Commence formal mass production upon resolution of all pilot-run issues, with continuous monitoring of production line stability and product quality consistency.

Our software R&D process typically involve the following procedures:

- **Product Definition.** Analyze business demand and compose product request document (“PRD”) accordingly.
- **Design and development.** Based on the analysis of business demand and PRD, design the overall software architecture and translate the architecture into specific programming language.
- **Testing.** Verify the functionality of individual module, and the overall software performance and reliability based on the specific hardware environment.
- **Version Release.** Finalize the software version and perform OTA upgrade, ensuring a complete and traceable programming.

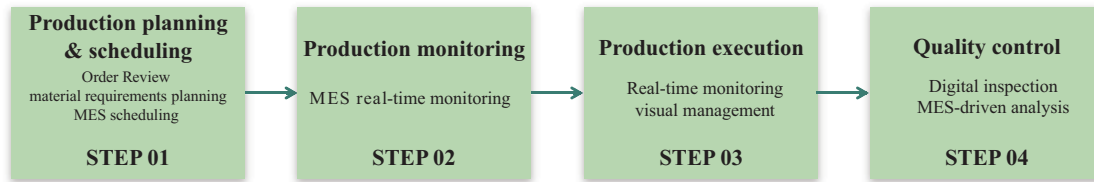
OUR PRODUCTION

Our production process is designed to promote high standards of quality while simultaneously providing the agility to expedite production to meet customers’ demands in a timely manner. Our mass production capabilities and strict quality control measures enable us to ensure the high performance and reliability of our products. In 2025, the mass production yield of our battery-swapping cabinets and batteries reached 97.6% and 99.97%, respectively.

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Production Process

We have established a systematic production process based on MES, integrating production planning, monitoring, execution, quality control, and warehouse and logistics process to ensure efficient and high-quality output. Below illustrates the key steps of our production process:



- **Production planning and scheduling.** Upon receiving customer orders, we initiate an order review process to validate specifications and requirements. Once the order is confirmed, we perform material requirements planning (“MRP”) through our MES to calculate material needs and generate procurement plans. Simultaneously, the MES system schedules production tasks based on capacity and priority.
- **Production monitoring.** The MES enables real-time monitoring of personnel, equipment, workstations, and the entire production floor.
- **Production execution.** The MES supports total productive maintenance (“TPM”) for real-time equipment monitoring and anomalies warnings, provides visual management of key metrics, and enables dynamic optimization of labor, machinery, and materials.
- **Quality control.** We exert comprehensive quality control with digital inspection, barcode-based traceability, MES-driven components and finished goods inspection, and compiled information analysis across supplier management, product design and manufacturing.
- **Warehousing and logistics.** Components and finished goods are barcode-managed. The MES synchronizes shipment and delivery data with logistics companies’ platforms in real time.
- **Key production metrics.** Our general production cycle for our products is approximately seven days from receipt of orders to delivery. The maximum daily production capacity stands at 1,000 units of batteries and 28 units of battery-swapping cabinets. The lead time for material procurement is approximately ten days for battery cells, among other components. The standard man-hours required for production are approximately 1.7 hours per battery unit and 8.0 hours per battery-swapping cabinet.

All production activities are conducted in-house at our own manufacturing facilities. We do not engage in any outsourced production, ensuring complete control over product quality, intellectual property, and supply chain integrity.

Production Facilities and Capacity

We have established comprehensive production facilities at our production bases in Anqing and Xuzhou, comprising four specialized production workshops and one central warehouse, supported by essential utility and environmental protection systems.

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- **Production facilities layout.** Our production facilities comprise (i) workshops for production of cabinets, including stamping and welding workshop which process the raw materials, coating workshop which process the coating of our cabinets, and final assembly workshop which pack and complete the production procedure, and (ii) lithium battery workshop which complete the production of batteries. Our production facilities are managed by the MES for unified production data collection, data integration and command dispatch.
- **Utility and environmental facilities.** Our production facilities are supported by a comprehensive utility infrastructure, including a power distribution room, compressed air station, and natural gas station. In compliance with environmental regulations, the painting workshop is equipped with a wastewater treatment station and a powder recovery and treatment system.

The following table sets forth the production volume, production capacity, and utilization rate of our manufacturing facilities for the periods indicated:

Product	Year ended December 31,								
	2023			2024			2025		
	Production capacity ⁽¹⁾ (units/year)	Production volume ⁽²⁾ (units)	Utilization rate ⁽³⁾ (%)	Production capacity ⁽¹⁾ (units/year)	Production volume ⁽²⁾ (units)	Utilization rate ⁽³⁾ (%)	Production capacity ⁽¹⁾ (units/year)	Production volume ⁽²⁾ (units)	Utilization Rate ⁽³⁾ (%)
Battery-swapping cabinets	7,000	8,638	123.4	7,000	3,585	51.2	7,000	3,202	45.7
Lithium battery	125,000	105,147	84.1	187,500	117,681	62.8	250,000	201,178	80.5

Notes:

- (1) Production capacity is based on the optimal hourly production rate of equipment in workshops operating 8 hours a day for 261 working days a year (not including time spent on production line upgrade or adjustments). Utilisation rate over 100.0% indicates a double shifts in a working day.
- (2) Production volume refers to actual output of battery-swapping cabinets or lithium batteries for the relevant year.
- (3) Utilization rate is calculated by dividing production volume in a relevant year by the production capacity in the same year.

In 2023, the utilization rate for our production of cabinets exceeded 100.0%, primarily due to the expansion of our self-operated station network requiring more cabinets. In 2024 and 2025, the utilization rates for our production of cabinets were relatively low, primarily because the utilization efficiency of our cabinets were higher than expected, leading to declined demand for cabinets.

In 2024, we expanded our designed production capacity for our production of batteries, primarily due to the expansion of our self-operated station network requiring more batteries and planned more sales of batteries to business partners. This expanded designed production capacity led to a temporary low utilization rate in the same year, which resumed to over 80.0% in 2025.

Quality Control

We are committed to delivering high-performance solutions and products with consistent quality and reliability and high safety profile. We use our self-developed MES to identify

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production abnormalities and monitor the operating status of our equipment in real time. With a particular focus on solution and product quality, workplace safety and environmental protection in manufacturing, we have obtained multiple certifications, including ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), ISO 45001 (Occupational Health and Safety Management Systems), ISO 50001 (Energy Management Systems), China Compulsory Certification (3C certification) for lithium batteries used in electric bicycles, and China Quality Certification for charging and swapping cabinets. We strictly require full participation and comprehensive implementation of these standards by all employees.

As of December 31, 2025, we had a dedicated quality control team of 10 employees with expertise across the product lifecycle from R&D through production to after-sales service. We also engage external institutions tests to ensure our quality standards. Operating under ISO-based processes and standardized product requirements, we are well-positioned to produce high-quality products that align with evolving market and customer demands.

During the design phase, we establish strict barcode protocols and assign a unique serial number (“SN”) to each finished product and core component. This SN accompanies the product throughout its entire lifecycle from production and usage to recycling, and captures essential information including model number, production date, and batch number, thereby ensuring precise and traceable identification. Leveraging our self-developed MES, we have formulated a platform integrating functional modules covering material information, production monitoring, warehousing and logistics management.

In addition, we have implemented a comprehensive supplier management system that defines the admission of suppliers, management of qualified suppliers and termination of unqualified suppliers to ensure the efficiency of our supplier management. See “– Our Suppliers – Selection and Engagement of Suppliers.” We conduct tests for solutions’ functionality based on their characteristics after the production. The entire production process utilizes an automated information traceability system to achieve tracking records of raw material information, production processes, test parameters and results and product delivery. Leveraging our MES system, the process from raw material input to product output is marked according to different stages of the production process. The sequence of each production stage is recorded to ensure the compliance of the product manufacturing process.

OUR CUSTOMERS

We have accumulated a vast customer base during years of operation in the LEV battery-swapping industry. Our customers are primarily (i) individual customers, i.e. riders purchasing our solutions directly from us, (ii) enterprises with rider resources such as delivery platforms and LEV rental companies, and (iii) business partners. Our strong industry reputation and recognition enable us to maintain long-term business relationships with our customers. The revenue contributed by our five largest customers in each year during the Track Record Period collectively accounted for less than 10.0% of our total revenue in each of the respective years, and the revenue contributed by our single largest customer in each year during the Track Record Period accounted for less than 5.0% of our total revenue in each of the respective years.

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We execute an online service agreement with individual customers on Zhizu APP each time they purchase our service package. The typical salient terms of such agreement are set out below:

- **Service Scope.** We provide battery-swapping services by renting our charged smart batteries to users.
- **Service Fee.** We designed two types of service fees arrangements, namely packages fees mainly targeting B-end riders and PAYG fees mainly targeting C-end riders.
- **Deposit.** Deposit shall be paid by riders upon riders’ registration on our Zhizu APP for use of our batteries, which is refundable upon satisfactory return of such batteries along with termination of the service agreement, subject to deduction for damages, overdue occupancy, or other contractual breaches.
- **Restriction.** We may restrict users from using our batteries under certain circumstances, such as failure to return batteries on time, deliberate damage on our batteries or cabinets, or diversion of battery power for uses other than charging LEV. Upon such use restriction, users may opt to terminate service and request for return of deposit.
- **Liabilities.** If users fail to return the batteries on time, users shall pay late return fee to us, ranging from RMB10 to RMB13 per day per unit contingent on the battery type. In the event of complete damage to or loss of our batteries caused by users, users shall pay compensation ranging from RMB2,700 to RMB3,600 per unit contingent on the battery type.
- **Termination for Breach.** We may terminate the service agreement if users do not provide the required identification information or provided false information, fail to pay fees for over 30 days, fail to return batteries upon expiry without renewal, misappropriate our batteries, or use our batteries on vehicles other than LEVs which may trigger liquidated damages of RMB10,000.

The typical salient terms of agreements with our major enterprise customers during the Track Record Period are set out below:

- **Service.** We provide battery-swapping solutions by renting our charged smart batteries to B-end riders of the enterprise customers.
- **Payment.** Enterprise customers prepay us, and we draw down the balance based on their actual purchase of service packages for B-end riders.
- **Discount.** We may provide a discount, typically negotiated on a case by case basis based on transaction amount, to our enterprise customers.
- **Deposits.** We may require enterprise customer to pay performance deposit, which is refundable upon satisfactory return of the batteries along with termination of the service agreement, subject to deduction for damages, overdue occupancy, or other contractual breaches. We may also require enterprise customer to pay additional deposit for B-end riders, judging from rider’s creditworthiness.

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- **Liabilities.** We may require enterprise customer to pay late fee if batteries are not returned timely, and the specific amount of late fee per battery unit would be negotiated on a case-by-case basis. In the event that a battery remains overdue for more than 15 days, such battery shall be deemed lost and enterprise customer shall pay compensation based on the depreciated value of the battery. If the depreciated value of the battery unit is below RMB1,000, the compensation amount shall be RMB1,000.
- **Termination of Breach.** We may terminate the agreement and request payment of liquidated damages of RMB100,000 under certain circumstances, such as, if enterprise customer provides our battery-swapping packages on third-party platforms without authorization.

The typical salient terms of agreements with our major business partner customers during the Track Record Period are set out below:

- **Delivery.** We are responsible for the transportation of our products, such as battery-swapping cabinets and self-developed lithium batteries. Typically, we are required to deliver our products within seven days upon receipt of orders under the framework sale agreement.
- **Payment.** In general, our business partner shall pay us all purchase price before we dispatch our products for delivery under each purchase order. For business partner purchasing a large amount of products, we may grant credit terms of up to six months.
- **Warranty.** We provide a 3-year warranty for our smart battery-swapping cabinets and smart batteries.
- **Term and renewal.** We typically enter into agreements with five-year term with our business partners. The agreement will be automatically extended for one year unless either party raises an objection within 30 days before the expiration date.
- **System access.** We grant business partners access to our battery-swapping software system under our integrated hardware-software operational infrastructure and provide relevant technical support for their operations.
- **Revenue sharing.** We have a revenue sharing arrangement with our business partners, typically lower single-digit percentage of their total revenue.
- **Exclusive operations.** Within the prescribed operating area, our business partner is entitled to operate in a designated area exclusively.

SALES AND MARKETING

Sales and Marketing Efforts

We have established a dedicated sales and marketing team to develop our battery-swapping business from multiple dimensions, including brand marketing, product promotion, sales management, and ecosystem partnerships. As of December 31, 2025, our sales and marketing team comprised 33 management personnel and 106 frontline sales staffs.

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To amplify the presence of our brands and products, we have crafted a comprehensive marketing strategy that integrates both digital and traditional channels. Our digital efforts include maintaining an updated website and active social media account that provide detailed insights into our products. During the Track Record Period, we have also engaged in numerous offline marketing initiatives. These include hosting product launches, participating in exhibitions, and speaking at industry forums, all aimed at bolstering our market presence attracting new customers, and maintaining visibility in the industry. Furthermore, we proactively approach potential enterprise customers, offering demonstrations and trials of our solutions to enhance our market and industry profile.

In addition to our ongoing brand-building efforts, we are also proactively promoting the sales of our battery-swapping equipment, including battery-swapping cabinet and lithium batteries, which in turn enhanced our brand awareness and service network. The sales of battery-swapping equipment are closely tied to the demand for LEV battery-swapping, the number of LEV riders, and the deployment of battery-swapping infrastructure. We form a comprehensive framework for managing potential customer engagement throughout the entire conversion journey-including initial outreach, lead tracking, interest evaluation, and post-engagement follow-up-ultimately driving transaction conversion.

Pricing

We adopt a cost-plus pricing strategy, with reference to market price, for our battery-swapping solutions through self-operated stations. Specifically, pricing takes into account several factors at each station, including costs of batteries and cabinets, local electricity rates, estimated electricity consumption per usage, construction and operational costs, location, and our local marketing strategies. In setting our prices, we conduct comprehensive market research to understand the market capacity, policy environment, competitive landscape, and local consumption patterns of the cities where the stations are built. See “– Our Battery-swapping Solutions – Battery-swapping Solutions through Self-operated Stations.” Additionally, we continuously monitor operational trends at the battery-swapping stations and dynamically adjust our fees based on varying factors such as market competition, competitors’ prices, and the demand in each specific region. This strategic approach ensures that our pricing remains competitive and reflects operational costs accurately.

For sales of hardware and revenue sharing under our battery-swapping solutions through business partners, we adopt a cost-plus pricing strategy, with reference to market price and considering the revenue scale of our business partners.

After-sales

We conduct routine hardware and software maintenance and troubleshooting of battery-swapping equipment, supported by a rapid response mechanism to ensure stable equipment operation. In addition, we have 24/7 customer service to handle real-time user inquiries and complaints through the Zhizu APP to promptly resolve usage issues.

OUR SUPPLIERS

Our suppliers consist primarily of (i) components and raw materials suppliers, including suppliers for battery cells, connectors, and wiring harnesses for the manufacturing of our batteries and cabinets; and (ii) site service providers that support our battery-swapping stations. All of our suppliers are located in the PRC. Battery cells are the key components that we procure from our suppliers. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery.

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Major Suppliers

Purchases from our five largest suppliers in each year during the Track Record Period accounted for 52.4%, 33.4% and 38.8% of our total purchases in 2023, 2024 and 2025, respectively, and purchase from our single largest supplier in each year during the Track Record Period accounted for 16.8%, 20.5% and 24.8% of our total purchases in the same years, respectively.

The following table sets forth details of our five largest suppliers for the years indicated:

Year ended December 31, 2023

Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier A	Battery cells	An A-share listed company established in 2009, headquartered in Ganzhou, Jiangxi Province, China and mainly engaging in R&D, manufacturing and sale of NEV batteries and energy storage system.	136,965	16.8	2022	30-day credit term; settled via bank bill acceptance or cash
Supplier B	Battery packs	A company established in 2006, headquartered in Changsha, Hunan Province, China and mainly engaging in the manufacturing and sale of batteries.	94,025	11.5	2020	60-day credit term; settled via bank acceptance bill or cash
Supplier C	Battery packs	A company established in 2020, headquartered in Liuan, Anhui Province, China and mainly engaging in the R&D, manufacturing and sale of batteries, motor and vehicle control system.	92,849	11.4	2022	30-day credit term; settled via bank acceptance bill or cash
Supplier D	BMS related hardware	A company established in 2015, headquartered in Zhenjiang, Jiangsu Province, China and mainly engaging in the manufacturing of instruments, meters and electronic accessories and sale of electronic products.	57,087	7.0	2021	30-day credit term; settled via bank acceptance bill or cash

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Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier E	Battery packs	A company established in 2014, headquartered in Suzhou, Jiangsu Province, China and mainly engaging in the R&D and manufacturing of NEV batteries.	46,990	5.8	2021	30-day credit term; settled via bank acceptance bill or cash
Total			427,916	52.4%		

Year ended December 31, 2024

Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier A	Battery cells	An A-share listed company established in 2009, headquartered in Ganzhou, Jiangxi Province, China and mainly engaging in R&D, manufacturing and sale of NEV batteries and energy storage system.	93,960	20.5	2022	30-day credit term; settled via bank acceptance bill or cash
Supplier D	BMS related hardware	A company established in 2015, headquartered in Zhenjiang, Jiangsu Province, China and mainly engaging in the manufacturing of instruments, meters and electronic accessories and sale of electronic products.	42,210	9.2	2021	60-day credit term; settled via bank acceptance bill or cash
Supplier F	Charger	A company established in 2017, headquartered in Shenzhen, Guangdong Province, China and mainly engaging in the R&D and sale of NEV related electronic products such as charging facilities and electronic motor system.	6,449	1.4	2020	60-day credit term; settled via bank acceptance bill or cash

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Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier G	Connectors, wiring harness	A company established in 2014, headquartered in Shenzhen, Guangdong Province, China and mainly engaging in the R&D and sale of connectors, wiring harness and metal fittings.	6,136	1.3	2022	60-day credit term; settled via bank acceptance bill or cash
Supplier H	Aluminum shell	A company established in 2005, headquartered in Suzhou, Jiangsu Province, China and mainly engaging in the manufacturing and sale of metal fittings and Aluminum products.	4,531	1.0	2023	60-day credit term; settled via bank acceptance bill or cash
Total			<u>153,286</u>	<u>33.4%</u>		

Year ended December 31, 2025

Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier I	Battery cells	An A-share listed company established in 2009, headquartered in Shanghai, China and mainly engaging in manufacturing and sale of lithium battery energy storage products.	124,175	24.8	2025	Full payment before release of goods; 50% of payment settled via trade acceptance, another 50% settled via bank acceptance bill
Supplier J	BMS related hardware	A company established in 2011, headquartered in Wuhu, Anhui Province, China and engaging in R&D, manufacturing and sale of electronic products.	41,232	8.2	2024	60-day credit term; settled via bank acceptance bill or cash
Supplier K	Battery cells	A company established in 2017, headquartered in Guangzhou, Guangdong Province, China and engaging in sale of batteries cells	15,823	3.2	2025	90-day credit term; settled via bank acceptance bill or cash

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Supplier	Products/ solutions sold	Supplier background	Purchase amount (RMB'000)	% of total Purchase	Year of commencing business relationship	Typical credit terms and settlement methods
Supplier A	Battery cells	An A-share listed company established in 2009, headquartered in Ganzhou, Jiangxi Province, China and mainly engaging in R&D, manufacturing and sale of NEV batteries and energy storage system.	6,753	1.3	2022	60-day credit term; settled via bank acceptance bill
Supplier L	BMS related hardware	A company established in 2000, headquartered in Jiujiang, Jiangxi Province, China and engaging in manufacturing and sale of electronic products	6,303	1.3	2023	60-day credit term; settled via bank acceptance bill or cash
Total			<u>194,286</u>	<u>38.8%</u>		

To the best knowledge of our Directors, each of our five largest suppliers for each period during the Track Record Period is an Independent Third Party. In addition, to the best knowledge of our Directors, except for being our suppliers, there was no other past or present relationships (including financing, trust or otherwise) between us and each of our five largest suppliers, their respective substantial shareholders, directors or senior management, or any of their respective associates during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

Supply of Components, Raw Materials and Site Services

Our procurement of components and raw materials is generally based on our customized production plan and internal strategic storage. We have a dedicated team to procure components and raw materials to meet the specific requirements of our products. The key components and raw materials we used for our production include battery cells, connectors, and wiring harnesses. All of our component and raw materials suppliers are located in the PRC. The components and raw materials of our main products which we sourced from our suppliers are generally readily available in the market. We believe we have alternative sources for the supply of principal components and raw materials with comparable quality and prices. We have not experienced significant difficulties in maintaining reliable sources of supplies and expect to be able to maintain adequate sources of quality supplies in the future through continuously developing new supplier relationships.

The prices of components and raw materials are primarily determined based on competitive negotiation between suppliers and us. Typically, the prices we agree with our suppliers for

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components and raw materials generally remain unchanged for one year. In addition, our suppliers generally bear the transportation expenses our purchase price of our raw materials incurred for the delivery of components and raw materials. During the Track Record Period, the fluctuations in the purchase prices of our components and major raw materials were in line with industry trends.

In addition, we engage site service providers to provide site services at our self-operated battery-swapping stations, including cabinet and battery charging services, site usage services for the deployment of our cabinets and batteries, and other operational support. We generally negotiate pricing arrangement with site service providers on an annual basis.

Selection and Engagement of Suppliers

We adopt a supplier selection strategy aligned with our raw material needs and market supply dynamics, prioritizing candidates from mature supply chains with a focus on factory property rights and production capacity. In the absence of suitable options, we engage leading industry suppliers and sign agreements only after rigorous sample verification and on-site inspections, completing supplier assessments within 15 days to meet peak manufacturing demand.

Our supplier selection considers multiple factors including background, technical capabilities, solution quality, cost competitiveness, production capacity and delivery efficiency, supported by a comprehensive management system covering supplier admission, qualified supplier governance and termination of underperforming business partners to ensure standardized governance. For supplier admission, we first scrutinize basic information such as registered capital and official certifications, then conduct in-depth reviews of production processes and market reputation, supplemented by on-site visits and sample testing, with qualified suppliers admitted to our qualified list for formal cooperation.

We generally enter into long-term agreements to secure supply stability, conduct quarterly performance evaluations on product quality, delivery and after-sales service, and implement strict incoming inspections on raw materials and components (covering appearance, functionality and dimensions), requiring returns of non-compliant batches and urging suppliers to conduct root-cause analysis and corrective actions. Raw material prices are determined through arm’s length negotiations, with cost optimization achieved via supply resource integration to maintain market competitiveness.

Salient Terms of Agreements with Suppliers of Components and Raw Materials

We typically enter into procurement framework agreements and specific orders with suppliers. The salient terms of a typical procurement framework agreement are set out below:

- ***Term and renewal.*** Generally, we enter into procurement agreement with one-year term, which may be automatically renewed for an additional year if neither party raises written objection prior to the expiry.
- ***Price.*** Prices are set out in the specific orders, which are generally fixed within the one-year term, and increase in price of over 20% will be only allowed upon our written approval.

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- **Quality control.** Our suppliers shall maintain a complete quality management system and ensure 100% traceability of materials, manufacturing processes, and finished products. Suppliers shall retain production records for at least 12 months and quality-related data and samples for at least two years. Upon our request, suppliers shall provide trust-worthy reliability test data.
- **Delivery.** Suppliers shall deliver the goods to our designated address.
- **Payment terms.** We typically are entitled to a credit term ranging from 30 days to 90 days. We are entitled to withhold 10% of each batch’s payable amount as a quality deposit for six consecutive months; the accumulated quality deposit would be refunded without interest in full within seven working days after the warranty period of the last batch expires without outstanding quality disputes.
- **Warranty and Return.** We are generally entitled to a 36-month warranty period upon qualified product acceptance. In addition, an in-line defect rate of procured products spotted in our production line exceeding 1% entitles us to return the entire batch to supplier, and request for free exchange.
- **Confidentiality.** We enter into bilateral confidentiality agreement ancillary to the framework agreement, in order to protect parties’ confidential technical information and business information.

Salient Terms of Agreements with Site Services Providers

The salient terms of a typical site service agreement are set out below:

- **Term and renewal.** Generally, we enter into site service agreement with one-year term, which may be automatically renewed unless either party decides otherwise within a specified period (typically 30 days) before the expiration date.
- **Service scope.** Site service providers primarily provide cabinet and battery charging services, site usage services, and other operational support such as site maintenance and security.
- **Fees and payments.** Site service fees comprise cabinets and battery charging fees and site usage fees, and are negotiated on a case-by-case basis for each site location, contingent upon factors such as the configuration of the cabinets being deployed, the site location and the local public electricity price. The site service fees are paid on a monthly basis.
- **Prohibited activities.** Site service providers are prohibited from utilizing our cabinets and batteries for commercial activities, opening our cabinets without permit, deploying any other equipment attached to our cabinets, and removal or move of our cabinets and batteries without our permit
- **Covenants.** Site service providers covenant that they have the titles or rights to the sites, and they have the rights to authorise us to operate our battery-swapping business on the relevant sites. If there is any damages arising from site service providers’ lack of titles or rights or authorization, they will compensate us for the losses. If there is

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any change to site service providers’ titles or rights, they need to notify us and facilitate the entry of new site service agreements with new providers who have valid titles or rights.

- **Termination.** Either party may terminate the agreement with 30-day prior written notification.

According to Frost & Sullivan, in China’s LEV battery-swapping industry, it is common for battery-swapping solutions providers to engage site service providers to provide site services for their stations, including cabinet and battery charging services, site usage services and other operational support. During the Track Record Period and up to the Latest Practicable Date, certain of our site service providers did not provide to us the proofs of their ownership of or rights to the sites they provided to us for placing our battery-swapping cabinets. See “Risk Factors – Risks Relating to Our Business and Industry – We face risks in connection with our cooperation with third-party site service providers.”

In relation to the foregoing risks associated with site service providers, our Directors are of the view that such risks would not materially and adversely affect our business and results of operations on the grounds that: (i) as advised by our PRC Legal Advisors, (a) the site service agreements entered into by us and our site service providers are valid, legally binding and enforceable, and protected by law, provided no statutory invalidation circumstances prescribed by the Civil Code or the PRC exists, such as contracting parties’ malicious collusion to damage the legitimate rights and interests of others, or violation of mandatory laws or regulations. The inability of our site service providers to furnish proofs of site ownership does not, in itself, constitute grounds for contract invalidation; and (b) as such agreements do not constitute property leasing under the PRC laws, we are not obliged to register any site service agreement with the relevant competent authorities for our use of any sites provided by our site service providers; (ii) site service providers typically covenant in the site service agreements that if there is any damages arising from their lack of titles or rights, they will compensate us for the losses; (iii) to the best of our Directors’ knowledge, we did not receive any claims or have any disputes in connection with the validity of the site service agreements during the Track Record Period and up to the Latest Practicable Date; (iv) according to Frost & Sullivan, there are sufficient alternative sites in the market, thus we would be able to relocate to other sites without significant relocation costs if we are required to vacate any sites; and (v) we have formulated internal control measures specifying the onboarding criteria for site service providers, including requesting and reviewing (a) proofs of their ownership or rights to the relevant sites and (b) their relevant licenses, permits, approvals or completed procedures to conduct site services.

COMPETITION

We operate in a rapidly emerging and evolving market in China, and face competition from a growing number of international and domestic market players, competing across factors such as the range of supported LEV models for battery-swapping solutions, service pricing and quality, service efficiency, and accessibility. The LEV battery-swapping industry is relatively consolidated, with the five largest market players accounting for 60.5% of the entire market size in terms of revenue in 2025, according to Frost & Sullivan. Competition with established leading market players and rapidly emerging new entrants is expected to persist and intensify as we continue to expand our market presence.

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We believe that we are well-positioned in our industry, and we compete favorably with competitors due to our in-house developed technologies and operational platforms, software-hardware-integrated capabilities, and mass production capabilities. Nevertheless, our competitors may have longer operating histories, greater brand recognition, larger consumer bases, more established local presence as well as greater financial, technical and other resources. See “Risk Factors – Risks Relating to Our Business and Industry – We face increased competition and may not be able to compete effectively.” For more information on the competitive landscape of our industry, see “Industry Overview – Analysis of Competition in China’s LEV Battery-swapping Industry.”

INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. Our intellectual property rights primarily consist of patents, trademarks and copyrights. As of the Latest Practicable Date, we had 106 trademarks, 120 copyrights, 86 patents and 9 domain names. See “Appendix IV – Statutory and General Information – 2. Intellectual Property Rights.”

We have formulated in-house intellectual property management rules. We also protect our intellectual property rights through a series of confidentiality non-disclosure agreements with our key employees, suppliers, outsourcing service providers and other business partners. We adopt a strategic and proactive approach to manage our intellectual property portfolio. We designate dedicated personnel to handle intellectual property-related issues. To protect our proprietary intellectual property, we actively pursue patent filings and software copyright registrations, to establish defensible technological barriers. In addition, we established a tiered confidentiality mechanism that governs all R&D documentation. Sensitive materials including technical specifications, BOM lists, and testing protocols, are accessible exclusively to essential R&D personnel on a need-to-know basis, with all access and modifications fully being documented and traceable. Despite our precautions, we may be subject to risks associated with alleged infringement of third parties’ intellectual property rights or face infringement of our intellectual property rights by third parties. See “Risk Factors—We may not be able to protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties and “Risk Factors—We may infringe intellectual property rights of third parties, which can lead to time-consuming and costly intellectual property infringement claims.”

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

DATA SECURITY AND PRIVACY

We mainly collect and store data in relation to our battery swapping solutions, especially the data collected through our Zhizu APP. Such data primarily includes, among others, personal information such as phone number, behavioral data from charging and consumption through our battery swapping services, and transaction data. Such information is collected with prior consent from our customers in accordance with applicable laws and regulations.

Data security and protection are among our highest priorities. We use a variety of technologies to protect the data with which we process. For example, we implement access control and store customer data in encrypted and desensitized format to prevent the unauthorized

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use, loss, or leak of customer data to any third party. We back up our customer data and operating data on a regular basis in separate back-up systems to minimize the risk of customer data loss or leakage. Whenever security vulnerability is discovered, we take prompt actions to upgrade our system and mitigate any potential problems that may undermine the security of our system. We also have a dedicated privacy and security team and a data privacy officer responsible for privacy and data compliance. The data collected and generated during our business operations in China are stored within mainland China. Ensuring the security and protection of our operational data in line with the PRC Data Security Law is a top priority for us. We have established comprehensive internal policies dedicated to data security. Our internal control system is focusing on data security and protection through detailed policies on data security management, along with data classification and categorization. These internal control protocols address the entire data lifecycle, encompassing data collection, transportation, secure storage, backup and recovery, processing and risk analytics, proper usage, and the destruction and disposition of data.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us on the ground of infringement of any third party’s right to data and privacy protection as provided by any applicable laws and regulations in the PRC. Our PRC Legal Advisor is of the view that, during the Track Record Period, we had complied with the applicable laws and regulations in effect in material respects, based on: (i) we had not received any material complaint relating to data privacy or security measures; (ii) we had implemented internal policies on protecting data privacy and security, with the purpose of ensuring data and information security and ensuring compliance with all applicable laws and regulations; (iii) there had been no material incident of data or personal information leakage; (iv) there had been no investigation, legal proceeding or administrative penalty relating to the violation of relevant network security, data security and personal information protection laws or regulations, to our best knowledge, pending or threatened against us initiated by competent government authorities or third parties; and (v) we will continue to pay close attention to the regulatory developments in data security and comply with the latest regulatory requirements.

OUR EMPLOYEES

As of December 31, 2025, we had 497 full-time employees, all resided in the PRC. The following table sets out the number of our employees as of December 31, 2025:

Employees Categorized by Function	Number of Employees	% of total
R&D	69	13.9
Management and administrative	158	31.8
Sales, marketing and maintenance	211	42.5
Supply and production	59	11.9
Total	497	100.0

We recruited employees primarily through employment websites, on-campus recruitment and internal referrals during the Track Record Period. We enter standard labor contracts with our employees and confidentiality and non-compete agreements with key management and

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professionals. We emphasize the importance of training and development for our employees to enhance their technical skills and overall performance. We provide induction training to new joiners on our culture, business and industry to help them to fit in. We also provide tailored, continuing training sessions by internal and external experts to employees to improve technical skills in their practice areas and management skills training programs, including leadership training, to cadres in key positions. Committed to providing fair and equal opportunities to our employees, we have formulated career development and promotion path plans covering all levels of our staff and conduct performance evaluations regularly. As part of our retention strategy, we offer competitive remuneration packages to employees, including salary and allowances, performance-based bonuses and long-term incentive programs. We have established periodical review system to assess the performance of employees, which forms the basis of our decisions with respect to salary increases and promotions.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pensions, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

We have always striven to provide our employees with comprehensive social benefits, a diverse working environment and a wide range of career development opportunities. We are committed to providing a safe and healthy workplace, which is backed by strict policies, robust team member education and safety recognition awards, along with continued investments in technology. We support the physical health and well-being of our team members by providing an array of programs that help our people stay at their best level of health. We believe that everyone deserves respect. We are committed to the education, recruitment, development and advancement of diverse team members nationwide, and are recognized for our commitment to those efforts.

We believe that we generally maintain good working relationships with our employees. Save as disclosed in this document, we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period.

Social Insurance and Housing Provident Funds

Background

During the Track Record Period, we had not made full contributions to the social insurance and housing provident fund for our employees as prescribed by relevant laws and regulations.

Legal Consequences

As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations: (i) with respect to social insurance, the relevant government authorities may order us to pay the outstanding amounts within the prescribed time period with a late charge at the daily rate of 0.05% on the outstanding amounts, and if and only if we fail to do so, they may impose a fine or penalty ranging from one to three times the outstanding amounts; and (ii) with respect to housing provident funds, the relevant government authorities may order us to pay the

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outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so.

Our Directors believe that such non-compliance would not have a material adverse effect on our business and results of operations, considering that: (i) as advised by our PRC Legal adviser, (a) the likelihood of such non-compliance having a material adverse impact on our overall continuous operations is remote and (b) the likelihood of us being subject to administrative penalties for such non-compliance is remote, based on the undertakings of the Company and Mr. Li Xuejun to promptly resolve such non-compliance upon regulatory authorities’ request; (ii) we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date; (iii) we were neither aware of any employee complaints filed against us nor involved in any labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date; and (iv) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds.

Internal Control and Remedial Measures

To enhance our compliance with the relevant laws and regulations in respect of social insurance and housing provident fund contribution, we have reviewed our practice and adopted or plan to adopt remedial measures, including: (i) we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis; (ii) we will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of the latest regulatory developments in relation to social insurance and housing provident fund; (iii) we will proactively communicate with the relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds; and (iv) if the relevant authorities order us to pay the shortfall of social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we will make such payments or take such rectification measures in accordance with their guidance in a timely manner.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as policies, such as product liability insurance, based on our assessment of our operational needs and industry practice. We have purchased insurance to cover certain potential risks and liabilities, such as employer’s liability insurance. We also make contributions for our employees towards pension, medical insurance, unemployment insurance, work injury and maternity insurances as required under the PRC social insurance system. We consider our existing insurance coverage is in line with industry norm and is sufficient for our present operations.

During the Track Record Period and as of the Latest Practicable Date, we had not made nor had been the subject of any material insurance claims. As our business expands, we will regularly review and assess our risk portfolio and adjust our insurance practice based on our needs and industry practice. For insurance related risks, see “Risk Factors – Risks Relating to our Business and Industry – Our insurance coverage may not be sufficient to cover all losses associated with our business operations.”

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ESG Governance

ESG Management and Strategy

We integrate ESG management into corporate governance and day-to-day operations, with the Office of the Board of Directors responsible for the overall coordination and advancement of related work. We adhere to a development approach centered on prudent operations and a focus on our core business, attach importance to risk control in the formulation and implementation of strategic plans, and avoid aggressive expansion. On the social front, in light of the characteristics of our battery-swapping operations, we continue to advance the development of a safe energy replenishment network and are committed to creating jobs, strengthening talent development, generating tax revenue and continuously enhancing shareholder value. On the environmental front, we actively provide green solutions, continuously improve the efficiency of energy and resource utilization, and respond to relevant carbon neutrality goals and pathways. On the governance front, we strive to uphold lawful and compliant operations, place importance on data security, transparency of information disclosure, prevention of conflicts of interest and protection of the rights and interests of minority shareholders. Meanwhile, by maintaining regular communication with stakeholders such as governments and regulators, investors, users and suppliers, we continuously identify and respond to their concerns, further optimize ESG management priorities and working measures, and promote the coordinated enhancement of economic, social and environmental value.

Green and Shared Success

Addressing Climate Change

We pay close attention to the potential impact of climate change on the sustainable development of the Company and have gradually incorporated related issues into ESG management and day-to-day operating practices. As a battery-swapping operator, we continue to monitor the physical and transition risks that climate change may pose in the operation of production bases, the construction and operation of battery-swapping networks, the use of energy and resources, and our day-to-day management, and we enhance operational resilience and sustainable development capabilities by optimizing management measures, strengthening policy tracking, advancing green operations and improving resource utilization efficiency. At the same time, through the Group’s ESG organization, we continue to monitor the impact of climate change on social production, collect from time-to-time policies, industry standards and frontier commentary related to climate change, and organize employees to learn about policy directions and management requirements, thereby continuously strengthening all employees’ awareness of and response capabilities in relation to climate change issues.

We actively advance carbon management-related work. Zhixing Xinneng Technology (Anhui) Co., Ltd., as one of the core participants in the construction of Anhui Province’s carbon factor database, took the lead in completing full life-cycle carbon footprint accounting for six power battery products, providing important technical support for the establishment of Anhui Province’s industry carbon footprint standards system and the improvement of the provincial carbon factor database. These practices help us further identify carbon emission characteristics throughout the product life cycle, strengthen the foundation for climate change-related management, and support green and low-carbon operations.

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In light of our business characteristics, we identified and analyzed the potential impacts that climate change may bring in areas such as the operation of production bases, the deployment of battery-swapping facilities, vehicle use, energy consumption and the external regulatory environment, and classified them for management according to risk nature, impact horizon, potential impact and response measures. The principal climate-related risks we identified are as follows:

Risk Type	Risk Event	Risk Level	Time Horizon	Potential Impact	Response Measures
Physical Risk	Extreme weather events (such as heavy rainfall, typhoons and prolonged high temperatures)	Low	Short to Medium Term	May affect production bases, battery-swapping cabinet deployment locations and the operating network, resulting in increased pressure on equipment maintenance, impeded logistics and transportation, or partial operational interruptions, and increasing electricity loads and operating costs	Closely monitor extreme weather warnings, strengthen routine inspection and maintenance of production and operating sites, equipment and power systems, improve emergency response mechanisms, and enhance operational continuity and risk response capabilities
Transition Risk	More stringent climate- and environmental-related policies and regulations	Medium	Medium to Long Term	As requirements relating to carbon emissions, energy conservation, environmental protection and pollutant management continue to rise, we may face higher management requirements and compliance costs in production and operations, pollutant discharge management, energy use and compliance disclosure	Continue to track changes in policies, regulations and industry standards, strictly implement pollutant discharge permit filing and pollutant management requirements, optimize discharge facilities and management processes, and continuously improve environmental and compliance management standards

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Risk Type	Risk Event	Risk Level	Time Horizon	Potential Impact	Response Measures
	Energy price volatility and higher requirements for green transition	Medium	Medium to Long Term	The Company uses natural gas and electricity in the production process. If energy prices fluctuate or requirements for green operations increase, this may drive up operating costs and impose higher requirements on energy efficiency and equipment management	Continue to optimize production processes and energy use management, advance the implementation of energy-saving and consumption-reduction measures, strengthen the monitoring and control of the use of major energy sources such as natural gas and electricity, and improve resource utilization efficiency through green operational measures such as installing rooftop solar power systems on plant buildings and using grid-connected charge and discharge production testing equipment

While paying attention to climate-related risks, we also recognize that green and low-carbon transition, optimization of the energy structure, and rising societal demand for green mobility and green energy replenishment are creating new room for development in the LEV battery-swapping industry. On this basis, the principal climate-related opportunities we identified are as follows:

Opportunity Type	Opportunity	Potential Impact	Response Measures
Products and Markets	Growth in demand for green mobility and green energy replenishment	As the concept of green and low-carbon development continues to deepen, market demand for electric two-wheelers and supporting battery-swapping services is expected to increase further, helping us expand our business coverage and enhance market influence	Continue to advance the development of a safe energy replenishment network, optimize battery-swapping service capabilities and operating efficiency, and enhance the viability and service quality of green solutions

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Opportunity Type	Opportunity	Potential Impact	Response Measures
Operations and Resource Efficiency	Green Operations and New Energy Vehicle Replacement	The Company is gradually replacing original gasoline-powered vehicles with new energy vehicles and applying reasonable controls over office supplies, paper usage and energy consumption at office and production sites, which helps reduce resource consumption and operating costs and improve the overall standard of green operations	Continue to promote the use of new energy vehicles, strengthen energy consumption management at office and production sites, reduce waste of paper and office consumables, and continuously refine green operational measures around energy conservation and consumption reduction

In terms of greenhouse gas emissions management, we continue to advance work related to climate change response and, in light of our business characteristics, progressively improve our greenhouse gas inventory and management mechanisms. With reference to the Accounting Methods and Reporting Guidelines for Enterprise Greenhouse Gas Emissions issued by the Ministry of Ecology and Environment of China, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC), and standards such as the GHG Protocol jointly issued by WRI and WBCSD, we continuously review greenhouse gas emission boundaries and activity data to enhance the completeness, accuracy and traceability of emissions data statistics. Taking into account the operating characteristics of a battery-swapping operator, our greenhouse gas accounting covers Scope 1, Scope 2 and Scope 3, including the operation of production bases, the construction and operation of battery-swapping networks, raw material procurement, warehousing and logistics, vehicle use, employee business travel and day-to-day office operations. We have also progressively established a greenhouse gas emissions data ledger to link relevant work with green operations, resource use management and energy conservation and consumption reduction measures, thereby continuously improving our low-carbon operations management.

As of December 31, 2025, our total greenhouse gas emissions amounted to 6,218.3 tons of carbon dioxide equivalent, of which Scope 1 direct emissions were 1,009.0 tons, Scope 2 indirect emissions were 1,447.8 tons, and Scope 3 other indirect value chain emissions were 3,761.5 tons. Greenhouse gas emissions intensity was 8.4 tons of carbon dioxide equivalent per RMB million of revenue. On this basis, with 2025 as the base year, the Company has set phased emissions reduction targets: by 2027, total greenhouse gas emissions intensity will decrease by 1% compared with the base year; and by 2030, the cumulative decrease will reach 3%.

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	For the year ended December 31		
	2023	2024	2025
Total greenhouse gas emissions (tCO ₂ e)	3,635.2	3,930.5	6,218.3
Scope 1 - Direct greenhouse gas emissions (tCO ₂ e) *	739.5	800.3	1,009.0
Scope 2 - Indirect greenhouse gas emissions (tCO ₂ e)	695.3	851.1	1,447.8
Scope 3 - Other indirect value chain greenhouse gas emissions (tCO ₂ e)	2,200.4	2,279.2	3,761.5
Greenhouse gas emissions intensity (tCO ₂ e/RMB million of revenue)	5.2	5.3	8.4

Discharges and Emissions Management

We attach great importance to the management of discharges and emissions arising from manufacturing and day-to-day operations. In strict accordance with relevant laws and regulations such as the Regulations on the Administration of Pollutant Discharge Permits, we carry out pollutant discharge permit application and pollutant management, continuously optimize discharge-related facilities, improve pollution prevention and control standards, and fulfill our commitment to lawful and compliant operations. Taking into account our business characteristics, we have obtained the Permit for Discharge of Urban Sewage into the Drainage Pipe Network and the Pollutant Discharge Registration Receipt for Fixed Pollution Sources, and have established supporting internal management systems to continuously advance the proper treatment of wastewater and the standardized management of emissions. In our specific management practices, focusing on our production bases and relevant operating scenarios, we continue to strengthen the day-to-day implementation of emissions management, with particular attention to the compliant treatment of wastewater and other discharges, and continuously improve the standardization of emissions management by refining management procedures, strengthening facility maintenance and optimizing treatment measures. Looking ahead, we will continue to improve management mechanisms relating to discharges and emissions in line with regulatory requirements and business development needs, enhance our environmental management standards, and reduce the environmental impact of our operating activities. With 2025 as the base year, we will continue to maintain a 100% compliant waste disposal rate and ensure that all types of pollutants are discharged in stable compliance with applicable standards.

Resource Management

We attach great importance to resource management in the course of manufacturing and day-to-day operations. In strict compliance with mainland China’s environmental laws and regulations such as the Environmental Protection Law of the People’s Republic of China and the Environmental Impact Assessment Law of the People’s Republic of China, we have implemented the ISO 14001 environmental management system standard and formulated internal policies related to environmental management, requiring production bases to regularly review the operation of the environmental management system, continue to increase investment in environmental protection, and promote resource conservation and efficient utilization. In light of our business characteristics, we continue to improve our management measures in relation to the use of energy, water resources and other resources involved in day-to-day operations, and

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coordinate resource management with green operations, energy conservation and consumption reduction, and environmental protection, thereby continuously improving resource utilization efficiency.

In terms of energy management, the main energy sources used in our production process are natural gas and electricity. We have established ISO50001 energy management system certification, continue to optimize production processes, strengthen the management of energy use, and drive a gradual decline in unit energy consumption, thereby practicing energy conservation and environmental protection while improving operating efficiency. In terms of water resource management, we manage water use in accordance with process requirements and uphold conservation on the premise of ensuring the needs of production and operations. By strictly implementing process management systems, we continuously improve water use efficiency and reduce unnecessary consumption. As of December 31, 2025, our total water consumption was 15,828.1 cubic meters, total energy consumption was 837.3 tons of standard coal equivalent, and energy consumption intensity was 1.1 tons of standard coal equivalent per RMB million of revenue. With 2025 as the base year, we plan to achieve a 2% reduction in comprehensive energy consumption intensity by 2027 compared with 2025, and a 2% reduction in per-capita water consumption.

	For the year ended December 31		
	2023	2024	2025
Total water consumption (cubic meters)	8,355.3	6,561.7	15,828.1
Total energy consumption (tons of standard coal equivalent)	440.6	535.0	837.3
Energy consumption intensity (tons of standard coal equivalent/RMB million of revenue)	0.6	0.7	1.1

Shared Success and Co-creation

Product and Service Safety and Quality

We attach great importance to the safety, quality and compliance management of our products and services, and always place user safety and service reliability in an important position. As a battery-swapping operator, we are fully aware that safe and reliable products and stable and orderly services are the foundation of the Company’s sustainable operation and healthy development. Accordingly, we continue to invest resources in product development, system construction and service operations, continuously explore and refine safe and reliable solutions, and strive to provide users with continuous, stable and trustworthy products and services.

In terms of user information protection, we strictly comply with relevant laws and regulations and have formulated the Personal Information Protection Management Provisions, the Data Security Management Measures and the Data Classification and Grading Standards, among other systems, in order to continuously strengthen the security management of user data and prevent the risk of information leakage. Given our large user base, we have always placed great importance on user privacy protection and continue to increase resource allocation for system development, technical safeguards and hardware investment to ensure that user

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information is properly protected in all aspects of collection, storage, use, transmission and destruction. In terms of product and service quality management, we continue to invest resources and improve user satisfaction and service experience in order to strengthen customer stickiness and enhance market competitiveness. At the same time, through proactive market research, targeted return visits, ongoing communication with partners and channels such as our service hotline, we promptly collect and respond to user feedback on product hardware, software and service experience, thereby driving the continuous optimization of our products and services. In terms of intellectual property protection, we continue to strengthen the management of intellectual property applications, confirmation of rights and title protection, and have established corresponding control and protection mechanisms around core intellectual achievements such as patents, software copyrights and trademarks to support the Company’s technological innovation and market competitiveness.

Employee Development

We strictly comply with laws and regulations such as the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, and continue to improve our human resources management mechanisms in areas such as recruitment, compensation, benefits, training and career development, with a view to creating a fair, equitable and well-regulated employment environment. In recruitment and employment, we have established a standardized recruitment process, uphold the principles of equal employment and merit-based hiring, and ensure that the recruitment process is open and transparent. In safeguarding employee rights and interests, we pay social insurance and housing provident fund contributions for employees in accordance with the law, implement statutory leave such as paid annual leave, marriage leave and maternity leave, regulate working hours and overtime management, and establish dual career progression paths for management and professional sequences. Together with performance bonuses and special incentive measures, these efforts continuously stimulate employee motivation. In employee communication, we have set up channels such as a grievance email box, an anonymous suggestion box and an HR direct hotline to respond promptly to employee concerns and foster a harmonious and inclusive workplace environment. In training and development, we have established a training system covering all employees and continuously enhance employees’ professional capabilities and overall quality through internal training, online learning and school-enterprise cooperation, among other forms. At the same time, we strictly prohibit the use of child labor and any form of forced labor, and effectively safeguard the lawful rights and interests of employees. As of December 31, 2025, our employee training rate was 100%, and average training hours per employee were 36 hours.

Occupational Health and Safety

We attach great importance to employees’ occupational health and safety. In strict compliance with relevant laws and regulations such as the Work Safety Law of the People’s Republic of China and the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, we have established ISO 45001 occupational health and safety management system certification, continuously improve our occupational health and safety management mechanisms, and strive to create a safe, standardized and stable working environment for employees. In light of our business characteristics, we conduct occupational health and safety management across scenarios including production bases, warehousing and logistics, and battery-swapping operations, and continuously strengthen the development of safety systems, routine inspections, hazard identification and on-site management so that safety

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responsibilities are implemented in all business processes. In terms of employee health protection, we care about employees’ physical and mental health, continue to improve the working environment, and organize health examinations and related protection measures. In terms of safety management, through measures such as safety training, fire drills, safety communication and emergency management, we continuously improve employees’ safety awareness and risk prevention capabilities and enhance their ability to respond to emergencies. As of December 31, 2025, we had no work-related fatalities, and lost days due to work-related injuries totaled 41 days.

Sustainable Supply Chain

We attach great importance to the compliance, stability and sustainable development of the supply chain, continue to advance responsible procurement and supplier management, and strive to build a resilient supply chain system. With the ISO 9001 quality management system as the management foundation, and with reference to relevant provisions of the International Labour Organization (ILO), the International Bill of Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we have established a relatively comprehensive supplier management system. In supplier evaluation, we conduct monthly assessments of suppliers through our qualified supplier list and audit core suppliers at least once a year, carrying out comprehensive evaluations across multiple dimensions including quality, price, delivery lead time, payment terms, service and freight. At the same time, we incorporate suppliers’ sustainable development performance into day-to-day management. In addition to entering into commercial contracts, we sign the Product Quality Assurance Agreement and the Supplier Social Responsibility Commitment Letter with suppliers each year, and organize training and assessments on a regular basis to continuously improve supply chain management standards. As of December 31, 2025, we had 190 suppliers of components and raw materials, including 122 in the eastern region, 64 in the central region and 4 in the western region.

Community Contribution

We actively fulfill our corporate social responsibilities and, in light of our business characteristics, continue to participate in community co-development and public welfare services, striving to align corporate development with community needs and promote a virtuous relationship of mutual support and common progress. In terms of convenience services and community safety, we co-established the “Hong ‘E’ Station” battery-swapping station with Xinhong Subdistrict, Minhang District, Shanghai, to provide safe and convenient battery-swapping services for delivery riders, couriers and other workers in new forms of employment. Through battery products that comply with the national 3C mandatory product certification standards, we help reduce safety hazards associated with charging electric bicycles in communities and support the improvement of community safety management. At present, we have built more than 3,000 battery-swapping stations in Shanghai, providing riders with efficient energy replenishment services and contributing to the development of a green community ecosystem. In terms of humanistic care, relying on service venues such as “Hong ‘E’ Station”, we provide convenience facilities such as drinking water and power strips, and organize care activities such as “Xinhong Riders’ Growth Season”, continuously improving the working and living environment of workers in new forms of employment and enhancing their sense of belonging and well-being.

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Integrity in Business Conduct

We attach great importance to integrity in business conduct and compliant operations, and continue to improve related management mechanisms around anti-corruption, anti-money laundering, anti-fraud and anti-commercial bribery. With “lawfulness and compliance, integrity and honesty, and whole-process control” as our core principles, we have built a full-process management system covering “prevention-control-reporting-disposal”, applicable to employees, subsidiaries, related parties and cooperating third parties, and we strictly comply with laws and regulations such as the Criminal Law of the People’s Republic of China, the Anti-Money Laundering Law of the People’s Republic of China and the Anti-Unfair Competition Law of the People’s Republic of China. In terms of implementation, we have established an integrity risk governance mechanism composed of self-inspection by business departments, prior review by the legal department, process supervision by audit, and irregular inspections by supervision, under which risk identification and control are carried out in procurement, business operations and other key links. At the same time, we implement anti-money laundering requirements in areas such as fund flows, customer due diligence, reporting of large and suspicious transactions, and transaction record retention, thereby continuously strengthening compliance management. For employees, we clearly define integrity requirements, prohibit the use of positions for personal gain to solicit or accept property, commit fraudulent acts, or participate in or assist others in bribery, extortion or money laundering, and require employees to proactively declare conflicts of interest and sign integrity commitments. For suppliers, agents, service providers and other cooperating third parties, we strengthen compliance management through measures such as admission review and the signing of compliant cooperation agreements. We have also established mechanisms for whistleblowing acceptance, investigation and disposal, set up whistleblowing and feedback channels on the Company’s official website, and continue to conduct internal communication and training, strictly protect whistleblower information, resolutely prevent retaliation, and ensure that relevant issues are promptly verified and properly handled. In 2025, we conducted 5 integrity training sessions. The director training rate was 90%, with average training duration of 6 hours, while the employee training rate was 90%, with average training duration of 4 hours. As of December 31, 2025, we had not recorded any cases related to bribery, corruption, fraud or money laundering.

OUR PROPERTIES

Owned Properties

As of the Latest Practicable Date, we had two parcels of land with a total gross land area of 214,269.4 sq.m. located in China used for manufacturing and operations. As of the same date, we owned eight properties with an aggregate floor area of 63,634.1 sq.m. located in China used for manufacturing and operations. As advised by our PRC Legal Advisor, we held valid title certificates for all of our owned properties as of the Latest Practicable Date.

Leased Properties

As of the Latest Practicable Date, we leased 19 properties in the PRC with an aggregate GFA of approximately 9,221.2 sq.m, primarily used for production and office premises. As of the Latest Practicable Date, 14 of our lease agreements had not been registered with the relevant PRC authorities. Given there are sufficient alternative premises in the market if we need to

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relocate, our Directors are of the view that such defects would not have any material adverse impact on our ability to use such properties. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB140,000, which we believe is immaterial to our business and results of operations. See “Risk Factors – Risks Relating to Our Business and Industry – Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them.”

According to Chapter 5 of the Listing Rules and Section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 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 interests in land or buildings, because as of December 31, 2025, we had no single property interest with a carrying amount of 15% or more of our total assets.

LICENSES, PERMITS AND APPROVALS

We are required to maintain various licenses, permits and approvals to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals to ensure that we have all such licenses, permits and approvals which are necessary to operate our business.

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

License/Permit	Issuing Authority	Grant date	Expiration Date
Value-Added Telecommunications Business Operating License (“ ICP License ”)	Ministry of Industry and Information Technology (“ MIIT ”)	June 13, 2025	April 12, 2028
Cybersecurity Classified Protection Filing Certificate (網絡安全等級保護備案證明)	Cyber Security Detachment of Anqing Public Security Bureau	April 2, 2026	April 1, 2029
Filing Certificate of Customs Declaration Entity	Anqing Custom	November 16, 2023	Long-term effective

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As of the Latest Practicable Date, as advised by our PRC Legal Advisor, we had obtained all material licenses and permits required for our business operations in the PRC, and such business licenses had remained in full effect. In addition, one of our subsidiaries is in the process of applying for foreign-invested ICP License for our business operation. Our PRC Legal Advisor advised us that subject to (i) our compliance with the PRC laws and regulations and (ii) no material change occurring to our business operations, we do not currently face material legal impediment to renewing business licenses.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. See “Risk Factors – We may be involved in administrative actions and penalties, legal proceedings and disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.”

In January 2025, we filed a lawsuit with a district court against one battery supplier regarding its supply of batteries with serious quality issues, with major claims including (i) termination of procurement agreement and the related orders; (ii) recall by such supplier all batteries we procured; and (iii) refund of the purchase price and the corresponding damages. Despite a counterclaim from such supplier, the court of first instance ruled in favor of our major claims in June 2025. In the same month, such supplier filed an appeal to an intermediate court, which decided in February 2026 that our case shall be re-trialed for lacking special appraisal for the quality issue of such batteries. The first hearing of the retrial was held on May 18, 2026. As of the Latest Practicable Date, the case is in the process of confirming the appraisal institution, appraisal standards and other procedural matters, and there’s no definitive timeline for the conclusion of the litigation.

Our Directors believe the dispute did not have a material impact on our business operations and results of operations, given (i) the impairment losses for such batteries with quality issues have been fully provided; and (ii) we no longer use any of such batteries for our battery-swapping solutions.

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any legal, arbitral or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on our business, financial performance and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material noncompliance incidents that have 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 and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have developed and implemented comprehensive risk management and internal control policies that encompass various aspects of our business operations to supervise and address a spectrum of operational, financial, legal and market risks that may be or have been identified.

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These extensive risk management and internal control measures are supported by our specific monitoring and reporting procedures and systems as delineated in the relevant policies. Our Board assumes the responsibilities for overseeing our overall risk management, ensuring that our risk management policies are not only implemented but also regularly reviewed and upgraded to reflect the evolving business landscape.

Furthermore, we established a dedicated risk management and internal control team which is responsible for formulating risk management and internal control policies, conducting internal audit, providing internal control consultation and guiding any necessary rectification measures.

Business Operational Risk Management

We have established a series of internal procedures to manage business operational risks including risks related to incomplete or problematic internal processes, personnel mistakes, IT system failures and external events. We take a comprehensive approach to operational risk management and implement a decentralized mechanism with detailed responsibilities, clear rewards and punishment systems. Our business operations, finance, IT and human resources departments are collectively responsible for ensuring that our business operations comply and conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management, and the Board of Directors may take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide trainings from time to time to our employees in the finance department to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our compliance team works closely with our finance and business departments to: (i) perform risk assessments and advise on risk management strategies; (ii) improve business process efficiency and monitor internal control effectiveness; and (iii) promote risk awareness throughout our Company. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and our internal control team reviews and monitors the status and effectiveness of those licenses and approvals. Our compliance team works with relevant business departments to obtain requisite governmental approvals or consents for filing with relevant government authorities.

Human Resources Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Through this training, we ensure that our staff's skill sets remain up to

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date and enable them to discover and meet our customers’ needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption.

We also have in place a code of business conduct and ethics, and an anti-bribery and corruption policy approved by our board of directors, providing our employees with the best commercial practice and work ethics as well as our anti-bribery guidance and measures. We make our internal reporting channel open and available to our staff for any wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. Further, we have implemented policies to avoid any potential conflicts of interest between us and our employees. Our employees are not permitted to take concurrent employment, unless they have obtained prior written approval from the relevant supervisor for engaging in or taking up, whether directly or indirectly, any outside business/employment with reward or any outside business/employment during office hours irrespective of whether there is any reward. We will only permit our employees to take outside business/employment if such business/employment does not directly/indirectly compete with our business.

Internal Audit

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of 3 members, namely Ms. Wu Yushan, Mr. Ding Zhongming and Mr. Ng Chi Pan. For the professional qualifications and experience of the members of our audit committee, see “Directors, Supervisors and Senior Management-Board Committees.”

We also maintain a compliance and internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Our internal audit department holds meetings with the management from time to time to discuss any internal control issues we face and the corresponding measures.

AWARDS AND RECOGNITION

We have received various awards and recognition in respect of our technologies and solutions. The following table sets out major awards and recognition we received during the Track Record Period:

Year	Name of award or recognition	Awarding Authority
2025	Anhui Provincial Landmark Product of Future Industries (for AI-Driven High-Safety Intelligent Charging and Swapping System and Equipment for Light-Power Electric Vehicles)	Department of Industry and Information Technology of Anhui Province

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Year	Name of award or recognition	Awarding Authority
2025	Scientific and Technological Achievement Appraisal (for Research and Industrialization of Lithium Battery Health Prediction and Active Protection System Based on Deep Reinforcement Learning and Multi-Modal Fusion) – Registration Certificate No.: 3392025Y2185	CAICT, approved by MIIT
2025	National High-Tech Enterprise	Department of Industry and Information Technology of Anhui Province; Department of Finance of Anhui Province; Anhui Provincial Tax Service, State Administration of Taxation
2025	Anhui Provincial Demonstration Project for Integrated Manufacturing-Service Application Scenarios (for Hefei Light-Power Electric Vehicle AIoT Cloud-Intelligent Charging and Swapping Network)	Department of Industry and Information Technology of Anhui Province
2025	National Specialized, Sophisticated, Distinctive and Innovative “Little Giant” Enterprise	MIIT
2024	Anhui Provincial Green Low-Carbon Product (Equipment) (for Light-Power Electric Vehicle Intelligent Charging, Storage and Swapping Equipment)	Department of Industry and Information Technology of Anhui Province
2024	Anhui Provincial Enterprise Technology Center	Department of Industry and Information Technology of Anhui Province; Development and Reform Commission of Anhui Province; Department of Science and Technology of Anhui Province; Department of Finance of Anhui Province; Anhui Provincial Tax Service, State Administration of Taxation; Hefei Customs District

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Year	Name of award or recognition	Awarding Authority
2024	Anhui Provincial Big Data Enterprise	Anhui Provincial Data Resources Administration
2024	Anhui Provincial Digital Workshop (for Lithium Battery Digital Workshop)	Department of Industry and Information Technology of Anhui Province
2024	2024 Provincial Typical Demonstration Project for SME Digital Transformation (for Intelligent Charging and Swapping Cabinet Advanced Manufacturing and Data Operation Center Project)	Department of Industry and Information Technology of Anhui Province
2023	Anhui Industrial Premium Product (for Intelligent Charging and Swapping Cabinet)	Department of Industry and Information Technology of Anhui Province
2023	Municipal Intelligent Factory	Anqing Municipal Bureau of Industry and Information Technology